

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

FOR ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated November 09, 2021 (“**Letter of Offer**”) which is available on the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges where the equity shares of the Company are listed. You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Our Company has made available on the website of Registrar i.e. Link Intime India Private Limited at www.linkintime.co.in and the Company’s website, the Letter of offer, Abridged Letter of Offer along with the Rights Entitlement Letter and Application Form to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, the “**Stock Exchanges**”), and the Lead Manager i.e. Keynote Financial Services Limited at www.sebi.gov.in, www.bseindia.com, www.nseindia.com and www.keynoteindia.net respectively. The Application Form is available on the websites of the Lead Manager, the Stock Exchanges and on the R-WAP.



BHARAT GEARS LIMITED

Gearred for Life

BHARAT GEARS LIMITED

Registered Office: 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad - 121 003, Haryana

Corporate Office: 14th Floor, Hoechst House, Nariman Point, Mumbai - 400 021, Maharashtra

Contact Person: Mr. Prashant Khattry, Head (Legal) – Company Secretary & Compliance Officer

Telephone: +91 129 428 8888 **E-mail:** info@bglindia.com **Website:** www.bharatgears.com

Corporate Identification number: L29130HR1971PLC034365

PROMOTERS OF OUR COMPANY

MR. SURINDER PAUL KANWAR AND MR. SAMEER KANWAR

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF 9,30,610 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF OUR COMPANY FOR CASH AT A PRICE OF ₹105/- (INCLUDING A PREMIUM OF ₹95/- PER EQUITY SHARE) (“RIGHTS EQUITY SHARES”) FOR AN AMOUNT AGGREGATING UP TO ₹777.14 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 RIGHTS EQUITY SHARE FOR EVERY 10 FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FRIDAY, OCTOBER 29, 2021 (THE “ISSUE”). FOR FURTHER DETAILS, REFER “TERMS OF THE ISSUE” ON PAGE 166 OF THE LETTER OF OFFER.

The existing Equity Shares of our Company are listed and traded on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Rights Equity Shares pursuant to their letters dated September 30, 2021 and September 16, 2021 respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Right Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Rights Issue, the Designated Stock Exchange is BSE.

Procedure: If you wish to know about processes and procedures applicable to rights issue, you may refer section titled “Terms of the Issue” on page 166 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of SEBI, BSE, NSE, Registrar and the Lead Manager as stated above.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with clause (1) of Part B of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”).

Minimum Subscription

Not Applicable

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INDICATIVE TIMETABLE

Issue Opening Date	Monday, November 22, 2021	Date of Allotment (on or about)	Thursday, December 16, 2021
Last Date for on Market Renunciation #	Thursday, December 02, 2021	Initiation of Refunds (on or about)	Friday, December 17, 2021
Issue Closing Date*	Monday, December 06, 2021	Date of Credit (on or about)	Monday, December 20, 2021
Finalisation of Basis of allotment with the DSE (on or about)	Wednesday, December 15, 2021	Commencement of trading of Rights Issue Equity Shares on the Stock Exchanges (on or about)	Tuesday, December 21, 2021

Please note

- # Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
- * Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (Inclusive of Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

NOTICE TO INVESTORS

The distribution of the Letter of Offer, the Abridged Letter of Offer, the application form, the Rights Entitlement letters, any other issue material and the issue of Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Equity Shares on a rights basis to the Equity Shareholders as on Record Date and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have registered their e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their registered e-mail address and in case such Eligible Equity Shareholders have not registered their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer/ Abridged Letter of Offer and Application Form, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form. Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“United States” or “U.S.”), or to, or for the account or benefit of “U.S. persons” (as defined in Regulation S of the Securities Act), except in a transaction not subject to, or exempt from the registration requirements of the Securities Act. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer or Abridged Letter of Offer and the enclosed Application Form should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of Letter of Offer. Investors are advised to refer to “Risk Factors” beginning on page 20 of Letter of Offer and Internal Risk Factors on page 06 of this Abridged Letter of Offer, before making an investment in this Issue.

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Name of Lead Manager and contact details	Keynote Financial Services Limited (Formerly known as Keynote Corporate Services Limited) The Ruby, 9th Floor, Senapati Bapat Marg Dadar (West), Mumbai – 400 028, India. Telephone: +91 22 6826 6000 Email: mbd@keynoteindia.net Website: www.keynoteindia.net Contact Person: Mr. Sunu Thomas SEBI Registration No.: INM000003606
Name of Registrar to the Issue and contact details	Link Intime India Private Limited C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083 Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: bharatgears.rights@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail ; bharatgears.rights@linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058
Name of Statutory Auditor	M/s. S R B C & Co LLP, Chartered Accountants
Self-Certified Syndicate Banks (“SCSBs”)	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI and is updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the below-mentioned link:- https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Banker to the Issue	Axis Bank Ltd Cts No 3203 Old Suchak Niwas, Murbad Road, Kalyan West 421301. Tel: +91 9167105741 / 9167105742 E-mail:kalyanwest.branchhead@axisbank.com/ kalyanwest.operationshead@axisbank.com Website: www.axisbank.com Contact Person: Mr. Sanjeev Kohli/ Ms. Pearsie Dsouza SEBI Registration No.: INBI00000017

1. Summary of Business:-

Our Company was incorporated in the year 1971 by late Dr. Raunaq Singh. We are a global supplier of automotive gears and automotive components. We manufacture a wide range of gears such as ring gears and pinions, transmission gears and shafts, differential gears, gear boxes majorly for the automotive industry. For further details, please refer to the chapter titled “Our Business” at page 59 of Letter of Offer.

2. Summary of Objects of the Issue and Means of Finance:-

The proposed utilization of Issue Proceeds is set forth below:

(in ₹ Lakhs)

Sr. No.	Particulars	Amount
1.	Part Funding of Working Capital Requirements	912.14
2.	Expenses to the Issue	65.00
	Total	977.14

(in ₹ Lakhs)

Means of Finance	Amount
Proceeds of the Issue	Upto 977.14

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Means of Finance

The fund requirements set out in the Objects of the Issue are proposed to be met entirely from the Proceeds of the Rights Issue. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under SEBI ICDR Regulations.

3. Monitoring Agency

Since the Issue size does not exceed ₹ 10,000 Lakhs, the appointment of a monitoring agency as per Regulation 82(1) of the SEBI Regulations is not required.

4. Shareholding Pattern

Shareholding Pattern of our Company as per the last filing with the Stock Exchanges (i.e., as on September 30, 2021) in compliance with the provisions of the SEBI Listing Regulations:

Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting Right	No. of locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total shares held (b)	
(A) Promoter & Promoter Group	5	51,48,185	51,48,185	55.32	51,48,185	55.32	-	-	51,47,580
(B) Public	12,782	41,57,910	41,57,910	44.68	41,57,910	44.68	-	-	40,77,273
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-
Grand Total	12,787	93,06,095	93,06,095	100.00	93,06,095	100.00	-	-	92,24,853

5. Board of Directors

BOARD OF DIRECTORS		
Name	Designation	Other Directorship Held
Mr. Surinder Paul Kanwar	Chairman and Managing Director	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Raunaq EPC International Limited ▪ Xlerate Driveline India Limited <u>Private Limited Entities</u> <ul style="list-style-type: none"> ▪ Cliplok Simpak (India) Private Limited ▪ Vibrant Reality Infra Private Limited <i>(formerly known as Vibrant Finance and Investment Private Limited)</i> ▪ Ultra Consultants Private Limited

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BOARD OF DIRECTORS		
Name	Designation	Other Directorship Held
Mr. Sameer Kanwar	Joint Managing Director	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Raunaq EPC International Limited <u>Private Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nexus Driveline India Private Limited ▪ Samreet Investment and Management Consultancy Private Limited ▪ Ejot-Octaqon Fastening Systems Private Limited <u>Other Partnerships</u> <ul style="list-style-type: none"> ▪ Akasa Design Studio LLP
Mr. Wolfgang Rudolf Schilha	Non-Executive Independent Director	<ul style="list-style-type: none"> ▪ Nil
Mr. Rakesh Chopra	Non-Executive Independent Director	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Minda Corporation Limited <u>Private Limited Entities:</u> <ul style="list-style-type: none"> ▪ GPR Enterprises Private Limited ▪ Pragma Holdings Private Limited ▪ Cleantec Infra Private Limited ▪ Kempty Cottages Private Limited <u>Trusteeships:</u> <ul style="list-style-type: none"> ▪ Indraprastha Cancer Society
Mr. Virendra Kumar Pargal	Non-Executive Independent Director	<ul style="list-style-type: none"> ▪ Nil
Ms. Hiroo Suresh Advani	Non-Executive Independent Director	<ul style="list-style-type: none"> ▪ Nil
Mr. Nagar Venkatraman Srinivasan	Non-Executive Director	<ul style="list-style-type: none"> ▪ Nil

6. Neither our Company nor any of our Promoters or Directors are declared as a willful defaulters.

7. Financial Statement Summary:-

FINANCIAL INFORMATION		
Particulars	As and for the period / year ended (₹ in Lakhs)	
	September 30, 2021 ⁽¹⁾	March 31, 2021 ⁽²⁾
Total income from operations (net)	35,130.93	50,302.79
Profit / (Loss) before tax and extraordinary items	1,562.34	(964.83)
Profit / (Loss) after tax and extraordinary items	1,434.10	(770.06)
Equity Share Capital	930.61	930.61
Reserves and Surplus	7926.50	6450.67
Net worth	8857.11	7381.28
Basic and Diluted earnings per share (₹)	15.41*	(8.27)
Return on net worth (%)	16.19*	(10.43)
Net asset value per share (₹)	95.18	79.32

*Not Annualized

(1) Based on the Unaudited limited reviewed Financial Results for the six months period ended September 30, 2021

(2) Based on the audited financial statements of our Company for the year ended March 31, 2021

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8. INTERNAL RISK FACTORS

1. Our Company is a party to certain litigations, the outcome of which could adversely affect our business operations and financial condition.
2. Our Company has incurred losses in two out of the three preceding financial years and as a result we had negative Earnings Per Share for those financial years.
3. Our Company has experienced negative cash flows from investing and financing activities in the previous Fiscals. Sustained negative cash in future could affect our growth and results of operations.
4. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business and failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, in a timely manner or at all may adversely affect our operation
5. We employ a large labour force and in case any labour disputes arise in the course of our business operations, the same could disrupt operations and adversely affect the results of operations and financial condition of our Company.

For further details, please see the section titled “Risk Factors” beginning on page no. 20 of the Letter of Offer.

9. SUMMARY OF OUTSTANDING LITIGATIONS

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Abridged Letter of Offer is provided below.

Sr. No.	Outstanding Litigations	Number of Matters	Financial implications to the extent quantifiable (₹ in Lakhs)
1.	Proceedings involving moral turpitude or criminal liability on the part of our Company	-	<i>NIL</i>
2.	Litigation involving material violations of statutory regulations by our Company	-	<i>NIL</i>
3.	Proceedings involving economic offences initiated against our Company	-	<i>NIL</i>
4.	Litigation involving an amount above the Materiality Threshold	7	<i>Not ascertainable</i>

For further details regarding these legal proceedings, please refer to chapter titled “*Outstanding Litigations and Defaults*” on page 152 of the Letter of Offer

10. TERMS OF THE ISSUE

Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Investors in this Issue, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” beginning on page 182 of the Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

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Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. The Eligible Equity Shareholders who have not received the Application Form can download the Form available at the websites of the Registrar, Stock Exchanges, Lead Manager or the Company and submit the filled Form at Designated Branch of the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/ electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “- Grounds for Technical Rejection” on pages 178 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Making of an Application through the Registrar’s Web-based Application Platform (“R-WAP”) process.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, a separate web based application platform, i.e., the R- WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE “RISK FACTOR - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS” ON PAGE 34 OF THE LETTER OF OFFER.

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Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/ her/ their bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Bharat Gears Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for within the Rights Entitlements;
- Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹105/- per Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrars and
- All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise

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transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S") to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) within the United States or to U.S. Persons that are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("U.S. QIB") pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the United States Investment Company Act of 1940, as amended) ("QPs") in reliance upon section 3(c)(7) of the U.S. Investment Company Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Notice to Overseas Investors" beginning on page 11.

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise except in an offshore transaction in accordance with Regulation S to a person outside the United States and not reasonably known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the NSE or the BSE).

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

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Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- The Eligible Equity Shareholders shall send a request letter to the Registrar regarding updating of demat account detail containing the name(s), address, e-mail address, contact details, DPID- CLID along with copy of self-attested PAN and self-attested client master sheet of their demat account, copy of any one share certificate either by e-mail at bharatgears.rights@linkintime.co.in whose subject line should be “BHARAT GEARS LIMITED RIGHTS ISSUE DEMAT ACCOUNT UPDATION OF FOLIO NO.-(mention folio no.)” or by post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page 172 of the letter of offer.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP.

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “Terms of the Issue - Process of Making an Application in the Issue” on page 167 of the Letter of Offer.

Rights Entitlements Ratio

The Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1:10 (1 Equity Share for every 10 Equity Shares held as on the Record Date).

Fractional Entitlements

The Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 Equity Share for every 10 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 15 (Fifteen) Equity Shares, such Equity Shareholder will be entitled to 1 (One) Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. Further, the Eligible Equity Shareholders holding less than 10 (Ten) Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for Additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholder being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

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The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 184 of the Letter of Offer.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “- Basis of Allotment” beginning on page 192 of the Letter of offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares

Intention of promoter to subscribe to its Rights Entitlement

Our Promoter and entities forming part of our Promoter Group have, *vide* their letters dated August 31, 2021 (the “**Subscription Letters**”) indicated their intention to: subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company. Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Availability of offer document of the immediately preceding public issue or rights issue for inspection

A copy of the Letter of Offer dated March 30, 2019 made by the Company for rights issue of Equity Shares is available for inspection on the website of the Company at www.bharatgears.com from the date of the Letter of Offer i.e November 09, 2021 until the Issue Closing Date.

ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGER / COMPANY

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, LIPL BHARAT GEARS RIGHTS 2021 ESCROW DEMAT ACCOUNT”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority, if any; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/ reversed/ failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) Non-institutional equity shareholders in the United States.

Please note, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

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We hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all disclosures made in this Offer Document are true and correct.

Name	Signature
Surinder Paul Kanwar Chairman and Managing Director	Sd/-
Sameer Kanwar Joint Managing Director	Sd/-
Nagar Venkatraman Srinivasan Non-Executive Director	Sd/-
Wolfgang Rudolf Schilha Non-Executive Independent Director	Sd/-
Rakesh Chopra Non-Executive Independent Director	Sd/-
Virendra Kumar Pargal Non-Executive Independent Director	Sd/-
Hiroo Suresh Advani Non-Executive Independent Director	Sd/-
Milind Pujari <i>Chief Financial Officer</i>	Sd/-
Prashant Khattry <i>Head (Legal) – Company Secretary & Compliance Officer</i>	Sd/-

Place: Faridabad, Haryana

Date: November 09, 2021