



NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

TO THE MEMBERS OF THE COMPANY

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014 that the Company is seeking consent of its members for the below mentioned resolution by way of Postal Ballot which includes voting by electronic means.

The Explanatory Statement pertaining to the resolutions proposed in this notice setting out all material facts and reasons thereof along with Postal Ballot Form is annexed herewith.

The Company has appointed Mr. Nitin Rawat, FCS and Mr. Mahesh Sharma, B.com, LLB as the Scrutinizer and Alternate Scrutinizer respectively for conducting the postal ballot process (including e-voting process) in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer at the Company's Registered Office at 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad-121003 (Haryana) on or before 05.00 P.M. on 21 October, 2017. The Scrutinizer after completion of the scrutiny will submit his report to the Chairman of the Company. Thereafter, the results of the postal ballot will be declared by the Chairman or in his absence, by any person authorised by the Chairman at the Registered Office of the Company. The results will also be posted on the website of the Company i.e. www.bharatgears.com. The results shall also be intimated to the Stock Exchanges where the shares of the Company are listed accordingly.

The Company is pleased to provide e-voting facility to the Shareholders for transacting the business in the above said Postal Ballot Process. Members holding shares either in physical form or in dematerialized form, as on the cut-off date of 15 September, 2017, may cast their vote electronically on the business as set out in the Notice of the Postal Ballot through electronic voting system of National Securities Depository Limited (NSDL).

The Resolution, if approved, will be taken as passed effectively on the last date for receipt of duly completed postal ballot forms and e-voting.

ITEM NO. 1

TO CONSIDER AND APPROVE THE ISSUE OF EQUITY SHARES TO PROMOTER OF THE COMPANY ON PREFERENTIAL BASIS

To consider and approve the Issue of Equity Shares to promoter of the Company on preferential basis and if thought fit, pass the following resolution as a **Special Resolution** with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 42, Section 62 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder and the provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (hereinafter referred

to as "the ICDR Regulations") and any other applicable guidelines/regulations issued by the Securities and Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permissions and/or sanctions of the Government of India, any other statutory or regulatory authorities, other applicable laws, Reserve Bank of India under the Foreign Exchange Management Act, 1999 (including any statutory modification or enactment thereof, for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as "the LODR Regulations"), the consent and approval of the Company be and is hereby accorded and the Board (which includes a Committee, constituted for the time being in force thereof) be and is hereby authorized to create, offer, issue and allot 3,25,000 (Three Lakhs Twenty Five Thousand) Equity Shares having face value of ₹ 10/- (Rupees Ten Only) each to a promoter of the Company in accordance with Chapter VII of the ICDR Regulations and applicable laws on preferential basis, more particularly described in the explanatory statement forming part of this resolution and in such manner and on such other terms and conditions, as the Board or its Committee may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT in accordance with Regulation 71 of the ICDR Regulations, the "Relevant Date" for determining the minimum price of the Equity Shares being allotted to the promoter on a preferential basis is 21 September, 2017 being the date which is 30 (Thirty) days prior to 21 October, 2017 i.e. the date of passing of special resolution to approve the proposed preferential issue in terms of Section 62(1)(c) of the Act.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to the allottee(s) within 15 days from the date passing of this resolution provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which includes a Committee, constituted for the time being in force thereof) be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for such purpose, including without limitation, to issue and allot Equity Shares, issuing certificates/clarifications, listing of the said securities with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilisation of the proceeds, sign all such undertakings and documents as may be required and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts

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CIN: L29130HR1971PLC034365

and things done or caused to be done prior to the date thereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be and to do all such acts, deeds, matters and things in connection therewith and incidental thereof as the Board or its Committee may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT the Board or its Committee be and is hereby also authorised to delegate all or any of its powers to any officer(s) or authorised signatory(ies) of the Company to give effect to the aforesaid resolution, including execution of any documents on behalf of the Company and to represent the Company before any government authorities and to appoint any professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or its Committee in connection with any matter(s) referred in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

By Order of the Board



**Prashant Khattry
Head (Legal) and
Company Secretary**

Place: New Delhi

Dated: 18 September, 2017

NOTES:

1. The explanatory statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 is appended herein below.
2. The Company has appointed Mr. Nitin Rawat, FCS and Mr. Mahesh Sharma, B.com, LLB as the Scrutinizer and Alternate Scrutinizer respectively to act as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, received from Registrar and Transfer Agents (RTA) as on 15 September, 2017.
4. **Voting Through Electronic Means**
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the voting by electronic means as provided by National Securities Depository Limited (NSDL) as an alternative, to all the Shareholders of the Company who wish to cast their votes electronically instead of sending physical Postal Ballot Form.
 - II. The instructions for e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company/Depository Participant(s)]:
 - (i) Open e-mail and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.

- (iii) Click on Shareholder – Login.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of Bharat Gears Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bglscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

- B. In case a Member receives physical copy of the Notice of Postal Ballot [for members whose e-mail IDs are not registered with the Company/Depository Participant(s)]:
 - (i) Initial password will be provided separately:

EVEN	USER ID	PASSWORD/PIN
(E-Voting Event Number)		
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for members available at the ‘Downloads’ section of www.evoting.nsdl.com.
- IV. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. The e-voting period commences on 22 September, 2017 at 09:00 A.M. and ends on 21 October, 2017 at 05:00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15 September, 2017, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15 September, 2017.

VIII. The Company has appointed Mr. Nitin Rawat, FCS and Mr. Mahesh Sharma, B.com, LLB as the Scrutinizer and Alternate Scrutinizer respectively to act as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

IX. The Scrutinizer will submit his report to the Chairman or in his absence to any other person authorised by the Chairman, after completion of the scrutiny of the Postal Ballot forms and voting by the members through electronic means and the consolidated results of the voting shall be declared/announced by the Chairman, or in his absence, by any other person authorised by the Chairman, on Tuesday, 24 October, 2017 at the Registered Office of the Company.

However, the deemed date of passing of special resolution shall be 21 October, 2017 being the last date specified for receipt of duly completed postal ballot forms and e-voting.

X. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.bharatgears.com and on the website of NSDL and communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) accordingly.

5. The documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours between 11:00 A.M. and 01:00 P.M. on all working days except Sundays up to the Voting Period.

By Order of the Board



Prashant Khattry
Head (Legal) and
Company Secretary

Place: New Delhi
Dated: 18 September, 2017

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

The Special Resolution contained in Item no. 1 of the accompanying Notice has been proposed pursuant to the provisions of Sections 42, 62 of the Companies Act, 2013 ("the Act") and the rules framed there under to create, offer, issue and allot 3,25,000 (Three Lakhs Twenty Five Thousand) Equity Shares having face value of ₹ 10/- (Rupees Ten Only) each to a promoter of the Company to strengthen the long term working capital position of the Company, in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the ICDR Regulations"), as amended and applicable laws on preferential basis.

The said proposal has been considered and approved by the Finance Committee of the Board of Directors of the Company in its meeting held on 18 September, 2017.

The relevant disclosures as required in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the ICDR Regulations") are as under in relation to the proposed Special Resolution:

The allotment of the Equity Shares is subject to the allottee(s) not having sold any Equity Shares of the Company during the 6 (six) months preceding the 'relevant date'. The allottee(s) and the Promoter group have represented that they have not sold any equity shares of the Company during the 6 (six) months preceding the relevant date.

1. Object(s) of the "Preferential Issue":

The object of raising the equity share capital by issue of Equity Shares to the proposed allottee(s) is to strengthen the long term working capital position of the Company.

2. Proposal of the Promoters/Directors/Key Managerial Personnel of the Company to subscribe to the preferential issue:

Except Mr. Surinder P. Kanwar, Chairman and Managing Director who will subscribe to the Equity Shares in the preferential issue, none of the other promoters and directors or key managerial personnel of the Company intend to apply/subscribe to any of the Equity Shares.

3. Shareholding Pattern of the Company before and after the Preferential Issue:

	Category		Pre-Issue Equity Shareholding		Post Issue Equity Shareholding	
			Shares	%	Shares	%
A.	Promoters' Holding					
	1.	Indian Promoters				
		- Individuals/HUF	23,04,525	29.48	26,29,525	32.29
		- Bodies Corporate	18,37,213	23.50	18,37,213	22.56
	2.	Foreign Promoters	-	-	-	-
		Total Promoters' Holding (A)	41,41,738	52.98	44,66,738	54.85
B.	Non-Promoters' Holding					
	1.	Institutional Investors				
	a.	Mutual Funds and Unit Trust of India	3,350	0.04	3,350	0.04
	b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	20,402	0.26	20,402	0.26
	c.	Foreign Institutional Investor	50	0.00	50	0.00
	2.	Others				
	a.	Private Corporate Bodies	5,21,082	6.66	5,21,082	6.40
	b.	Indian Public	28,55,186	36.52	28,55,186	35.06
	c.	Non Resident Indians/Overseas	1,05,971	1.36	1,05,971	1.30
	d.	Any Other	1,70,054	2.18	1,70,054	2.09
		Total Non-Promoters' Holding (B)	36,76,095	47.02	36,76,095	45.15
		TOTAL (A+B)	78,17,833	100.00	81,42,833	100.00

Above shareholding pattern has been prepared based on Shareholding of the Company as on 15 September, 2017.

4. The time within which the preferential allotment shall be completed:

The allotment of Equity Shares will be completed within a period of 15 (fifteen) days of passing of the Resolution by the

Shareholders of the Company provided where the allotment is pending on account of any approval from any regulatory authority/Central Government, the allotment shall be completed by the Company within a period of 15 days of such approval.

5. Identity of the proposed allottees:

Name of the proposed allottee	Category	Pre-Issue Equity Shareholding		No. of Equity Shares to be allotted	Post-Issue Equity Shareholding	
		Shares	%		Shares	%
Mr. Surinder P. Kanwar (PAN : AAFPK8732L)	Promoter	22,89,667	29.29	3,25,000	26,14,667	32.11

The proposed preferential allotment will not result in any change in management control of the Company.

6. Pricing of the Preferential Issue:

The pricing of the Equity Shares to be allotted to the allottee(s) on preferential basis shall not be lower than the price determined in accordance with the Chapter VII of the ICDR Regulations.

The issue of Equity Shares on preferential basis shall be made at a price not less than higher of the following as per the ICDR Regulations at the relevant date:

- a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the 26 (Twenty Six) weeks preceding the relevant date; or
- b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the 2 (Two) weeks preceding the relevant date.

The "Relevant Date" on the basis of which issue price of the said Equity Shares shall be computed is 21 September, 2017 i.e. 30 days prior to 21 October, 2017 i.e. the deemed date of passing of special resolution by the Members of the Company to approve the proposed preferential issue in accordance with the ICDR Regulations.

7. Auditor's Certificate:

The certificate from M/s S R B C & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with requirements of Chapter VII of the ICDR Regulations shall be available for inspection on any working day between 11.00 A.M. to 01.00 P.M. upto the last date of voting under Postal Ballot.

8. Lock-in Period:

The Equity Shares allotted on a preferential basis shall be subject to lock-in as per the ICDR Regulations.

Further, the entire pre-preferential allotment shareholding of the proposed allottee(s) shall be locked-in as per Regulation 78(6) of the ICDR Regulations.

9. Undertakings:

In terms of the ICDR Regulations, the Company hereby undertakes that:

- a) It shall re-compute the price of the Equity Shares in terms of the provisions of the ICDR Regulations where it is required to do so.
- b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottee(s).

The Finance Committee of the Board of Directors recommends passing of the resolution as set out at Item No. 1 of the notice for approval of the shareholders as a Special Resolution.

The Finance Committee of the Board of Directors at its meeting held on 18 September, 2017 has approved the issue of Equity Shares on preferential basis in the manner stated above subject to approval of the shareholders by way of Special Resolution.

Except Mr. Surinder P. Kanwar, himself and his son Mr. Sameer Kanwar, no other director, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the passing of the above resolution(s) as set out at Item No. 1 of the notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for inspection by the Members of the Company at its Registered Office during the office hours between 11:00 A.M. and 01:00 P.M. on any working day except Sundays upto the voting period.

By Order of the Board



**Prashant Khattry
Head (Legal) and
Company Secretary**

Place: New Delhi
Dated: 18 September, 2017



Geared for Life