

**ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE  
LETTER OF OFFER  
FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**



**Corporate Identity Number:**  
L51909DL1984PLC019485;  
**Registered Office:** 9062/47, NECC House,  
Ram Bagh Road, Azad Market,  
Delhi-110006, India;  
**Phone Number:** +91-11- 23517516-19  
**Contact Person:** Ms. Mamta Bisht,  
Company Secretary and Compliance  
Officer;  
**Email-ID:** cs@neccgroup.com;  
**Website:** www.neccgroup.com

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated Wednesday, 24 May, 2023 ('Letter of Offer') which is available on the websites of the Registrar to the Issue, our Company, the Lead Manager, and the stock exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE', and together with BSE, the "Stock Exchanges"). You are encouraged to read greater details available in the Letter of Offer. The capitalised terms not specifically defined herein shall have the same meaning as ascribed to them in the Letter of Offer.

**THIS ABRIDGED LETTER OF OFFER CONTAINS 14 PAGES.  
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

Our Company has made available on the Registrar to the Issue's website at [www.purvashare.com](http://www.purvashare.com), and the Company's website at [www.neccgroup.com](http://www.neccgroup.com) this Abridged Letter of Offer and the Application Form for the Eligible Equity Shareholders who have provided their Indian address to the Company. You may also download the Letter of Offer from the websites of the Securities and Exchange Board of India ('SEBI'), the Stock Exchanges and the Lead Manager i.e. CapitalSquare Advisors Private Limited, [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.capitalsquare.in](http://www.capitalsquare.in), respectively. The Application Form is available on the respective websites of the Lead Manager, the Stock Exchanges.

**OUR PROMOTERS ARE MR. SUNIL KUMAR JAIN, MR. UTKARSH JAIN, MRS. VANYA JAIN, M/S SUVI DEVELOPERS PRIVATE LIMITED, M/S NECC SECURITIES PRIVATE LIMITED, AND M/S NECC AUTOMOBILES PRIVATE LIMITED**

**DETAILS OF THE OFFER**

Type of Issue	Rights Issue Size (in number)	Rights Issue Size	Issue under SEBI (ICDR) Regulations
Rights Issue	Up to 4,51,77,602 (Four Crores Fifty-One Lakhs Seventy-Seven Thousand Six Hundred and Two) Equity Shares	Up to Rs. 8,131.97 Lakhs	Chapter III of SEBI (ICDR) Regulations

**ISSUE DETAILS, LISTING, AND PROCEDURE**

**RIGHTS ISSUE OF UP TO 4,51,77,602 (FOUR CRORES FIFTY-ONE LAKHS SEVENTY-SEVEN THOUSAND SIX HUNDRED AND TWO) PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS.10.00/- (RUPEE TEN ONLY) ('EQUITY SHARES') EACH AT A PRICE OF RS.18.00/- (RUPEES EIGHTEEN ONLY) PER RIGHTS SHARE (INCLUDING A PREMIUM OF RS.8.00/- (RUPEES EIGHT ONLY) PER RIGHTS SHARE) ('ISSUE PRICE') ('RIGHTS SHARES') FOR AN AMOUNT AGGREGATING UP TO RS. 8,131.97 LAKHS\* ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF NORTH EASTERN CARRYING CORPORATION LIMITED IN THE RATIO OF 9 (NINE) RIGHTS SHARES FOR EVERY 10 (TEN) EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, FRIDAY, JUNE 02, 2023, ('ISSUE'). THE ISSUE PRICE IS 1.8 TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 153 OF THIS LETTER OF OFFER.**

*\*Assuming full subscription and receipt of First and Final call Money with respect to Right Shares.*

**Listing Details:** The existing Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited. Our Company has received 'in-principle' approval from BSE and NSE for listing the Rights Shares to be allotted pursuant to this Issue vide its letters bearing reference number DCS/RIGHT/CP/FIP/2468/2022-23 dated Thursday, August 04, 2022 and NSE/LIST/31838 dated Monday, July 25, 2022 respectively. Our Company will also make application to stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13' dated January 22, 2020. For this Issue, the Designated Stock Exchange is BSE Limited.

**Procedure:** If you wish to know about processes and procedures applicable to Rights Issues, you may refer section titled 'Terms of the Issue' beginning on page 153 of the Letter of Offer. You may also download the Letter of Offer from the website of the Company, SEBI, the Stock Exchanges, the Registrar to the Issue, the Lead Manager to the Issue. You can also request the Lead Manager to the Issue or Stock Exchanges to provide a hard copy of Letter of Offer.

**ELIGIBILITY FOR THE ISSUE**

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited and the National Stock Exchange of India Limited. Our Company is eligible to offer Rights 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 Part B of Schedule VI of the SEBI (ICDR) Regulations.

**Compliance of Part B of Schedule VI of the SEBI (ICDR) Regulations:** As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI (ICDR) Regulations are not applicable to our Company, the disclosures in the Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI (ICDR) Regulations.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90.00% of the Issue our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under 'Terms of the Issue' on page 153 of the Letter of Offer.

#### INDICATIVE TIMETABLE\*\*

<b>Issue Opening Date</b>	Wednesday, June 14, 2023	<b>Date of Allotment/ Initiation of Refunds (on or about)</b>	Monday, July 10, 2023
<b>Last Date for On Market Renunciation*</b>	Thursday, June 22, 2023		
<b>Issue Closing Date#</b>	Tuesday, June 27, 2023	<b>Date of credit of Rights Shares to demat account of Allottees (on or about)</b>	Tuesday, July 11, 2023
<b>Finalisation of Basis of Allotment (on or about)</b>	Friday, July 7, 2023	<b>Date of listing/ commencement of trading of Rights Shares on the Stock Exchanges (on or about)</b>	Wednesday, July 12, 2023

*\*\*The above time table is indicative and does not constitute any obligation on our Company or Lead Manager.*

*\*Eligible Equity 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, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

#### NOTICE TO INVESTORS

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI (ICDR) Regulations, our Company will send / dispatch the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other issue material (collectively, 'Issue Materials') only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer, and the Application Form from the websites of the Registrar to the Issue, our Company, the Lead Manager, the Stock Exchanges.

Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue Materials.

**NO OFFER IN THE UNITED STATES THE RIGHTS ENTITLEMENTS AND THE RIGHTS SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'US SECURITIES ACT'), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE 'UNITED STATES' OR 'U.S. '), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ('REGULATIONS') TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THE LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.**

#### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such 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 Shares have not been recommended or approved by the Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of the contents of the Letter of Offer. **Specific attention of investors is invited to the statement of 'Risk Factors' on page 20 of the Letter of Offer and 'Internal Risk factors' on page 6 of this Abridged Letter of Offer before making an investment in the Issue.**

<b>Name of Lead Manager and contact details</b>	<b>CapitalSquare Advisors Private Limited</b> 205-209, 2 <sup>nd</sup> Floor, AARPEE Center, MIDC Road No. 11, CTS 70, Andheri (East), Mumbai – 400093, Maharashtra, India; <b>Phone Number:</b> +91-22-66849999; <b>Website:</b> <a href="http://www.capitalsquare.in">www.capitalsquare.in</a> ; <b>Email ID:</b> <a href="mailto:mb@capitalsquare.in">mb@capitalsquare.in</a> <b>Investor Grievance ID:</b> investor.grievance@capitalsquare.in; <b>Contact Person:</b> Mr. Mihir Pandhi; <b>SEBI Registration No:</b> INM000012219 Validity: Permanent
<b>Name of Registrar to the Issue and contact details</b>	<b>Purva Sharegistry (India) Private Limited</b> Address: Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai- 400011, Maharashtra, India; <b>Contact Details:</b> +91-22-4961 4132; <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> ; <b>E-mail/Investor grievance ID:</b> support@purvashare.com; <b>Contact Person:</b> Ms. Deepali Dhuri; <b>SEBI Registration Number:</b> INR000001112; <b>Validity:</b> Permanent
<b>Name of Statutory Auditor</b>	<b>M/s. Nemani Garg Agarwal &amp; Co., Chartered Accountants</b> Address: 1517, Devika tower, 6, Nehru Place, New Delhi – 110019, Delhi, India; <b>Firm Registration Number:</b> 010192N; <b>Contact Person:</b> Mr. S.K Nemani; <b>Membership Number:</b> 037222; <b>E-mail ID:</b> sknemani@sknemani.com; <b>Contact Details:</b> 011-26448022/23.
<b>Self-Certified Syndicate Banks ('SCSBs')</b>	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 at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and 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 and updated from time to time, please refer to the above-mentioned link.
<b>Bankers to the Issue</b>	<b>Kotak Mahindra Bank Limited</b> Kotak Infinity, 5 <sup>th</sup> Floor, Building No. 21, Infinity Park, Off Western Express Highway General AK Vaidya Marg, Malad (East), Mumbai – 400 097 Maharashtra, India.; <b>Contact Person:</b> Mr. Arunima Saxena; <b>E-mail ID:</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Contact Details:</b> 8870775248; <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> ; <b>SEBI Registration Number:</b> INBI00000927;

## 1. SUMMARY OF OUR BUSINESS

Our Company is engaged in the business of transport, carriage and haulage carriers of goods, materials and passengers from place to place, in India or abroad by means of motor vehicles, trucks, lorries, buses, cars, by surface, sea or air and/ or by any other means of transport.

For further details, please refer to the section titled '**Business Overview**' beginning on page 66 of the Letter of Offer.

## 2. SUMMARY OF OBJECTS OF THE ISSUE AND MEANS OF FINANCE

### DETAILS OF ISSUE PROCEEDS

Particulars	Amount (Rs. in Lakhs)
Gross proceeds of the Issue	Up to 8,131.97*
Less: Estimated issue related expenses	Up to 99.73**
<b>Net Proceeds</b>	<b>Up to 8,032.24</b>

\* Assuming full subscription and receipt of First and Final call Money with respect to Right Shares and subject to finalization of the Basis of Allotment.

\*\*See 'Estimated Issue Related Expenses' beginning on page 57 of the Letter of Offer.

## Requirement of funds and utilisation of Net Proceed

Sr. No	Net Proceeds are proposed to be used in accordance with the details set out below	
	Particulars	Amount (Rs. in Lakhs)
1.	Construction and Development of Warehouse	6,447.00
2.	General Corporate Purposes	1,585.24
3.	<b>Total Net Proceeds*</b>	<b>8,032.24</b>

\*Notes:

- Assuming full subscription in the Issue and receipt of First and Final Call Money with respect to the Rights Shares in the Issue and subject to finalization of Basis of Allotment and the Allotment, and to be adjusted as per the Rights Entitlement ratio.
- The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds.

### Proposed Schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the proposed schedule of implementation and deployment of Funds set out below:

Particulars	Amount (Rs. in Lakhs)
Total consideration	7,925.00
Advance to be paid up to 80% of the total consideration	6,340.00
Less: Advance already paid	(1,478.00)
Balance amount	4,862.00
Upon execution of Sale Deed i.e. up to 20% of total consideration	1,585.00
<b>Total Amount to be paid</b>	<b>6,447.00</b>

In nutshell, out of the total issue proceeds, Rs.4,862.00 Lakhs will be paid to Kanhai Cement Works Private Limited during financial year 2023-24 and the remaining 20% of the total consideration i.e. Rs.1,585.00 Lakhs will be paid upon execution of sale deed during financial year 2025-26 as the estimated period of completion of work is 2(Two) to 3(Three) years from start.

The amount for General Corporate Purpose will be utilised in financial year 2023-24 and 2024-25.

### Means of Finance

The Net Proceeds from the Issue will be used for augmenting capital base for the growth of our business. The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution, or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities, interest, or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of our management. Further, in the event of any shortfall of funds for any of the activity proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Our Company proposes to meet the funding requirements for the proposed objects of the Issue from the Net Proceeds, financial arrangements with the promoters & identifiable internal accruals.

### 3. NAME OF MONITORING AGENCY

Since the Issue size does not exceed Rs.10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation

### 4. SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on March 31, 2023, can be accessed on the website of the Stock Exchanges at <https://www.bseindia.com/stock-share-price/north-eastern-carrying-corporation-ltd/neccltd/534615/qtrid/117.00/shareholding-pattern/Mar-2023/> and <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=NECCLTD&tabIndex=equity> respectively.

### 5. BOARD OF DIRECTORS

Sr. No.	Name	Designations	Others Directorships
---------	------	--------------	----------------------

Sr. No.	Name	Designations	Others Directorships
1.	Sunil Kumar Jain	Managing Director	<ol style="list-style-type: none"> <li>Shreyans Logistics Private Limited</li> <li>Gaurang Developers Private Limited</li> <li>Super Realcon Private Limited</li> <li>Shubhi Agencies Private Limited</li> <li>N.E.C.C. Financial Services Private Limited</li> <li>Indika Agro Products Private Limited</li> <li>N E C C Securities Private Limited</li> <li>N E C C Automobiles Private Limited</li> <li>Suvi Developers Private Limited</li> <li>N E C C Logistics Limited</li> </ol>
2.	Utkarsh Jain	Whole Time Director	<ol style="list-style-type: none"> <li>N E C C Logistics Limited</li> <li>Suvi Developers Private Limited</li> <li>N E C C Automobiles Private Limited</li> <li>Shreyans Buildwell Private Limited</li> <li>N E C C Securities Private Limited</li> <li>Indika Agro Products Private Limited</li> <li>Shubhi Agencies Private Limited</li> <li>Super Realcon Private Limited</li> <li>Gaurang Developers Private Limited</li> <li>Shreyans Logistics Private Limited</li> <li>Shreyans Expressway LLP</li> <li>Shreyans Buildtech Private Limited</li> </ol>
3.	Utsav Jain	Non-Executive - Independent Director	<ol style="list-style-type: none"> <li>Vintage Distillers Limited</li> </ol>
4.	Manoj Kumar Jain	Non-Executive - Independent Director	<ol style="list-style-type: none"> <li>N E C C Logistics Limited</li> <li>MPS Infotecncs Limited</li> <li>Karma Vastu Research Hub Private Limited</li> <li>MPS Pharmaa Limited</li> </ol>
5.	Mohak Jain	Non-Executive - Independent Director	<ol style="list-style-type: none"> <li>Oberoi optics International Pvt Ltd</li> <li>N E C C Logistics Limited</li> <li>Vintage Distillers Limited</li> <li>ABM Capital Option Private Limited.</li> <li>ABM Overseas Private Limited</li> <li>Parsvnath Logistic LLP</li> </ol>
6.	Saurav Upadhyay	Non-Executive - Independent Director	<ol style="list-style-type: none"> <li>Fanem Medical Devices India Private Limited</li> <li>Trijal digital media private limited</li> <li>Vision box India private limited</li> </ol>
7.	Ashutosh Kumar Dubey	Non-Executive - Independent Director	<ol style="list-style-type: none"> <li>Lexcom Advisors LLP</li> </ol>
8.	Priya Singh	Non-Executive - Independent Director	Nil

For further details, please refer to the section titled **‘Our Management’** beginning on page 73 of the Letter of Offer.

**Neither our Company, our Promoters nor our Directors, are categorised as wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.**

## 6. FINANCIAL STATEMENT SUMMARY

The following table sets forth the summary financial information derived from the Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Nine months and Quarter ending December 31, 2022 and Financial Year ending March 31, 2022, March 31, 2021 and March 31, 2020.

(Rs. in Lakhs)

Particulars	Audited Financial Statements for period ended December 31, 2022	Audited Financial Statements for the Financial Years ending March 31,		
		2022	2021	2020
Total Income from Operations (Net)	Rs.23,260.73	Rs.25,042.77	Rs.23,058.64	Rs.37,629.94
Net Profit/ (Loss) before tax and	Rs.705.55	Rs.568.64	Rs.118.14	Rs.875.56

Particulars	Audited Financial Statements for period ended December 31, 2022	Audited Financial Statements for the Financial Years ending March 31,		
		2022	2021	2020
extraordinary items				
Net Profit/(Loss) after tax and extraordinary items	Rs.487.61	Rs.425.75	Rs.143.01	Rs.638.96
Equity Share Capital	Rs.5,019.73	Rs.5,019.73	Rs.5,019.73	Rs.5,019.73
Reserves and Surplus	Rs.5,375.40	Rs.4,873.88	Rs.4,452.31	Rs.4,309.30
Net Worth	Rs.10,395.13	Rs.9,893.61	Rs.9,472.04	Rs.9,329.03
Total Income	Rs.23,298.86	Rs.25,085.53	Rs.23,273.75	Rs.37,819.54
Profit / (loss) after tax	Rs.487.61	Rs.425.75	Rs.143.01	Rs.638.96
Basic and Diluted EPS	Rs.0.97	Rs.0.85	Rs.0.28	Rs.1.27
Return on Net Worth (%)	4.69%	4.30%	1.51%	6.85%
Net asset value per Equity Share	Rs.20.71	Rs.19.70	Rs.18.87	Rs.18.58
Total borrowings	Rs.11,250.14	Rs.10,093.72	Rs.8,616.80	Rs.7,611.90

For further details, please refer to the section titled '*Financial Information*' beginning on page 77 of the Letter of Offer

## 7. INTERNAL RISK FACTORS

The below mentioned are top 5 risk factors as per the Letter of Offer:

- There is a probability of negative public opinion arising out of SAT order against Mr. Utkarsh Jain and Mrs. Vanya Jain, the promoters of our Company, may adversely impact the financial position and business succession of our Company.
- Any disruptions to our logistics and transportation facilities could have a material adverse effect on our business, financial condition, cash flows and results of operations.
- We operate in a highly fragmented industry and face intense competition, which could adversely affect our results of operations and market share.
- Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.
- We employ a large workforce, and any failure to attract and retain suitably qualified and skilled employees, labour unrest, labour union activities, increases in the cost of labour or failure to comply with applicable labour laws could negatively affect our business.

For further details, please refer to the section titled '*Risk Factors*' beginning on page 20 of the Letter of Offer.

## 8. SUMMARY OF OUTSTANDING LITIGATIONS

The following table sets forth the summary of outstanding litigations involving our Company and our Subsidiary as on the date of the Letter of Offer:

(Rs. in Lakhs)

Nature of cases	Number of cases	Amount involved
<b>Litigations involving our Company</b>		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities - Income Tax Outstanding demand	1	Rs.1.54/-
Litigation involving Tax Liabilities - Indirect Taxes Liabilities	1	Rs.55.08/-
Criminal Matters initiated by the Company, Group, Promoters, Directors which are at FIR stage	21	64.44
Criminal Matters initiated against the Company, Group, Promoters, Directors which are at FIR stage	9	28.69
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
<b>Litigation involving our Directors, Promoters and Promoter Group</b>		
Proceedings involving issues of moral turpitude or criminal liability on the part of our	Nil	Nil

Nature of cases	Number of cases	Amount involved
Director/Promoter		
Litigation involving Tax Liabilities - Income Tax Outstanding demand	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations	2	10.00/-
<b>Entities in which Promoter/ Directors have Directorship or Control</b>		
Litigation involving Tax Liabilities - Income Tax Outstanding demand	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations	Nil	Nil

For further details, please refer to the section titled '*Outstanding Litigations, Defaults and Material Developments*' on page 137 of the Letter of Offer.

## 9. TERMS OF THE ISSUE

### Procedure for Application

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see '*Procedure for Application through the ASBA Process*' on page 164 of the Letter of Offer.

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 Entitlements credited in their respective demat accounts. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. 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 Rights 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.

Investors may accept this Issue and apply for the Rights 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. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see '*Grounds for Technical Rejection*' on page 171 of the Letter of Offer. Our Company, the Lead Manager, the Registrar to the Issue and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

### Procedure for 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 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.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise 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>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

### Application on Plain Paper under ASBA process

An Eligible Equity Shareholder 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 Common 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. 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 address outside India.

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 Common Application Form for any purpose including renunciation even if it is received subsequently.

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 bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- 1) Name of our Company, being North Eastern Carrying Corporation Limited;
- 2) 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);
- 3) Registered Folio Number/DP and Client ID No.
- 4) Number of Equity Shares held as on Record Date;
- 5) Allotment option – only dematerialised form;
- 6) Number of Rights Shares entitled to;
- 7) Number of Rights Shares applied for within the Rights Entitlements;
- 8) Number of additional Rights Shares applied for, if any;
- 9) Total number of Rights Shares applied for;
- 10) The Issue Price for this Issue is Rs.18.00/- (Rupees Eighteen Only). On Application, Investors will have to pay Rs.9.00 /- (Rupees Nine Only) per Rights Share which constitutes 50.00% (Fifty Percent) of the Issue Price and the balance Rs.9.00 /- (Rupees Nine Only) per Rights Share which constitutes 50.00% (Fifty Percent) of the Issue Price, will have to be paid, on First and Final Call, as determined by our Board/ Committee at its sole discretion, from time to time.
- 11) Committee of the Board from time to time;
- 12) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- 13) In case of NR 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;
- 14) 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 Rights Shares applied for pursuant to this Issue;
- 15) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 16) 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);
- 17) In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*'I/ We understand that neither the Rights Entitlements nor the Rights Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the 'US Securities Act'), or any United States state securities laws, and may not be offered, sold, resold or otherwise 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 US Securities Act. I/ we understand the Rights Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ('Regulation S') to existing shareholders located in jurisdictions where such offer and sale of the Rights Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights 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 to the Issue, the Lead Manager 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 to the Issue, the Lead Manager 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 United States 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 Rights 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 Rights 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.*

*I/ We understand and agree that the Rights Entitlements and Rights Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.'*

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, 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 to the Issue not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar to the Issue at [www.purvashare.com](http://www.purvashare.com).

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

### **Application by Eligible Equity Shareholders holding Equity Shares in physical form**

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:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar to the Issue containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar to the Issue no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar to the Issue 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;
- (c) The Eligible Equity Shareholders can access the Application Form from:

<b>Access of Documents on the website of</b>	<b>URL of websites</b>
Company	<a href="http://www.necgroup.com">www.necgroup.com</a>
Registrar to the Issue	<a href="http://www.purvashare.com">www.purvashare.com</a>
Lead Manager	<a href="http://www.capitalsquare.in">www.capitalsquare.in</a>
BSE Limited	<a href="http://www.bseindia.com">www.bseindia.com</a>
NSE	<a href="http://www.nseindia.com">www.nseindia.com</a>

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue accessible at [www.purvashare.com](http://www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company accessible at [www.purvashare.com](http://www.purvashare.com).

- (d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date submit 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

**PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR TO THE ISSUE OR OUR COMPANY ON THURSDAY, JUNE 22, 2023, BEING 2 (TWO) WORKING DAYS PRIOR TO TUESDAY, JUNE 27, 2023 BEING THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

### **Terms of Payment**

Each Rights Share is being offered at a price of Rs. 18.00/- (Rupees Eighteen Only) per Right Share issued in 1 (One) Rights Entitlement, (i.e., Rs. 18.00/- (Rupees Eighteen Only) per Right Share, including a premium of Rs. 8.00/- (Rupees Eight Only) per Rights share.

On Application, Investors will have to pay Rs. 9.00/- (Rupees Nine Only) per Rights Share which constitutes 50.00% (Fifty Percent) of the Issue Price and the balance Rs. 9.00/- (Rupees Nine Only) per Rights Share which constitutes 50.00% (Fifty Percent) of the Issue Price, will have to be paid, on First and Final Call, as determined by our Board/ Committee at its sole discretion, from time to time.

### **Rights Entitlements Ratio**

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of 9 Rights Shares for every 10 fully paid-up Equity Share(s) held by the Eligible Shareholders as on the Record Date.

### **Fractional Entitlements**

The Rights Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 9 Rights Shares for every 10 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than 10 Equity Shares or is not in the multiple of 10 (Ten) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Shares over and above their Rights Entitlements, if any, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 9 Equity Share, such Equity Shareholder will be entitled to 8 Rights Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Share if such Eligible Equity Shareholder has applied for additional Rights Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for. Such Eligible Shareholders are entitled to apply for additional Rights Shares and will be given preference in the Allotment of one Rights Shares, if such Eligible Shareholders apply for additional Rights Shares, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### **Credit of Rights Entitlements in dematerialised account**

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 Rights 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 opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar to the Issue on the Record Date; or (d) 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 to the Issue; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with the Depositories for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE553C20016. The said ISIN's shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from Wednesday, June 14, 2023, to Thursday, June 22, 2023 (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than Thursday, June 22, 2023 being 2 (Two) Working Days prior to Tuesday, June 27, 2023, being the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts on Monday, June 26, 2023, at least 1 (One) day before Tuesday, June 27, 2023, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar to the Issue account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar to the Issue accessible at [www.purvashare.com](http://www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue after keying in their respective details along with other security control measures implemented thereat.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., TUESDAY, JUNE 27, 2023 AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE 'PROCEDURE FOR APPLICATION' ON PAGE 162 OF THIS LETTER OF OFFER.**

## **Trading of the Rights Entitlements**

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN: INE553C20016. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, June 14, 2023, to Thursday, June 22, 2023 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity 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 Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Shares in the Issue. For details, see '*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*' and '*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*' beginning on page 165 of the Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see '*Procedure for Application*' on page 162 of the Letter of Offer.

## **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 Shareholders 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. The renunciation of Rights Entitlements credited in your demat account can be made by way of On Market on or through off-market transfer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar to the Issue or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

## **Procedure for Renunciation of Rights Entitlements**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges, and expenses (including brokerage), and such costs will be incurred solely by the Investors.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

## **On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of BSE through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE553C20016 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement. The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, June 14, 2023, to Thursday, June 22, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN: INE553C20016 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

## **Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity 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 Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE553C20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account. The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

## **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can apply for its Rights Shares:

- (i) Apply for its Rights Shares to the full extent of its Rights Entitlements; or
- (ii) Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
- (v) Renounce its Rights Entitlements in full.

## **Additional Rights Shares**

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights 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 Limited. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' beginning on page 176 of the Letter of Offer.

## **Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares Withdrawal of Application**

No Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

## **Intention and participation by our Promoters and Promoter Group**

The Promoters of our Company through their letters dated Tuesday, July 5, 2022, Friday July 8, 2022 and Monday, July 11, 2022, have confirmed that they intend to subscribe in part or to the full extent of their Rights Entitlement and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Further, the Promoters and members of our Promoter Group may also apply for additional Rights Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Rights Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfilment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters and members of our Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations. We confirm that there will not be any violation of the Takeover Regulations or triggers under the Takeover Regulations while acquiring the shares during the rights issue process.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

## **10. AVAILABILITY OF OFFER DOCUMENT OF THE IMMEDIATELY PRECEDING PUBLIC ISSUE OR RIGHTS ISSUE FOR INSPECTION**

The said offer documents shall be available for inspection at the registered office of our Company.

## **11. ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGER AND THE ISSUER**

Nil

### **DECLARATION BY THE COMPANY**

We hereby declare that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct

### **SIGNED BY THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OF OUR COMPANY**

<p style="text-align: center;">Sd/- <b>Mr. Sunil Kumar Jain</b> Managing Director</p>	<p style="text-align: center;">Sd/- <b>Mr. Utkarsh Jain</b> Whole Time Director</p>
<p style="text-align: center;">Sd/- <b>Mr. Manoj Kumar Jain</b> Non-Executive Independent Director</p>	<p style="text-align: center;">Sd/- <b>Mr. Mohak Jain</b> Non-Executive Independent Director</p>

<b>Sd/- Mr. Utsav Jain Non-Executive Independent Director</b>	<b>Sd/- Mr. Saurav Upadhyay Non-Executive Independent Director</b>
<b>Sd/- Mr. Ashutosh Kumar Dubey Non-Executive Independent Director</b>	<b>Sd/- Ms. Priya Singh Non-Executive Independent Director</b>
<b>Sd/- Mr. Shyam Lal Yadav Chief Financial Officer</b>	<b>Sd/- Ms. Mamta Bisht Company Secretary and Compliance Officer</b>

**Date:** Wednesday, May 24, 2023

**Place:** Delhi