

DELISTING OFFER LETTER

For Delisting of the Equity Shares of the Company to the equity shareholders of



NEHA RESOURCES LIMITED

(CIN: L51909RJ1987PLC018226)

Registered Office: C/o Balaji Oil Mill 117, Industrial Area, Jhotwara, Jaipur, Rajasthan 302012 India

Tel No.: +91-0141-2340609

E-mail: cs@balaji-castings.com **Website:** www.neharesources.com

From: Mr. Kailash Kumar Kanodia, Mr. Ashish Kumar Kanodia, Mrs. Sujata Kanodia, Apeksha Kanodia, Pawansut Marketing Pvt. Ltd. (through Directors Mr. Ashish Kumar Kanodia and Mrs. Sujata Kanodia), Shri Balaji Industrial Engineering Ltd. (through Managing Director Mr. Kailash Kumar Kanodia) and Kailash Kumar Kanodia HUF (through Karta Mr. Kailash Kumar Kanodia)
(Collectively referred to as “Acquirers”)

Inviting your consent to the proposed Delisting of Equity Shares of the Company (“Delisting Proposal”) from Calcutta Stock Exchange Limited (“CSE”) and to tender your fully paid-up equity shares of face value Rs. 10/- each of the Company, pursuant to Regulation 27 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

In case you have recently sold your equity shares in the Company, please hand over this Delisting Offer Letter along with the application form and the accompanying documents to the member of the stock exchange through whom the sale was effected or the person to whom you sold your equity shares, as the case may be.

EXIT PRICE: RS. 12/- PER EQUITY SHARE

THE ENCLOSURE DELISTING APPLICATION FORM IS TO BE SUBMITTED TO THE REGISTRAR TO THE DELISTING OFFER ONLY BY HAND DELIVERY OR REGISTERED POST OR SPEED POST OR COURIER (AT THEIR OWN RISK AND COST) ALONG WITH ALL APPLICABLE DOCUMENTS IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET OUT IN THIS DELISTING OFFER LETTER

REGISTRAR TO THE DELISTING OFFER  Link Intime India Private Limited Address: - C-101, 1 Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, India-400083 Tel No.: +91-022-4918 6200 Fax No.: +91-022-4918 6195 Email: neharesources.delisting@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Regn. No.: INR000004058	MANAGER TO THE DELISTING OFFER  Hem Securities Ltd Hem Securities Limited 202-203, Jaipur Tower, M.I. Road, Jaipur Tel. No.: +91-0141-4051000 Website: www.hemsecurities.com Email: ib@hemsecurities.com Contact Person: Mr. Anil Bhargava SEBI Reg. No.: INM000010981
DELISTING OFFER OPENING DATE: THURSDAY, APRIL 01, 2021	DELISTING OFFER CLOSING DATE: FRIDAY, APRIL 30, 2021

Delisting Offer Letter from Mr. Ashish Kumar Kanodia, Mr. Kailash Kumar Kanodia, Mrs. Sujata Kanodia, Apeksha Kanodia, Pawansut Marketing Pvt. Ltd. (through Directors Mr. Ashish Kumar Kanodia and Mrs. Sujata Kanodia), Shri Balaji Industrial Engineering Ltd. (through Managing Director Mr. Kailash Kumar Kanodia) and Kailash Kumar Kanodia HUF (through Karta Mr. Kailash Kumar Kanodia) (“Collectively referred to as “Acquirers”), inviting your consent to the proposed Delisting of Equity Shares of the Company (“Delisting Proposal”) from CSE Limited (“CSE”) and to tender your fully paid-up equity shares of face value Rs. 10/- each of the Company at an exit price of Rs. 12/- per equity share under the Delisting Proposal.

Dear Shareholder(s),

As you are aware the Company intends to delist its equity shares from CSE by complying with applicable rules/regulations. In this regard, we wish to provide you an exit opportunity pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“Delisting Regulations”) and have appointed Hem Securities Limited, a Category I Merchant Banker registered with SEBI as Manager to the Offer and Link Intime India Private Limited, as Registrar to the Offer. The Exit offer Price to the Public Shareholders has been fixed at Rs. 12/- per equity share.

The company is entitled and wishes to delist its equity shares from CSE under Chapter VII (Special Provisions for Small Companies) of Regulation 27 of the Delisting Regulations subject to the approval of Shareholders through postal ballot and providing exit offer. Towards the same, the members / shareholders of the Company have approved delisting of equity shares from CSE vide a resolution dated January 30, 2021 passed through the postal ballot mechanism. The postal ballot was conducted in compliance with the provision of Regulation 8(1)(b) Delisting Regulations and in accordance with applicable provisions of the Companies Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Results of the Postal Ballot were disclosed to the Stock Exchange i.e. CSE on February 01, 2021. The number of votes cast by the public shareholder in favor of the Delisting proposal was greater than two times the number of votes cast by the public shareholders against the Delisting proposal. On passing of the resolution through postal ballot, Promoter/Acquirer & the Company complied with all the requirement to seek appropriate approval from CSE. Accordingly, CSE vide its letter no. CSE/LD/15274/2021 dated March 24, 2021 have issued in-principle approval for the proposed delisting subject to compliance of the conditions as mentioned therein and provisions of Chapter VII of the Delisting Regulations.

Accordingly in terms of regulation 27(3)(c) of the Delisting Regulations, we, promoters and/or members of the Promoter Group of the Company writes to you as public shareholder informing you of our intention to get equity shares of the company delisted & we hereby seek your consent for the proposal of delisting and request you to kindly comply with the requirements as mentioned herein to avail the exit offer.

Presently, promoter group is holding 71.85 % and public shareholders is holding 28.15% of total paid up capital of the company.

JUSTIFICATION OF EXIT OFFER PRICE

While determining the Exit price and considering the applicable Regulations, various parameters as are customary for valuation of shares were considered including Book Value, Comparable Trading Multiples etc.

- Book value per share based on audited financials for the year ended March 31, 2020 was Rs. **10.32/-**
- Earnings per Share based on audited financials for the year ended March 31, 2020 was Rs. **(-)0.18/-**
- Due to lack of profitability in the Company and due to lack of exact comparable companies on account of size, usage of Comparable Trading Multiples results were not found reliable and usage of it could have led to a wide range of valuations. Hence methodology of Comparable Trading Multiples was excluded.
- DCF Method has not been applied, as the Company does not have any significant revenue from operations and does not have any defined business plan for future years.
- Further, a valuation report has also been taken from an Independent Valuer, Mr. Abhinav Rajvanshi (an IBBI Registered Valuer), wherein the valuation of equity shares of the Company has been derived in terms of the Regulation 15(2) of the Delisting Regulations read with Regulation 8(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. In terms of the said valuation report, equity value per share was arrived at Rs. **10.32/-**

In view of the above parameters, the Promoter/ Acquirer, in consultation with the Manager to the offer, Hem Securities Limited, have considered the exit price of the Equity Shares as **Rs. 12/- (Rupees Twelve only) per equity share** and the same is justified in terms of Regulation 8(2)(e) of SEBI (SAST) Regulations 2011 and Regulation 27(3) of the Delisting Regulation in the opinion of the Promoter & Manager to the offer.

RATIONALE FOR MAKING THE DELISTING OFFER

The continued listing status of the company is not commensurate with the size of operation of the Company and thus to save compliance costs and reduce the dedicated management time to comply with the requirements associated with the continued listings, which can be refocused on the Company's business, Promoters of the Company intend to delist the equity shares of the Company. Further, since the equity shares of the Company are infrequently traded on the Stock Exchange, the delisting of the equity shares of the Company is in the interest of the public shareholders as it will provide them with an exit opportunity at a price determined in accordance with the Delisting Regulations.

In view of above, promoters & members of the promoter group of the Company intend to acquire entire 11,26,100 equity shares representing 28.15% of the paid-up equity capital of the Company, held by the public Shareholders by giving an exit opportunity at Rs. 12/- (Rupees Twelve only) per Equity Share and delist the Equity Shares of the Company from CSE, the only stock exchange where the equity shares of the Company are listed.

PRE-CONDITION FOR ACCEPTANCE OF DELISTING OFFER:

- (a) Please note that in terms of Regulation 27(3)(d) of Delisting Regulations, the Company can delist the shares only if the public shareholders, irrespective of their numbers, holding ninety percent or more of the shareholding give their consent in writing to the proposal for delisting and have consented either to sell their equity shares at the price offered by the promoter/acquirer or to remain the holders of the equity shares even if they are delisted.

Thus, you have option to give either:

(1) Positive Consent for Delisting

OR

(2) Negative Consent for Delisting

IT IS NECESSARY THAT YOU MUST SEND YOUR APPLICATION FORM TO THE MANAGER TO THE OFFER BY TICKING APPROPRIATE BOXES

- (b) In case you wish to give positive consent for delisting of equity shares from CSE, you have an option:

1) either to sell the equity shares of the Company at the exit price offered

OR

2) to remain holder of equity shares of the Company even if they are delisted

- (c) Please note that your positive consent for delisting will include your consent for dispensing with the exit price discovery through book building method.

IN CASE YOU HAVE GIVEN A POSITIVE CONSENT FOR DELISTING OF EQUITY SHARES FROM CSE, PLEASE MENTION THE SAME IN THE APPLICATION FORM AND SEND IT ALONG WITH NECESSARY ENCLOSURES TO THE OFFICE OF THE REGISTRAR TO THE DELISTING OFFER.

- (d) In case where the Promoter/Acquirer does not receive the requisite minimum positive consent in terms of the Regulations 27(3)(d) of the Delisting Regulations then the equity shares tendered in the Delisting offer will be returned back to the shareholder/Seller broker.

PROCEDURE FOR TENDERING YOUR EQUITY SHARES UNDER THE DELISTING OFFER

Please contact the Registrar/Manager to the Delisting Offer if you require any clarification regarding the procedure for tendering your Equity Shares

1) Procedure for Public Shareholders holding Equity Shares in DEMAT FORM:

- (a) The Public Shareholders holding Equity Shares in dematerialized form and desirous of tendering their Equity Shares in the Delisting Offer must submit the enclosed Application Form along with the documents specified in paragraph 5 of this Delisting Offer Letter, as applicable, by hand delivery or by registered post/speed post or courier (at their own risk and cost) with the envelope marked **“NEHA RESOURCES LIMITED — DELISTING OFFER”** so as to reach the Registrar to the Delisting Offer i.e. Link Intime India Private Limited (at the address as mentioned on cover page of this Delisting Offer letter) on or before April 30, 2021 (i.e. the date of Closing of the Delisting offer).

- (b) The Eligible Public Shareholders holding Equity Shares in dematerialized form and desirous of tendering their equity shares in the Delisting Offer must transfer their dematerialized Equity Shares from their respective depository account, in off-market mode, to the Special Depository Account with the Central Depository Services of India Limited opened with Hem Securities Limited, details of which are as follows:

Depository	Central Depository Services Limited
Special Depository Account Name	Neha Resources Limited-Delisting Offer-Managed By Hem Securities Limited
Name of the Depository Participant	Hem Securities Limited
DP Identification Number	12017701
Client Identification Number	01293661

(c) Eligible Shareholders having their beneficiary account in National Securities Depository Limited shall use the Inter-Depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with CDSL.

(d) All transfers should be in off-market mode. A photocopy of the delivery instructions or counterfoil of the delivery instructions submitted to the depository participant of the Public Shareholder’s depository account and duly acknowledged by such depository participant crediting the Public Shareholder’s Equity Shares to the Special Depository Account, should be attached to the Application Form.

(e) In case your depository participant offers the facility of online transfer of 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 shares.

(f) It is the sole responsibility of the Public Shareholders to ensure that their Equity Shares are credited to the Special Depository Account in the manner as mentioned above and their application are delivered or reach the Registrar to Delisting Offer on or before the date of Closing of the Delisting Offer.

(g) The Equity Shares will be held in the Special Depository Account until the consideration payable has been dispatched to the Public Shareholders or the unaccepted shares are credited back to the Public Shareholders’ depository accounts.

(h) The ISIN for the Equity Shares of the Company is INE289Y01011.

2) Procedure for Public Shareholders holding Equity Shares in PHYSICAL FORM:

SEBI vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 clarified that, shareholders holding securities in physical form are allowed to tender shares in open offers, buy-backs through tender offer route and exit offers in case of voluntary or compulsory delisting. However, such tendering shall be as per the provisions of respective regulations.

The Public Shareholders holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Delisting Offer must submit the documents as specified in paragraph 5 of this Delisting Offer Letter, as applicable, by hand delivery or by registered post/speed post or courier (at their own risk and cost) with the envelope marked “NEHA RESOURCES LIMITED — DELISTING OFFER” so as to reach the Registrar to the Delisting Offer i.e. Link Intime India Private Limited (at the address as mentioned on cover page of this Delisting Offer letter) on or before April 30, 2021 (i.e. the date of Closing of the Delisting offer).

The Registrar to the Delisting Offer will hold in trust the share certificate(s) and the share transfer form(s) until the consideration payable has been paid to the respective Public Shareholder or the unaccepted share certificate(s) has/have been dispatched to the Public Shareholder.

3) It shall be the responsibility of the Public Shareholders tendering their Equity Shares in the Delisting Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering such equity shares in the Delisting Offer, and the Acquirers shall take no responsibility for the same. The Public Shareholders should attach a copy of any such approval to the Exit Application Form, wherever applicable. The Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares failing which the Application Form may be considered invalid and may be liable to be rejected.

4) The Equity Shares to be acquired under this Delisting Offer are to be acquired free from all liens, charges and encumbrances and together with all rights attached thereto. Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

In the event of a Public Shareholder not receiving or misplacing their Delisting Offer Letter, they may obtain a copy by writing to the Registrar to the Delisting Offer at the address as mentioned at cover page of this delisting offer letter. Further, a soft copy of the Delisting Offer Letter may be downloaded from the website of the Company www.neharesources.com.

Shareholders are advised to consult their tax advisors for tax treatment arising out of the delisting offer and appropriate course of action that they should take. The acquirers neither accept nor hold any responsibility for any tax liability arising to any shareholder as a reason of this delisting offer.

5) PUBLIC SHAREHOLDERS ARE REQUESTED TO SUBMIT THE BELOW MENTIONED DOCUMENTS, AS APPLICABLE, ALONG WITH THE APPLICATION FORM:

A. DEMAT SHAREHOLDERS

Category	Procedure
Individual / HUF	1. Application Form duly filled and signed by the registered Public Shareholder
	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account
	3. Copy of PAN Card and valid address proof
Corporate	1. Application Form duly filled and signed by an authorized signatory who is duly authorized by the board resolution along with a certified copy thereof.
	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. Copy of PAN Card and valid address proof

Category	Procedure
Tendering through Power of Attorney (“POA”)	1. Application Form duly filled and signed by the POA holders along with a copy of the POA
	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. Public Shareholder should ensure that the POA is duly registered with their depository participant.

B. PHYSICAL SHAREHOLDERS

Category	Procedure
Individual / HUF	1. Application Form duly filled and signed in accordance with the instructions contained therein, by all shareholder(s) whose names appear on the share certificate(s).
	2. Original Share Certificate(s)
	3. Valid share transfer form(s) duly signed as - transferor(s) by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Registrar to the Delisting Offer and duly witnessed at the appropriate place(s) along with copy of PAN card and valid address proof. <i>Note: In order to avoid rejection (thumb impression, signature difference, etc.), it is recommended to get it attested, by a magistrate/ notary public/ bank manager under their official seal.</i>
Corporate	1.The Exit Application Form duly completed and signed in accordance with the instructions contained therein, by an authorized signatory who is duly authorized by the board resolution
	2. Original Share Certificate(s)
	3. Valid share transfer form(s) duly signed as Transferor (s) by an authorized signatory under their official seal and duly witnessed at the appropriate place(s) along with copy of PAN card and valid address proof.
	4. True copy of the board resolution certified - by a director or a company secretary of the company providing the authority to the signatory to deal with sale of equity share(s)

Category	Procedure
Tendering through Power of Attorney (“POA”)	1.Application Form duly filled and signed by the POA holders along with a copy of thePOA
	2. Original Share Certificate(s)
	3. Valid share transfer form(s) duly signed as transferor(s) by the POA holder(s) in the same order and duly witnessed at the appropriate place(s) along with copy of PAN card and valid address proof
	4. Attested copy of POA only if not registered with the Company or its registrar/transfer agent.
	<i>Note: It is recommended to attach a photocopy of the same.</i>

SETTLEMENT

(a) Following fulfillment of the conditions mentioned herein, and receipt of the requisite regulatory approvals (if any), the applicable consideration will be paid by the Promoter/Acquirer within 15 working days of the date of closing of Delisting offer by way of electronic transfer/ demand draft/ pay order. The demand drafts/ pay orders will be dispatched to the relevant Public Shareholders, at their own risk, by way of speed post / registered post/ courier.

(b) Public Shareholders should fill up their bank account details in the Application Form. If the Public Shareholder does not provide the said details or if the details provided are different from those received electronically from the Public Shareholder’s depository participant, the bank details received electronically from the Public Shareholder’s depository participant shall be used for making payment of the consideration. Thus, the Public Shareholders are advised to ensure that bank account details are updated in their respective depository participant accounts as these bank account details would be used for payment of consideration, if any. In case of wrong bank accounts details or unavailability of bank account details or availability of incomplete bank account details of the Public Shareholders, the payment of consideration to the Public Shareholder will be done in the form of a demand draft/pay order in favor of the first/sole Public Shareholder and dispatched by registered post/speed post, at the Eligible Shareholder’s sole risk, at the address obtained from the first/sole Public Shareholders’ depository participant (however, there will be no obligation on the Acquirer/Promoter or the Manager to the Delisting Offer to do the same).

DELISTING OFFER PERIOD

THE PUBLIC SHAREHOLDERS ARE REQUESTED TO GIVE THEIR CONSENT IN WRITING THROUGH THE SUBMISSION OF APPLICATION FORM AT THE OFFICE OF REGISTRAR TO THE DELISTING OFFER.

In case, the shareholders wish to tender their shares, they are requested to submit the additional / accompanying documents with the application form at the office of Registrar to the Delisting Offer on all working days during normal working hours (excluding public holiday) from April 01, 2021 to April 30, 2021 (both days inclusive).

If you seek any clarification/information in connection with this Delisting Offer Letter, please consult Registrar to the Delisting Offer/Manager to the Delisting Offer or the Company at the contact details given on cover page.

Yours Sincerely,

For and on behalf of all Acquirers

Sd/-

Kailash Kumar Kanodia
(Promoter/Acquirer)
Place: Jaipur
Date: March 27, 2021

Encl : Application Form