



## JM Financial Limited

Corporate Identity Number: L67120MH1986PLC038784  
Registered Office: 7<sup>th</sup> Floor, Energy, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai - 400 025.  
Tel.: +91 22 6630 3030 Fax: +91 22 6630 3223  
Email Id: [ecommunication@jmfl.com](mailto:ecommunication@jmfl.com), Website: [www.jmfl.com](http://www.jmfl.com)

Date: June 10, 2024

Ref: Folio / DP Id & Client Id No: XXXXXXXXXXXXX

Name of the Member: XXXXXXXXXXXXXXXXXXXXXXXXX

Dear Member,

### **Sub: JM Financial Limited - Dividend for FY 2023-24 - TDS/withholding tax on dividend amount**

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on Friday, May 24, 2024, has recommended a dividend of ₹2/- per equity share of the face value of ₹1/- each for the financial year 2023-24, subject to approval of the shareholders at the ensuing 39<sup>th</sup> Annual General Meeting (the "AGM") of the Company to be held on Tuesday, August 6, 2024. The dividend, once approved by the members at the AGM, will be paid on and from Wednesday, August 7, 2024 but within 30 days from the date of AGM. As you were a shareholder of the Company on Friday, June 7, 2024 being the cut-off date as the register of members is closed from Monday, June 10, 2024 to Friday, June 14, 2024, this communication is being sent to you.

Pursuant to the applicable provisions of Income-tax Act, 1961 (the "IT Act"), the Company is required to deduct tax at source (the "TDS") at the time of making payment of the dividend. The TDS rates would vary depending on the residential status of each member and the documents submitted by them and accepted by the Company. Accordingly, the dividend, if approved by the members at the AGM, will be paid to the members after deducting the tax at source in the following manner.

#### **For Resident Shareholders**

Category of shareholder	Tax Deduction Rate	Exemption applicability/Documentation requirements
Any resident shareholder (with PAN)	10% *	In case, PAN is not updated, kindly update valid PAN with Depositories Participants (in case of shares held in demat mode) and with the Company/KFin Technologies Limited (the "Registrar and Transfer Agents/RTA") (in case of shares held in physical mode).
Any resident shareholder (without/Invalid PAN)	20%*	

Resident individuals submitting duly filled and signed Form 15G/15H	NIL	<ul style="list-style-type: none"> <li>• Declaration in Form 15G (applicable to any person other than a company or a firm) or;</li> <li>• Form 15H (applicable to an individual of 60 years and above), fulfilling all the prescribed eligibility conditions.</li> </ul> <p>The format of Form 15G and 15H are made available on the website of the Company at <a href="https://jmfl.com/shareholder-corner/Format-of-Investor-Service-Request-Forms-TDS-exemption">https://jmfl.com/shareholder-corner/Format-of-Investor-Service-Request-Forms-TDS-exemption</a> respectively.</p>
Order/Certificate under Section 197 of the IT Act	Rate specified in the Order/Certificate	Submit a self-attested copy of the Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Mutual Funds, Category - I & II Alternative Investment Funds, Infrastructure Investment Trusts and Real Estate Investment Trusts registered with SEBI, Life Insurance Corporation of India, General Insurance Corporation of India, companies formed under General Insurance Business (Nationalisation) Act, 1972 or any other insurer or other members having exemption under the applicable provisions of the IT Act.	NIL	Submit the details and documents as per the declaration in the prescribed form available on website of the Company at <a href="https://jmfl.com/shareholder-corner/Format-of-Investor-Service-Request-Forms-TDS-exemption">https://jmfl.com/shareholder-corner/Format-of-Investor-Service-Request-Forms-TDS-exemption</a>

**\* Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if the amount of dividend in aggregate to be paid in the financial year 2024-25 does not exceed Rs. 5,000.**

#### For Non-resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirements
Any Non-resident shareholder, Institutional Foreign Investors,	20% (plus surcharge and cess as applicable)/Tax	Non-resident shareholders may opt for a tax rate under the Double Taxation Avoidance Agreement (the "Tax Treaty"). The Tax Treaty rate shall be applied for withholding the tax on

Foreign Portfolio Investors (FIIs, FPIs)	Treaty rate whichever is lower	<p>submission of the following documents to the Company/RTA:</p> <ol style="list-style-type: none"> <li>i. Self-attested copy of PAN if allotted by Income Tax Authorities;</li> <li>ii. Self-attested copy of Tax Residency Certificate (the "TRC") issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying the shareholder's tax residency status during the financial year 2024-25;</li> <li>iii. Form 10F filed on income tax portal at <a href="http://www.incometax.gov.in">www.incometax.gov.in</a>.</li> <li>iv. Self-declaration for the financial year 2024-25 in the prescribed format available on the website of the Company at <a href="https://jmfl.com/shareholder-corner/Format-of-Investor-Service-Request-Forms-TDS-exemption">https://jmfl.com/shareholder-corner/Format-of-Investor-Service-Request-Forms-TDS-exemption</a></li> <li>v. In case of FIIs/FPIs, submit certified copy of the SEBI registration certificate.</li> </ol> <p>Tax shall be deducted at 20% (plus applicable surcharge and cess) in case any of the above mentioned documents are not provided.</p> <p>Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and in compliance with the provisions of the IT Act.</p>
Submitting Order/Certificate under Section 195 or 197 of the IT Act	Rate specified in the Order/Certificate	Submit a self-attested copy of the Lower/NIL withholding tax certificate obtained from Income Tax authorities.

### Deduction of tax at higher rate

- a. Under Section 206AA of the IT Act, where the PAN is either not available or is invalid, tax shall be deducted at the rate specified in the relevant provisions of the IT Act or at the rates for the time being in force or 20%, whichever is higher.
- b. Under Section 206AB of the IT Act, tax is required to be deducted at the higher of following:
  - i. Twice the rates specified in the relevant provisions of the IT Act; or
  - ii. Twice the rates in force; or

- iii. 5%  
on payments made to a 'specified person'.

A 'specified person' means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under Section 139(1) of the IT Act has expired and the aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more in each of these two previous years. The provisions of Section 206AB shall not apply to a non-resident payee who does not have a permanent establishment in India.

The 'specified person' shall be determined as per the database provided by the Income-tax Department and the above provisions shall be applied accordingly.

- a. Under Section 206AA of the IT Act, where the PAN is either not available or is invalid, tax shall be deducted at the rate specified in the relevant provisions of the IT Act or at the rates for the time being in force or 20%, whichever is higher.
- b. Under Section 206AB of the IT Act, tax is required to be deducted at the higher of following:
  - a. Twice the rates specified in the relevant provisions of the IT Act; or
  - b. Twice the rates in force; or
  - c. 5%  
on payments made to a 'specified person'.

A 'specified person' means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under Section 139(1) of the IT Act has expired and the aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more in each of these two previous years. The provisions of Section 206AB shall not apply to a non-resident payee who does not have a permanent establishment in India.

The 'specified person' shall be determined as per the database provided by the Income-tax Department and the above provisions shall be applied accordingly.

- c. Where the provisions of Section 206AA and 206AB of the IT Act are found to be applicable together, the higher of the two rates under the respective Sections shall be applicable for deduction of tax at source.

### **Other points for consideration**

- a. According to Section 199 of the IT Act read with rule 37BA of the Income Tax Rules, 1962 (the "**IT Rules**"), if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then the deductee should file declaration with the Company in manner prescribed in the IT Rules. Such declaration should be provided on or before **Saturday, July 6, 2024**. No declaration shall be considered thereafter.
- b. Members holding shares under multiple accounts having 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 multiple accounts.

- c. Members are requested to ensure that their Aadhaar number is linked with their PAN within the timelines prescribed. In case the Aadhaar number is not linked with the PAN within the prescribed timelines, PAN shall be considered in-operative and, in such scenario, tax shall be deducted at higher rate of 20% as per the provisions of IT Act.

For withholding of taxes, the residential status of the members will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the members are requested to update their current status with the Company/RTA/the DPs **on or before Saturday, July 6, 2024.**

**Submission of tax related documents:**

Kindly note that the aforementioned documents are required to be submitted to the Company/RTA at the email address at [ecomunication@jmfl.com](mailto:ecomunication@jmfl.com) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) on or before Saturday, July 6, 2024 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate applicable. **No communication on the tax determination/deduction received post Saturday, July 6, 2024 shall be considered for payment of Dividend.**

Shareholders are requested to note that incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption.

It may be further noted that in case the tax on the dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available to file the return of income and claim an appropriate refund, if eligible.

**Kindly note that no claim shall lie against the Company for taxes deducted at source.**

The Company shall arrange to email a soft copy of the TDS certificate to the members at their registered email ID post payment of the dividend. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at [www.incometax.gov.in](http://www.incometax.gov.in).

***Important Note - Updation of Bank Account details:***

In order to facilitate receipt of dividend directly in your bank account, shareholders are requested to ensure that their bank account details are updated in their respective demat accounts/physical folios, to enable the Company to make timely credit of dividend in their bank accounts.

For any other information/clarification with regard to the above, kindly write to us at [ecomunication@jmfl.com](mailto:ecomunication@jmfl.com) or our RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

Thank you.

Yours truly,  
For **JM Financial Limited**

**Dimple Mehta**  
Company Secretary & Compliance officer

*Disclaimer: Please do not treat the relevant contents of this communication as tax advice from the Company. You may obtain the tax advice relating to your tax from a tax professional.*

**This is a system generated email and hence not signed. Please do not reply to this email.**