

# BHARAT NIDHI LIMITED

CIN No. L51396DL1942PLC000644

Regd. Office: First Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110 002

Phone No. 011- 43562982, Website : [www.bharatnidhi.com](http://www.bharatnidhi.com) E-Mail ID:- [bharatnidhi1@gmail.com](mailto:bharatnidhi1@gmail.com)

Dear Shareholder,

**SUBJECT: CASH OFFER TO BUY-BACK UPTO 21,791 (TWENTY-ONE THOUSAND SEVEN HUNDRED NINETY-ONE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10 (RUPEES TEN ONLY) EACH, AT RS. 11,229/- (RUPEES ELEVEN THOUSAND TWO HUNDRED AND TWENTY-NINE ONLY) PER SHARE, FROM REMAINING PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF BHARAT NIDHI LIMITED ON PROPORTIONATE BASIS, FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 24,46,91,139/- (RUPEES TWENTY-FOUR CRORES FORTY-SIX LACS NINETY ONE THOUSAND ONE HUNDRED THIRTY NINE ONLY), PURSUANT TO SEBI CIRCULAR (AS DEFINED BELOW)**

This letter is being sent to you as a member of Bharat Nidhi Limited (the “Company”), as on the Record Date, with respect to the Buy-back (as defined below) in accordance with section 68 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time. Please refer to the section on “Key Definitions” for the definition of the capitalized terms used herein.

## 1. SCHEDULE OF ACTIVITIES

Activity	Day & date
Date of Board meeting approving the proposal for the Buy-back	Friday, June 7, 2019
Date of passing of the shareholders resolution through postal ballot approving the Buy-back	Sunday, July 21, 2019
Opening Date	Monday, September 16, 2019
Closing Date	Friday, October 4, 2019
Last date of receipt of Shares /Offer Form and other specified documents.	Friday, October 4, 2019
Last date of verification of Offer Form and other documents	Saturday, October 19, 2019
Last date of communication of rejection of offer	Friday, October 25, 2019
Last date of dispatch of consideration	Saturday, October 26, 2019
Last date for return of shares not accepted	Saturday, October 26, 2019

## 2. KEY DEFINITIONS

Term	Meaning
Act	The Companies Act, 2013, as amended from time to time including rules therein
Articles	Articles of Association of the Company
Board/Board of Directors	Board of Directors of the Company
Buy-back Offer / Buy-back	Buy-back by Company of up to 21,791 (Twenty One Thousand Seven Hundred Ninety One) fully paid-up Equity Shares of face value of Rs.10/- each at a price of Rs. 11,229/- (Rupees Eleven Thousand Two Hundred and Twenty Nine Only) per Equity Share for cash aggregating up to Rs. 24,46,91,139/- (Rupees Twenty Four Crores Forty Six Lacs Ninety One Thousand One Hundred Thirty Nine Only) from the Remaining Public Shareholders of the Company on a proportionate basis.
Buy-back Size	Rs. 24,46,91,139/- (Rupees Twenty Four Crores Forty Six Lacs Ninety One Thousand One Hundred Thirty Nine Only).
Closing Date	Friday, October 4, 2019, the date of closing of the Buy-back Offer
Company	Bharat Nidhi Limited
Equity Share(s) / Share(s)	Fully paid up equity shares of face value of Rs.10 each of the Company
Non - Exiting Shareholders	Shareholders of the Company who have given undertakings to the Company to the effect that they want to continue as a shareholders of the Company and do not want an exit from the Company
Offer Period	Nineteen (19) days from the date of opening of the Buy-back
Offer Price	Rs 11,229/- (Rupees Eleven Thousand Two Hundred and Twenty Nine Only) per Equity Share.

Opening Date	Monday, September 16, 2019, the date of opening of the Buy-back Offer
Record Date	The date for the purpose of determining the entitlement and the names of the members, to whom this letter will be sent. The Record Date shall be Friday, August 30, 2019.
Remaining Public Shareholders	Shareholders of the Company excluding Non-Exiting Shareholders.
SEBI Circular	Securities and Exchange Board of India (SEBI) circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016, read with SEBI Letter No. MRD/OW/DSA//2017/17463/1 dated July 25, 2017
Share Capital Rules	Companies (Share Capital and Debentures) Rules, 2014
Statutory Auditors	M/s A K Gutgutia & Co., Chartered Accountants
Registrar to the Buy Back Offer	Skyline Financial Services Pvt Limited D-153A, I <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020

### 3. INFORMATION ABOUT THE COMPANY

- i. **Bharat Nidhi Limited** was incorporated on September 21, 1942 under the Companies Act, 1913.
- ii. The authorized equity share capital of the Company is Rs. 7,46,00,000 divided into 74,60,000 equity shares of face value of Rs. 10 each and issued, subscribed and paid-up equity share capital of the Company is Rs. 2,92,02,510 divided into 29,20,251 equity shares of face value of Rs. 10 each.
- iii. **Board of Directors:** The details of Board of Directors of the Company are as follows:

S No.	Name of the Director	DIN	Designation
1.	Bhagat Ram Goyal	01659885	Independent Director
2.	Bhagavatula Chintamani Rao	01817092	Independent Director
3.	Revati Jain	07013215	Women, Non – Independent Director
4.	Nityanand Singh	00288319	Non – Independent Director
5.	Punit Jain	00004327	Non – Independent Director

iv. **Key Managerial Personnel:**

S. No.	Name	Designation	PAN/DIN
1.	Sanket Kumar Aggarwal	Chief Financial Officer	ABZPA4594K
2.	Amita Gola	Company Secretary	AFYPG8218B
3.	Vivek Gupta	Manager	AFVPG5784K

### 4. DETAILS OF RESOLUTIONS PASSED:

- i. **Board of Directors Resolution:** The Buy-back has been approved by a resolution of the Board of Directors of the Company on June 7, 2019.
- ii. **Shareholders Resolution:** The Buy-back has been approved by the members of the Company by a special resolution passed through postal ballot on July 21, 2019.

### 5. DETAILS OF THE BUYBACK OFFER

- 5.1 The Buy-back size is upto 25% of the total paid up equity share capital and free reserves of the Company), in accordance and consonance with the provisions contained in the Act, Share Capital Rules and any other provisions, as applicable.
- 5.2 The Buy-back Offer will comprise a buyback of up to 21,791(Twenty One Thousand Seven Hundred Ninety One) Equity shares held by Remaining Public Shareholders on proportionate basis, aggregating up to 0.746% of the paid up equity share capital of the Company as on March 31, 2019 at a price of Rs. 11,229/- (Rupees Eleven Thousand Two Hundred and Twenty Nine Only) per equity share, for cash aggregating up to Rs. 24,46,91,139/- (Rupees Twenty Four Crores Forty Six Lacs Ninety One Thousand One Hundred Thirty Nine Only).
- 5.3 As on the date of this letter, the public shareholding in the Company is 29,19,722 Equity Shares and the Promoters holding in the Company is NIL.
- 5.4 The Buyback Offer shall remain open from September 16, 2019 to October 4, 2019 (both days inclusive).

5.5 Article 6A of Article of Association of the Company authorizes Buy back of Equity Shares.

5.6 Record Date for the purpose of Buy Back shall be Friday, August 30, 2019

5.7 Basis of arriving at the price: Corporate Professionals Capital Private Limited, an independent valuer, from the list of independent valuers empaneled by NSE, computed the fair value of the equity shares of the Company. Based on their valuation report dated June 6, 2019, the Company has decided to undertake the Buy-back Offer at a price of Rs.11229/- (Rupees Eleven Thousand Two Hundred and Twenty Nine Only) per equity shares of the Company (“Offer Price”).

5.8 Assuming buy-back of 21,791 Shares, the capital structure of the Company post buy-back will comprise authorized equity share capital of Rs. 7,46,00,000/- and issued, subscribed and paid-up equity share capital of Rs. 2,89,84,600/-.

5.9 The ratio of the aggregate of secured and unsecured debt, if any, owed by the Company after the Buy-back would not be more than twice the paid-up capital and free reserves.

5.10 **Details of Last Buy-Back:** The Company has not undertaken any buy-back prior to this Buy-back Offer.

**5.11 Tax liability in the hands of the shareholders:**

Section 10(34A) of the Income Tax Act, 1961 provides that any income arising to an assessee, being a shareholder, on account of buy back of shares by the company as referred to in section 115QA of Income Tax Act, 1961 would be exempt from tax. Therefore, there would be no tax liability on the shareholders in respect of the consideration received by them on buyback of their shares by the Company.

**6. OBJECTIVE OF BUY-BACK**

6.1 The equity shares of the Company were listed on the Calcutta Stock Exchange (“CSE”). The Company has been transferred from CSE to the Dissemination Board (“DB”) of the National Stock Exchange (NSE) with effect from February 12, 2019 pursuant to the circular dated February 11, 2019 bearing reference number NSE/CML/40200 issued by NSE and the Notice dated February 13, 2019 bearing reference number CSE/LD/14519/2019 issued by CSE.

6.2 The Company has received a letter dated April 8, 2019 bearing reference no. NSE/LISCO/2019/78482/7 from NSE intimating the transfer of Company to DB of NSE. The SEBI Circular provides for the exit options to be provided by companies transferred to DB.

6.3 The Company for the purpose of providing an exit opportunity to its public shareholders, has evaluated all the exit options as mentioned under the SEBI Circular. The clarification issued by SEBI by its letter (bearing no. MRD/OW/DSA//2017/17463/1) dated July 25, 2017 (“SEBI Letter”) permits companies on the DB to undertake buy-back of shares to provide an exit to their public shareholders. Accordingly, the Company is undertaking the Buy-back to provide an exit opportunity to its public shareholders.

**7. UNDERTAKING BY NON-EXITING SHAREHOLDERS**

7.1 The SEBI Letter had clarified that, in case of investors who are willing to remain as shareholders of an exclusively listed company (“ELC”) on the DB and do not want an exit from the ELC, such investors may submit an undertaking to the designated stock exchange and the exit obligation of the offering acquirer may be reduced accordingly.

7.2 In terms of the above mentioned SEBI Letter, the Company vide its letter dated June 08, 2019 had written to its shareholders holding more than 5% of the share capital of the Company, to determine their intent to remain as shareholders of the Company and submit an undertaking to this effect. Accordingly, the Company has received the said undertaking from public shareholders holding approximately 74.03% of the share capital of the Company.

7.3 In terms of the SEBI Circular, the Company made public announcement in the newspaper on June 17, 2019 seeking willingness of the remaining shareholders of the Company, to continue as shareholders of the Company.

7.4 Pursuant to the aforesaid public announcement, the Company has received similar undertakings with respect to another 3.32% of the share capital of the Company. Accordingly, in aggregate public shareholders of the Company holding 22,58,469 shares (approximately 77.35% of the share capital of the Company) have submitted their consent/undertaking to continue as shareholders of the Company.

7.5 Therefore, after considering the aforesaid undertakings and consents received from the shareholders of the Company, the buyback offer is made to the Remaining Public Shareholders for providing them an exit opportunity under the SEBI Circular.

## 8. SOURCES OF FUNDS

- i. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buy-back would be Rs. 24,46,91,139/- (Rupees Twenty Four Crores Forty Six Lacs Ninety One Thousand One Hundred Thirty Nine Only).
- ii. The money required for the Buy-back will be drawn out of internal funds and free reserves of the Company and will also be met out of the cash/bank balances and/or investments made by the Company in fixed deposits, mutual funds, securities of other body corporates and other funds.

## 9. DETAILS OF SHAREHOLDING OF THE PROMOTERS, DIRECTORS AND KEY MANAGERIAL PERSONNEL

- i) There are no Promoters in the Company. Further, there is no shareholding of Directors and Key Managerial Personnel in the Company as on the date of this offer letter.
- ii) None of the Directors and Key Managerial Personnel of the Company has purchased or sold any shares of the Company during a period of twelve months preceding June 7, 2019 i.e. the date of board meeting at which buy back was approved nor after that till the date of this offer letter.
- iii) The maximum and minimum price at which purchases and sales referred to in sub-clause (ii) were made along with the relevant date is not applicable.

## 10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- i. The Buy-back Offer is open to the Remaining Public Shareholders having “fully paid up” equity shares of the Company.
- ii. The Company proposes to effect the Buy-back from the Remaining Public Shareholders on **proportionate basis**.
- iii. The Company shall accept all the Equity Shares validly tendered for the Buy-back by the shareholder of the Company on the basis of their shareholding and their entitlement in the Company as on the Record Date.
- iv. In case the number of shares offered by the shareholders is more than the total number of shares to be bought back by the Company, the acceptance per shareholder shall be on proportionate basis out of the total shares offered for being bought back, as per the Share Capital Rules. The decision of Board of Directors shall be final in this regard.

### A. Procedure for Shareholders holding Equity Shares in Dematerialized Form:

The Remaining Public Shareholders holding Equity Shares in dematerialized form, who are desirous of tendering their Equity Shares in the Buy-back Offer, must submit the following documents by hand delivery or by registered post or speed post or courier (at their own risk and cost) with the envelope marked “**Bharat Nidhi Limited BUYBACK OFFER**” so as to reach Skyline Financial Services Pvt Limited (“**Registrar to the Buyback Offer**”), Address: D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020; Tel No.: 011-40450193, on or before 5.00 PM, October 4, 2019 (i.e. Closing Date):

- a) The enclosed Application Form duly filled and signed along with requisite documents (as described therein) as applicable; and
- b) A counterfoil / photocopy of their depository participant instruction evidencing transfer of dematerialized Equity Shares to the Demat Escrow Account, as detailed hereunder:
  - i. If the Registrar to the Buyback Offer does not receive the documents listed above but receives the Equity Shares in the Demat Escrow Account (as defined below), then the Company may deem the Buyback Offer to have been accepted by such shareholders.
  - ii. The shareholders must transfer their dematerialized Equity Shares from their respective Depository Account, in off-market mode, to the demat escrow account to the Buyback Offer with SMC Global Securities Limited. (“**Demat Escrow Account**”) details of which are as follows:

Depository Account Name	Bharat Nidhi Limited – Buy Back Escrow Account
Depository Participant Name	SMC Global Securities Limited
Depository Identification No. (DP ID No.)	12019101
Client Identification No. (Client ID)	03983661
Depository	Central Depository Services (I) Ltd.
ISIN of Bharat Nidhi Limited	INE 286F01016

- iii. A photocopy of the delivery instructions or counterfoil of the delivery instructions/inter depository submitted to the Depository Participant of the shareholder’s depository account and duly acknowledged by such Depository Participant crediting the shareholder’s Equity Shares to the Demat Escrow Account should be attached to the

Application Form. **Please note that all such transfers should be in off-market mode.** Failure to credit your dematerialized Equity Shares into the Demat Escrow Account shall result in your tender being invalid.

- iv. In case your Depository Participant offers the facility of online tender of Equity Shares, then instead of the photocopy of the acknowledged delivery instruction slip you may attach a printout of the computer generated confirmation of transfer of Equity Shares. **Please note that the shares should be tendered in off-market mode.**
- v. It is the responsibility of the Shareholder to ensure that their Equity Shares are credited in the Demat Escrow Account in the manner as mentioned above and their Application Form reaches the Registrar to the Buyback Offer before the expiry of the Offer Period.
- vi. The Equity Shares will be held in the Demat Escrow Account until the consideration payable has been made to the respective Shareholders. In any case, if Equity Shares are not accepted by the Company, the unaccepted Equity Shares will be credited back to the Shareholders' depository account.
- vii. Please contact the Registrar to the Buyback Offer if you require any clarification regarding the procedure for tendering your Equity Shares.
- viii. The Company shall accept/return the tendered shares from the eligible person in the following manner :
  - a) In case all shares tendered for buy back are accepted by the Company, then the delivery instruction given by the shareholders to their DP will be acted upon and consideration will be paid to the concerned shareholders as specified below.
  - b) In case all the shares tendered for the buy-back are not accepted by the Company, then the shares held in dematerialized form, to the extent not accepted for the buyback will be returned to the beneficial owner to the credit of the beneficial owner's depository account with the respective DP as per details furnished by the beneficial owner in the Application Form/as per those received electronically from the shareholder's DP, under intimation to the first named beneficial owner by the Registered Post/ Speed Post/Courier.

#### **B. Procedure for Shareholders holding Equity Shares in Physical Form:**

- i. The Remaining Public Shareholders holding Equity Shares in physical form, who are desirous of tendering their Equity Shares in the Buy-back Offer, must submit the below mentioned documents by hand delivery or by registered post or speed post or courier (at their own risk and cost) with the envelope marked "**Bharat Nidhi Limited BUYBACK OFFER**" so as to reach the Registrar to the Buyback Offer, Address: D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020; **Tel No.:** 011-40450193, on or before 5.00 PM October 4, 2019 (i.e. Closing Date):
- ii. Registered shareholders holding shares in physical form are required to enclose original share certificates and a copy of the PAN card (self-attested) while submitting the Application Form.
- iii. Shares held in physical form to the extent not accepted for buy back will be returned to the shareholders after suitable sub-division, if any, in order to facilitate acceptance of share certificates tendered by them, through registered post/speed post/ courier.
- iv. The Company shall accept/return the tendered shares from the eligible person in the following manner:
  - a) In case all shares tendered for buy back are accepted by the Company, then the share certificates submitted by the shareholders will be acted upon and consideration will be paid to the concerned shareholders as specified below.
  - b) In case all the shares tendered for the buy-back are not accepted by the Company, then the share certificates, to the extent shares not accepted for the buyback, will be sent to the concerned shareholder by the Registered Post/ Speed Post/Courier.

#### **11. SETTLEMENT PROCEDURE**

- i. The Company will pay the consideration to the shareholders in respect of the shares bought back within seven days of completion of verification after the closing of the Buy-back Offer. The payment of consideration for accepted applications shall be made by the Company to the sole/first shareholder, the details of which are recorded with the Company/Depository Participant, as applicable, Payment shall be made electronically through NECS, direct credit, RTGS/NEFT, as may be applicable. In other cases payment shall be made by issue of cheques/pay order/demand draft payable at par and the same shall be drawn in the name of the sole shareholder or first named person in case of joint shareholders. The instruments for such payment shall be sent by speed post/courier/registered post.
- ii. The shares lying to the credit of the Company's Demat Escrow Account will be extinguished.

- iii. All documents sent by shareholders and all remittances to the shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interest

## **12. DECLARATION**

- (a) All requirements of Section 68(3) of the Companies Act, 2013 have been complied with.
- (b) No defaults are subsisting in repayment of deposits or interest payment there on, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institutions or banking company and the company is not prohibited for buy-back by operation of law within the meaning of Section 70 of the Companies Act, 2013;
- (c) The Board of directors has made a full enquiry into the affairs and prospects of the company and that they have formed the opinion:
- i. as regards its prospects for the year immediately following the date of the letter of offer that, having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
  - ii. in forming their opinion for the above purposes, the directors have taken into account the liabilities as if the company were being wound up under the provisions of the Companies Act, 2013 (including prospective and contingent liabilities).

## **13. GENERAL DISCLAIMER**

Every Remaining Public Shareholder who desires to tender shares in the Buy-back Offer, may do so pursuant to an independent inquiry, assessment and analysis and shall not have any claim against the Company, its Directors, Key Managerial Personnel or the Independent Valuer of whatsoever nature by reason of any direct or indirect loss which may be suffered by such person consequent to or in connection with such Buy-Back Offer for any reason whatsoever.

**For Bharat Nidhi Limited**

Sd/-

**Nityanand Singh**  
**Director**  
DIN: 00288319

Date: September 6, 2019

Place: New Delhi

Enclosed: **Form of Acceptance Cum Acknowledgement (Application Form)**