

BHARAT FORGE

July 05, 2021

To,

BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001
BSE SCRIP CODE – **500493**

National Stock Exchange of India Ltd.,
'Exchange Plaza',
Bandra-Kurla Complex, Bandra (East)
Mumbai- 400 051
Symbol: **BHARATFORG**
Series: **EQ**

Dear Sir,

Sub: Communication to Shareholders: Dividend for FY 2021-22 - Intimation on Tax Deduction at Source/Withholding Tax on Dividend

Pursuant to the Finance Act, 2020, Dividend Distribution Tax has been abolished with effect from April 1, 2020 and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an e-mail communication which has been sent to all the shareholders of the Company whose e-mail IDs are registered with the Company explaining the process on withholding tax from dividends (TDS) paid to the members at prescribed rates along with the necessary annexures.

This intimation is also being made available on the website of the Company at www.bharatforge.com.

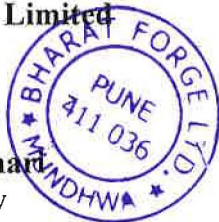
This is for your information and records.

Kindly take a note of the same.

Thanking you,

For Bharat Forge Limited


Tejaswini Chaudhari
Company Secretary





BHARAT FORGE LIMITED

Registered office: Pune Cantonment, Mundhwa Pune – 411036, Maharashtra, India

Telephone: +91-20-6704 2476 / 2451; Fax: +91-20- 2682 2163

E-mail: secretarial@bharatforge.com ; Website: www.bharatforge.com

CIN: L25209PN1961PLC012046

Date: June 29, 2021

IMPORTANT AND FOR YOUR IMMEDIATE ATTENTION PLEASE!

Dear Shareholder(s),

We hope this communique finds you safe and in good health.

We are pleased to inform you that the Board of Directors at their Meeting held on Friday, June 04, 2021 has recommended a Final Dividend of Rs.2/- per equity share of Rs.2/- each (i.e. 100%) for the Financial Year ended March 31, 2021 and the said Final Dividend will be payable post approval of the shareholders at the ensuing Annual General Meeting of the Company to be held on Friday, August 13, 2021.

From Finance Act 2020, dividend is taxable in the hands of the shareholders and the Company is required to deduct taxes at source (TDS) at the rates applicable. If you remain as a shareholder on record date (i.e. July 16, 2021), the dividend receivable by you would be taxable under the Income Tax Act, 1961.

The TDS rate may vary depending on the **residential status** of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. Details are as under:

Category of Shareholders	Tax Rate	Exemption applicability/Documentation requirement
Resident Individual Shareholder	10%	No tax shall be deducted on the dividend payable to resident individuals if - ➤ the total dividend to be paid to the shareholder during F.Y. 2021-22 by the Company does not exceed Rs.5,000/-; or shareholder provides Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met. (Click here to download Form 15G – Annexure 1) (Click here to download Form 15H – Annexure 2)

Category of Shareholders	Tax Rate	Exemption applicability/Documentation requirement
	20%	<p>Tax will be deducted at a higher rate of 20%, if –</p> <ul style="list-style-type: none"> ➤ if valid PAN of the shareholder is not available; ➤ PAN is not updated / registered / linked to the Aadhaar card;
		<p>Note: Shareholders who are required to link Aadhaar number with PAN as required under section 139AA(2) read with Rule 114AAA, should compulsorily link the same by June 30, 2021. If, as required under the law, any PAN is found to have not been linked with Aadhaar by June 30, 2021, then such a PAN will be inoperative, and Tax would be deducted at a higher rate under section 206AA of the Act.</p>
Resident Non-Individual Shareholder	NIL	<p>No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per the format attached in Annexure – 3. (Click here to download Annexure - 3)</p> <p>Insurance Companies - Self-declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.</p> <p>Mutual Funds - Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.</p> <p>Alternative Investment fund - Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.</p> <p>New Pension Scheme (NPS) Trust - Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.</p> <p>Other Non-Individual Shareholders - Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.</p> <p>Note: In case, shareholders (both individuals and non-individuals) provide certificate under Section 197 of the Income-tax Act, 1961, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same. However, Section 206AB overrides all other provisions of the Act. Given this, it would apply even to those cases where the Tax deductees have</p>

Category of Shareholders	Tax Rate	Exemption applicability/Documentation requirement
		obtained a Nil or lower TDS certificate from the Tax Office or has provided a declaration under Section 197A
Non-Resident Shareholder	20% (plus applicable surcharge and cess)	<p>NIL/ Lower withholding tax rate shall be deducted on the dividend payable on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.</p> <p>Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder. To avail Tax treaty benefits, the non-resident shareholders are required to provide the following:</p> <ul style="list-style-type: none"> ➤ Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (f) Tax Identification Number of the residency country as per Annexure 4. (Click here to download Annexure - 4) ➤ Self-attested copy of Tax Residency Certificate (TRC) (for the period April 2021 to March 2022) obtained from the tax authorities of the country of which the shareholder is a resident. ➤ Self-declaration in Form 10F -Annexure 5 (Click here to download Annexure - 5) ➤ Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement , for the period April 2021 to March 2022 in Annexure 6 (Click here to download Annexure - 6) ➤ In case of Foreign Institutional Investors and Foreign Portfolio Investors copy of SEBI registration certificate. ➤ In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA). ➤ It is recommended that shareholders should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Please note that the Company in its sole and absolute discretion reserves the right to call for any further information and/or apply domestic law/DTAA for TDS.

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

The Finance Act, 2021, has inter alia inserted the provisions of section 206AB of the Act with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

The 'specified person' means a person who has:

- a. not filed return 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 sub-section (1) of section 139 has expired; and
- b. subjected to tax deduction/collection at source in aggregate amounting to Rs.50,000 or more in each of such two immediate previous years.

For shareholders having multiple accounts under different status / category:

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.

Submission of tax related documents:

In order to enable us to determine the appropriate TDS/ withholding tax rate applicable, we request you to upload the aforesaid documents on the link <https://dividend.autoflowtech.com/> on or before **July 15, 2021**.

Any communication on the tax determination/deduction received post July 15, 2021 will not be considered.

In case of any queries the shareholders can send an email on tdsforms@bharatforge.com.

It may be further noted that in case the tax on said Final Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

The tax credit can be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>.

Updation of PAN/ Bank Account details:

All Shareholders are requested to ensure that the details such as Permanent Account Number (PAN), residential status, category of Shareholder (e.g. Domestic Company, Foreign Company, Individual, Firm, LLP, HUF, Foreign Portfolio Investors / Foreign Institutional Investors, Government, Trust, Alternate Investment Fund, etc.), email id and address and Bank account details are updated, in their respective demat account(s) maintained with the Depository Participants. Physical Shareholder shall write to the Company at registered office address for updation of records.

We seek your cooperation in this regard.

Thanking you,

Yours faithfully,
For **Bharat Forge Limited**

Sd/-
Tejaswini Chaudhari
Company Secretary

Disclaimer: This communication shall not be treated as an advice from the Company. Since the tax consequences are dependent on facts and circumstances of each case, the Shareholders are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

This is a system generated Email. Please do not reply to this Email.