



7NR RETAIL LIMITED

Our Company was originally incorporated on December 21, 2012, as “7NR Retail Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted into a Public Limited Company and accordingly the name of our Company was changed to “7NR Retail Limited” pursuant to a special resolution passed by our Shareholders at the EGM held on March 11, 2017. A fresh certificate of incorporation consequent upon conversion to Public Limited Company was issued on March 22, 2017 by Registrar of Companies, Ahmedabad, Gujarat. For further details of our Company, please refer to the chapter titled “General Information” on page 36 of this Draft Letter of Offer.

Corporate Identification Number: L52320GJ2012PLC073076

Registered Office: Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad – 382 405

Telephone: + 91-97271-23838; Email id: info@7nrretailtd.in

Website: www.7nrretailtd.in;

Contact Person: Ms. Prachi Chobisa, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: MR. NIKUNJ AGRAWAL AND MR. UMANG TRIVEDI		
FOR PRIVATE CIRCULATION TO THE ELIGIBLEE QUITY SHAREHOLDERS OF 7NR RETAIL LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY		
WEHEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS ARE WILFUL DEFAULTERS AS ON DATE OF THIS DRAFT LETTER OF OFFER		
ISSUE OF 12,86,45,000# EQUITY SHARES OF FACE VALUE OF Re. 1/- EACH (“EQUITY SHARES”) OF 7NR RETAIL LIMITED (“7NR” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 1.80/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 0.80/- PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UPTO RS. 23,15,61,000/- ON RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) EQUITY SHARE FOR EVERY 1 (ONE) EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [•] (THE “ISSUE”). THE ISSUE PRICE IS 0.80 TIMES OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE [•] OF THIS DRAFT LETTER OF OFFER.		
GENERAL RISKS		
Investments 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 of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity 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 this Draft Letter of Offer. Specific attention of the investors is invited to the section “Risk Factors” on page 23 of this Draft Letter of Offer.		
OUR COMPANY’S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect		
LISTING		
The existing Equity Shares are listed only on BSE Limited (“BSE”). Our Company has received ‘in-principle’ approval from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [•]. Our Company will also make an application to the stock exchange to obtain its trading approval for the right entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.		
REGISTRAR TO THE ISSUE		
CAMEO CORPORATE SERVICES LIMITED Subramanian Building, 1 Club House Road, Chennai - 600 002 Tel : +044 4002 0700 / 0710, 91-44 - 2846 0129 Email: cameo@cameoindia.com Website: www.cameoindia.com Contact Person: Mr. R. D. Ramasamy SEBI Registration No: INR000003753		
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSSES ON**
[•]	[•]	[•]

**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 15 (Fifteen) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Equity shares which are offered through the rights issue are Maximum no. of shares that will be issued and it includes allotment of 2,39,00,000 Equity Shares to be issued on a preferential basis. Preferential allotment if not done till the record date, equity shares offered may vary.

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SECTION –I–DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader / prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial information & Statements" beginning on pages 46 and 64, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Conventional / General Terms

Term	Description
"7NR Retail Limited", "Our Company", or "the Issuer" "We" or "us" or "our"	7NR Retail Limited
Articles / Articles of Association / AoA	Articles of Association of our Company, as amended from time to time
Auditors / Statutory Auditors	Our statutory auditors namely, M/s. J S Maheshwari & Co., Chartered Accountants, Ahmedabad
Board / Board of Directors	Board of Directors of our Company including a committee thereof
Company Secretary	Ms. Prachi Chobisa
Compliance Officer	Ms. Prachi Chobisa
Director(s)	Any or all director(s) of our Company, unless otherwise specified and as the context may require
Equity Shareholder(s) / Shareholder(s)	A holder of the Equity Shares of our Company
Equity Share(s)	Equity Shares of our Company of face value of Re. 1/- each
Eligible Equity Shareholder(s)	Equity Shareholders whose names appear on the register of members of our Company or on the list of register of beneficial owners of our Company maintained by the Depositories as at the end of business hours of the Record Date i.e.,[•].
Financial Statements	Audited Standalone financial statements of our Company
Limited Review Report and Financial Statements	Together, the limited review unaudited financial results for the nine months ended on 31 st December, 2021, the statement of assets and liabilities as at 31 st December, 2021 and the Cash Flow Statement for the nine months ended on 31 st December, 2021 of our Company prepared and published in accordance with Regulation 33 of the SEBI Listing Regulations.
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Promoters	Mr. Nikunj Agrawal and Mr. Umang Trivedi
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made

	with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	The Registered office of our Company situated at Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad – 382 405

Business and Industry related Terms / Abbreviations

Term / Abbreviation	Description/ Full Form
ADT	Average Daily Turnover
ADV	Average Daily Values
BO	Beneficial Owner
BOPT	Board of Practical Training
CFO	Chief Financial Officer
CS	Company Secretary
FY	Financial Year
CY	Calendar Year
GDP	Gross Domestic Product
HNI	High Networth Individual
KMP	Key Managerial Personnel
KYC	Know Your Customer
MD	Managing Director
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NOF	Net Owned Fund
RMS	Risk Management Services
RTGS	Real Time Gross Settlement
P/E Ratio	Price/ Earnings Ratio
PMS	Portfolio Management Services
RONW	Return on Net Worth
STT	Securities Transaction Tax
WTD	Whole Time Director
W.R.T.	With respect to

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the SEBI Regulations
Allottee(s)	Persons to whom Equity Shares of our Company will be issued pursuant to the Issue.
Allotment / Allotted	The allotment of Equity Shares pursuant to the Issue
Allotment Date	The date on which the Allotment is made
Applicant(s)	The Eligible Equity Shareholders and / or the Renounces who are entitled to apply or have applied for the Rights Equity Shares under the Issue, as the case may be.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price.
Application Amount	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Amount in his / her / its specified bank account maintained with the SCSB.
ASBA Account	An account maintained with an SCSB and specified in the Application Form or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper application.
ASBA Investor(s)	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA Facility.
Bankers to the Issue	IndusInd Bank
Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	The Draft Letter of Offer dated 11 th April, 2022
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date

Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
"Escrow Collection Bank", "Allotment Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [•]
Foreign Portfolio Investor(s) / FPI(s)	A person who satisfies the eligibility criteria prescribed under Regulation 4 of the SEBI (FPI) Regulations and has been considered under chapter III of the SEBI (FPI) Regulations, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act. Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
IEPF	Investor Education and Protection Fund
ISIN	International securities identification number
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [•],
Issue / Rights Issue	Issue of 12,86,45,000 Equity Shares for cash at Issue Price of Rs. 1.80/- per Equity Share (including premium of Rs. 0.80/- per Equity Share) for an amount aggregating to Rs. 23,15,61,000/- on a rights basis to the Equity Shareholders of our Company in the ratio of 1 (One) Equity Share for every 1 (One) fully paid-up Equity Share held by the Equity Shareholders on the Record Date.
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI (ICDR) Regulations.
Issue Price	Rs. 1.80/- per Equity Share (premium of Rs. 0.80/- per Equity Share)
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	Amount aggregating upto Rs. 23,15,61,000/-
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	The listing agreement entered into between our Company and BSE Limited in terms of the SEBI Listing Regulations.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple applications.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular, circulars issued by the Depositories from time to time and other applicable laws on or before [•].
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular, circulars issued by the Stock Exchange from time to time and other applicable laws, and other applicable laws, on or before [●]

Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, see the section “Objects of the Issue” on page [•] of this Draft Letter of Offer.
Non – Institutional Investors / Non – Institutional Investors	All Investors, including FPIs which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an cumulative amount more than Rs. 2,00,000/-
Qualified Foreign Investors / QFIs	QFI shall mean a person who has opened a dematerialized account with a qualified depository participant as a qualified foreign investor under the SEBI (FPI) Regulations.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
R-WAP	Registrar’s web-based application platform accessible at https://cameoindia.com/ instituted as an optional mechanism in accordance with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing / submitting online Application Forms by resident public Investors. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [•].
Registrar to the Issue / Registrar	Cameo Corporate Services Limited
Renouncee(s)	Any person(s) who has / have acquired Rights Entitlements from Eligible Equity Shareholders
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [•], in case of On Market Renunciation. 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 Renouncee on or prior to the Issue Closing Date.
Retail Individual Investors	Individual Investors who have applied for Equity Shares for an amount less than or equal to Rs. 2,00,000/- in the Issue (including HUFs applying through the karta)
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 1 Rights Equity Share for every 1 Fully Paid-Up Equity Share held by an existing Eligible Equity Shareholder.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company
SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=35 , as applicable, or such other website as updated from

	time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchange	BSE Limited where our Equity Shares are presently listed and traded.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Willful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter 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 RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Ahmedabad are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by the SEBI.

Abbreviations

Term / Abbreviation	Description/ Full Form
"Rs." or "Rs." or Rupees or INR	Indian Rupee
AGM	Annual General Meeting
AS	Accounting Standards issued by the ICAI
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government / Government of India	The Central Government of India
CIN	Corporate Identification Number
Companies Act, 1956	Companies Act, 1956, as amended from time to time
Companies Act, 2013	Companies Act, 2013, to the extent applicable and as amended from time to time
Companies Act	Companies Act, 1956 and / or Companies Act, 2013, to the extent applicable
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DPID	Depository Participant Identity
DP / Depository Participant	Depository Participant as defined under the Depositories Act
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extra-Ordinary General Meeting
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non-Repatriable Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time

FII	Foreign Institutional Investor (as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014), registered with the SEBI under applicable laws in India
Financial Year / fiscal year / Fiscal / FY	Period of 12 months ending on March 31 of that particular year.
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
Government	The Central Government and / or the State Government, as applicable
HUF/HUFs	Hindu Undivided Family / Hindu Undivided Families
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India.
IT Act	Income Tax Act, 1961
Mutual Fund	Mutual fund registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Body(ies)
P.A.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
ROC	Registrar of Companies, Ahmedabad, Gujarat
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI(FPI) Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
Stock Exchange	BSE Limited
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from

	time to time
UPI	Unified Payments Interface
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case maybe.

NOTICE TO INVESTOR

The distribution of this the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform them about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Draft Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Draft Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make arequest in this regard. Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this, the Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated assent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall

not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date here of or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of this the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this, the Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States.

Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India.

Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such

Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or unless the context otherwise requires, the financial information and data in this Draft Letter of Offer, with respect to our Company, is derived from our audited financial statements. For details, please see “Financial Information” beginning on page 64 of this Draft Letter of Offer.

Our Company’s fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular “Financial Year” or “Fiscal Year” or “Fiscal” are to the 12 (twelve) months period ended on March 31 of that year.

The GOI has adopted the Indian Accounting Standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Audited Financial Statements of our Company for the Financial Year ended on March 2020 and March 2021 and the nine-month period ended December 31, 2021 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Draft Letter of Offers (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

All numerical values as set out in this draft Letter of Offer, for the sake of consistency and convenience, have been rounded off to two decimal places. In this draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information

included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "Financial Information" beginning on page 64 of this Draft Letter of Offer.

Currency and Units of Presentation

All references to:

- "Rupees" or "Rs." or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;

Our Company has presented certain numerical information in this Draft Letter of Offer in "Lakh" or "Lac" units. One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in Lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Financial Information.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 23, of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward - looking statements”. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations; business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- A prolonged slow down in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.
- Legal proceedings determined against us;
- Significant competition in our businesses;
- Information technology and failure of, or inadequacies of our IT systems;
- Operational risks associated with the financial services industry;
- Receipt of statutory and regulatory approvals;
- Accuracy and completeness of information about clients and counter parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;

- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary(ies), Promoter(s) and other related party(ies);
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or non compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 23, 102 and 64 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoter, our Director, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SECTION-II- SUMMARY OF LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by more detailed information appearing in this Letter of Offer, including the sections titled “Risk Factors”, “Summary of the Issue”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Industry Overview”, “Outstanding Litigation” and “Terms of the Issue” on pages 23, 35, 41, 44, 57, 49, 113 and 123 respectively.

1. Summary of Primary Business

Our company was originally incorporated as ‘7NR Retail Private Limited’ on December 21, 2012, under the Companies Act, 1956 engaged in the business of trading of apparels in the wholesale and retail segments. Consequent upon conversion into Public Limited Company the name of our Company was changed to ‘7NR Retail Limited’ on March 22, 2017 and fresh certificate of incorporation was obtained from the Registrar of Companies, Ahmedabad, Gujarat, on March 22, 2017.

Our Company remained focused on providing distinctive, high quality and trusted products to consumers at right price. Our Company is an Entrepreneur driven and well managed organization focused on meeting our consumer requirements for meeting their fashion and lifestyle requirements by offering products and services with the finest quality.

Salient features of our Products:

- All Sizes Kids Garments
- Attractive Design
- Eco-Friendly Products

Further our Company has started 2 new units at Vatva and Motera in the Segment of Retail Stores of Furniture, Garments and other products and Wholeselling of Electronic Devices

Achievement of the Company

Our Company has been awarded with the title of ‘Excellence Award of the Year from the brand “Gini & Jony” for constant expansion and overall performance of all the outlets / stores across the Gujarat. We have a huge consumer base in Gujarat.

Our approach

Customer Oriented	•Our staff helps the customer to satisfy their appropriate needs.
Goal Oriented	•Our Goal is definite and devises strategies to achieve the growth of the Company parallel to consumer needs and satisfaction.
Value driven approach	•Our Company offers good value to the Customers keeping the price and quality appropriate for the targeted market.
Coordinated Effort	•Every activity of our Company is aligned to the Goal as specified and is designed to maximize efficiency and deliver value to the customer.

Our Company deals in two segments as mentioned below:



Retail Segment

We are engaged in the business of trading in kids garments in the retail segment. With the increase in brand awareness in the customers there is demand in the retail sale of branded clothes under different brands.

Our Company has started 2 new units at Vatva and Motera in the Segment of Retail Stores of Furniture, Garments and other products

Wholesale Segment

We are into wholesale segment due to its cost effectiveness against future inflation. We are engaged into Wholeselling of Electronic Devices. The Company is also planning to wider its presence in the whole sale market by including varied product range.

Our Competitive Strength

- Experienced Management Team
- Success through Partnering / Franchising
- Quality Assurance and Standards
- Leveraging our Market Skills and Relationships
- Strong Marketing Capacity
- Established relationship with various brands, customers and employees

Our Strategies

- Increase Geographical Presence in Tier I and Tier II cities
- Introducing retailing more brands
- Continue to develop client relationships and trust

Competition

We face competition from various other retailers including standalone stores or other branded chain of stores in the organized as well as unorganized sector.

Approach to marketing and marketing set-up

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers. Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have strong marketing team which is led by our Promoter Mr. Nikunj Agrawal. We take continuous efforts by way of market survey, conducting training

programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.

2. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

Sr. No.	Particulars	Amount (In lakh)
(A)	Gross proceeds of the Rights Issue**	2315.61
	Less: Expenses of the Issue (approx.)	75.00
	Net proceeds of the Rights Issue	2240.61
(B)	Utilization of the net proceeds of the Rights Issue	
	(a) Towards Working Capital Requirements	1680.46
	(b) General Corporate Purpose	560.15
	Total Net Proceeds**	2240.61

The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

***Assuming full subscription and Allotment with respect to the Right Equity shares.*

For further details, please see chapter titled “Objects of the Issue” beginning on page 44 of this Draft Letter of Offer.

3. Intention and extent of participation by Promoter and Promoter Group

The Promoter and members of the Promoter Group of our Company have, indicated their intention to subscribe, jointly and / or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter(s) or member(s) of the Promoter Group of our Company. For further details, please see the chapter titled “Capital Structure” beginning on page 41 of this Draft Letter of Offer.

4. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:-

Type of Proceedings	Number of cases	Amount (in Rs.)
Cases against our Company		
Nil	Nil	Nil
Cases against our Promoters		
Nil	Nil	Nil
Cases against our Subsidiary / Associate Company		
Nil	Nil	Nil

For further details, please refer the chapter titled “Outstanding Litigation” on page 113 of this Draft Letter of Offer.

5. Risk Factors

For details of the risks associated with our Company, ongoing business activities, objects of the Issue and material litigations which may impact our business, please see the section titled “Risk Factors” beginning on page 23 of this Draft Letter of Offer.

6. Summary of Contingent Liabilities

For details of contingent liabilities for the Financial Year 2020-21, please see the section titled “Financial Information” beginning on page 64 of this Draft Letter of Offer.

7. Summary of Related Party Transactions

For further details, please see the section titled “Financial Information” at page 64 of this Draft Letter of Offer.

8. Issue of equity shares made in last one year for consideration other than cash

Our company has not issued any equity shares for consideration other than cash in last one year.

9. Split or consolidation of Equity Shares in the last one year

There has been Sub-division / Split of each existing 1 (One) equity share having face value of Rs. 10/- (Rupees Ten Only) each into new 10 (Ten) equity shares having face value of Re. 1/- (Rupee One Only) each.

10. Our Promoters

The Promoters of our Company are Mr. Nikunj Agrawal and Mr. Umang Trivedi.

SECTION III – RISK FACTORS

An Investment in equity shares involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Letter of Offer before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Letter of Offer, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Draft Letter of Offer beginning on pages 102, 64 & 64 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Materiality

The risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- *Some events may not be material individually, but may be found material collectively.*
- *Some events may have material impact qualitatively instead of quantitatively.*
- *Some events may not be material at present but may have material impact in the future.*

The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified.

INTERNAL RISKS

Business Related Risk

- 1. Our operations are significantly located in Gujarat region and failure to expand our operations may restrict our growth and adversely affect our business.**

Currently, we are carrying our business in Gujarat region and hence, our major revenues are generated from operations in these regions only. In the event that demand for equity trading activities in general reduces or stops by any reason including political discord or instability or change in policies of State or an act of terrorism, then our financial condition and operating results may be materially and adversely affected. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating regions could impact our future revenues.

- 2. Diversify in new Industry.**

Our Company was engaged in Business of doing business of trading in kids garments in the retail segment, Now Company has started 2 new units at Vatva and Motera in the Segment of Retail Stores of Furniture, Garments and other products. Also Company has started business of whole selling of Electronic Devices. Failure in the said business can incur losses in the Company and can also impact in business of trading in kids garments.

3. *Our insurance cover may be inadequate to fully protect us from all losses and may in turn adversely affect our financial condition.*

We have group health insurance policy and a term life insurance plan. We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our business operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. In addition, even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, if at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, cashflows, results of operations and prospects.

4. *Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.*

We have to comply with numerous regulatory filing, maintenance of record etc under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulation"), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable. We may have failed to comply or maintain certain record as per the applicable law (except compliance of Listing Regulation for preceding one year from the date of filing of Draft Letter of Offer where the company had duly filed the required documents with Designated Stock Exchange). If any Regulatory found the non-compliance of the applicable laws they may impose the penalty on the Company. Such penalty may impact the profitability of the Company.

5. *The success of our business depends on our ability to attract and retain senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.*

The success of our business depends on the continued service of our senior management and various professionals including information technology resources, relationship and finance professionals etc. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and qualified professionals has intensified. We encounter intense competition for qualified professionals from other companies in the financial services sector. Our Company invests significant time and money in training the professionals that are hired to perform the services provided to our customers. Our Company believes that there is also a significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. The departure or other loss of our key professionals who manage substantial client relationships or who possess substantial experience and expertise could impair our ability to successfully carry out our operations. Our business and financial condition could suffer if we are unable to retain our senior management, or other high quality personnel, including finance, internal controls and information technology, or cannot adequately and timely replace them upon their departure.

Moreover, we may be required to substantially increase the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the manufacturing industry for such personnel. Our failure to attract, hire, retain or replace competent personnel could materially impair our ability to implement any

plan for growth and expansion. Competition for quality employees among business institutions may also require us to increase compensation, which would increase operating costs and reduce our profitability.

6. *Our inability to manage growth could disrupt our business and reduce our profitability.*

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our new business streams. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in manufacturing industry, and developing and improving our internal administrative infrastructure. However, there could be a possibility that we may not be able to grow at a comparable rate to our growth rate in the past or the required growth rate to effectively compete in the market either in terms of profit or income. Further, such growth strategy will place significant demands on our management, financial and other resources. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

7. *We have not made any alternate arrangements for meeting the purposes mentioned in the Objects of the issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting the purposes mentioned in the objects of the issue. We meet our funding requirements through our own funds, internal accruals and debt. Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our fund requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds could adversely affect our growth plans.

8. *We could be exposed to risks arising from employee and business associate misconduct and trading errors.*

Misconduct by employees could include their binding us to transactions that exceed authorized limits or present unacceptable risks to us, hiding unauthorized or unsuccessful trading activities from us or the improper use of confidential information. These types of misconduct could result in business risks or losses to us including regulatory sanctions and serious harm to our reputation. Furthermore, while our business associates work under our overall supervision and control and that each of their clients are directly registered with us on a revenue sharing basis. Our business associates are typically managed by independent entrepreneurs and not by our employees. We have significantly less control over the activities of our business associates than our employees. The precautions we take to prevent and detect these activities may not be effective. For example, some of our clients place orders over the telephone. If employee or business associate performs misconduct or commits trading errors, our business operations and reputation could have a material adverse impact.

9. *We depend on the accuracy and completeness of information about clients and counter parties for our business. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.*

We significantly rely on information furnished to us by, or on behalf of, our clients (including in relation to their financial transactions and past credit history) for various aspects of our business operations, such as new client enrolment and servicing our clients. We may also rely on certain

representations from our clients as to the accuracy and completeness of the information provided by them. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent such activities or detect inaccuracies in such information in a timely manner, or at all, which may expose us to regulatory action or other risks, and may adversely affect our reputation, business prospects, financial condition and results of operations.

10. Our risk management policies and procedures may leave us exposed to unidentified risks or unanticipated levels of risk which could lead to material losses.

Our risk management techniques and strategies may not be fully effective in mitigating our exposure to risks and may not cover risks that we fail to identify or anticipate. Some methods of risk management are based on the use of observed historical market behaviour. We apply statistical and other tools to these observations to arrive at quantifications of our risk exposures. These tools and metrics may fail to predict future risk exposures. Our losses could therefore be significantly greater than those which the historical measures indicate. Our more qualitative approach to managing those risks could prove insufficient, exposing us to material unanticipated losses. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by us. This information may not be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. We cannot assure you that our policies and procedures will effectively and accurately record and verify this information. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and legal reporting systems. Nonetheless, the effectiveness of our ability to manage risk exposure cannot be completely or accurately predicted or fully assured. For example, unexpectedly large or rapid movements or disruptions in one or more markets or other unforeseen developments could have a material adverse effect on our results of operations and financial condition. The consequences of these developments could include losses due to adverse changes in inventory values, decreases in the liquidity of trading positions, higher volatility in systemic risk.

11. We have in the past entered in to related party transactions and may continue to do so in the future.

Our Company had entered into various transactions with our Directors, Promoter and Promoter Group. These transactions, inter-alia include issue of shares, remuneration, loans and advances etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations.

12. Our Promoter, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoter, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend, benefits arising from their directorship in our Company. For further details please refer to "Financial Information" on page 64 of this Draft Letter of Offer. There can be no assurance that our Promoter, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and other significant decisions. Our Directors and our Key Management

Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

ISSUE SPECIFIC RISK

1. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

2. *Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

3. *We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.*

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

4. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's DEMAT account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

5. *SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.*

The concept of crediting Rights Entitlements into the DEMAT accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, and ensure completion of all necessary steps in relation to providing / updating their DEMAT account details in a timely manner. For details, see "*Terms of the Issue*" on page 159 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the DEMAT accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a DEMAT suspense escrow account 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 Listing 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 on the Record Date; or (d) credit of the Rights Entitlements returned / reversed / failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

6. *The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.*

In accordance with SEBI circulars dated May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://cameoindia.com/>), has been instituted for making an Application in this Issue by

resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the Eligible Shareholders can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account there at. For details, see “*Terms of the Issue*” on page 123 of this Draft Letter of Offer. Such payment gateways and mechanisms are faced with risks such as:

- Keeping information technology systems aligned and upto date with the rapidly evolving technology;
- In the payment services industries;
- Scaling up technology infrastructure to meet requirements of growing volumes;
- Applying risk management policy effectively to such payment mechanisms;
- Keeping users’ data safe and free from security breaches; and
- Effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

7. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the DEMAT account of the Renouncees prior to the Issue Closing Date. Further in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 123 of this Draft Letter of Offer.

8. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity

Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

9. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

10. *Investors will be subject to market risks until our Equity Shares credited to the investor's DEMAT account are listed and permitted to trade.*

Investors can start trading our Equity Shares allotted to them only after they have been credited to an Investor's DEMAT account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor's DEMAT account or that trading in such Equity Shares will commence in a timely manner.

11. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment upto 100% is permitted in our sector, subject to satisfaction of certain conditions.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

12. *Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.*

If the Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, the Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or

in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders.

For instance, the Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless:

- A registration statement is in effect, if a registration statement under the US Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or
- The offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the US Securities Act.

The Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

13. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could there by suffer future dilution of their ownership position.*

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

14. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

EXTERNAL RISK FACTORS

1. *Political, economic and social changes in India could adversely affect our business.*

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991,

successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

2. *Our business may be adversely affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act, 2002, as amended (the “Competition Act”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

3. *The nationalised goods and services tax (GST) regimes proposed by the Government of India may have material impact on our operations.*

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the central and state governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact of this tax regime may have on our operations.

4. *Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.*

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

5. *Natural calamities and force majeure events may have an adverse impact on our business.*

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

6. *Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.*

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various taxes related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

7. *Restrictions on foreign investment limit our ability to raise debt or capital outside India.*

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Bank of India and the Foreign Investment Promotion Board.

8. *Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

9. *Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

10. *Third party statistical and financial data in this Prospectus may be incomplete or unreliable.*

We have not independently verified any of the data from industry publications and other sources referenced in this Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

11. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to greater compliance requirements and increase our compliance costs.*

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions and the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the issue, and on the business, prospects and results of operations of the Company.

SECTION –IV INTRODUCTION

This Issue has been authorized through a resolution passed by our Board at its meeting held on 11th April, 2022 pursuant to Section 62(1) (a) of the Companies Act. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled “Terms of the Issue” on page 123 of this Draft Letter of Offer.

SUMMARY OF THE ISSUE

Equity shares offered through the Issue	12,86,45,000 Equity Shares
Rights Entitlement	Upto 1 (One) Equity Share for every 1 (One) fully paid-up Equity Share held on the Record Date
Record Date	[•]
Face Value per Equity Shares	Rs. 1/-
Issue Price per Equity Share	Rs. 1.80/- (Including a premium of Rs. 0.80/- per equity share)
Issue Size	Equity Shares of face value of Rs. 1/- each for cash at a price of Rs. 1.80/- (Including a premium of Rs. 0.80/-) per Rights Equity Share not exceeding an amount of Rs. 23,15,61,000/-
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	12,86,45,000 Equity Shares#
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto 25,72,90,000 Equity Shares#
Scrip Details	ISIN: INE413X01027 BSE: 540615
Terms of the Issue	Please refer to the section titled “ <i>Terms of the Issue</i> ” on page 123 of this draft Letter of Offer
Use of Issue Proceeds	Please refer to the section titled “ <i>Objects of the Issue</i> ” on page 44 of this draft Letter of Offer.
Fractional Entitlement	For details in relation fractional entitlements, see “ <i>Terms of the Issue - Fractional Entitlements</i> ” beginning on page 123 of this draft Letter of Offer

Equity shares which are offered through the rights issue are Maximum no. of shares that will be issued and it includes allotment of 2,39,00,000 Equity Shares to be issued on a preferential basis. Preferential allotment if not done till the record date, equity shares offered may vary.

Please refer to the chapter titled “*Terms of the Issue*” on page 123 of this Draft Letter of Offer.

GENERAL INFORMATION

Pursuant to the resolution passed by our Board at its meeting held on 11th April, 2022, our Company has been authorized to make the following Rights Issue to the Equity Shareholders of our Company.

Issue of 12,86,45,000 Equity Shares of Rs. 1/- each for cash at a premium of Rs. 0.80/- per Equity Share aggregating to Rs. 23,15,61,000/- (Rupees Twenty Three Crores Fifteen Lakh Sixty One Thousand Only) on a rights basis to the existing Equity Shareholders of our Company, in the ratio of 1 (One) Equity Share for every (1) One Equity Share. The Issue Price is 0.80 times the face value of the Equity Share.

For further details, please refer to the chapter titled “Terms of the Issue” on page 123 of this Draft Letter of Offer.

REGISTERED OFFICE OF OUR COMPANY

7NR Retail Limited

Registered Office Address: Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad – 382 405

Tel: + 91-97271-23838

Fax: N.A

Email: info@7nrretailtd.in

Website: www.7nrretailtd.in

CIN: L52320GJ2012PLC073076

Registration Number: 073076

BOARD OF DIRECTORS

The following table sets out the current details regarding our Board of Directors as on the date of filing of this Draft Letter of Offer:

Name of the Director	Designation	DIN	Address
Mr. Tarachand Agrawal	Executive Director -Managing Director	00465635	4/7, Guru Ramdas Society, Bapunagar, Ahmedabad 380024
Mr. Pratapsingh Zala	Non - Executive - Non Independent Director	03445568	C-41 Mansi Tenaments, Hathijan Daskroi, Ahmedabad – 382 445
Mr. Avantinath Raval	Non - Executive - Non Independent Director - Chairperson	07686783	A/3, Param Pinak Appartment, Opp Madhuvan Society, Ahmedabad – 382 330
Mr. Pranav Vajani	Non - Executive - Independent Director	09213749	A-604, Riddhi Tower, Near Lotus School, Satellite, Ahmedabad – 380 015
Mr. Ziral Soni	Non-Executive - Independent Director	09213763	61, Vada Pole, Khambhat, Anand – 388 620

For further details of our Board of Directors, see “Our Management” on page 60 of this Draft Letter of Offer.

ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the ROC, Ahmedabad, Gujarat which is situated at the following Address:

Registrar of Companies, Gujarat

ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380 013, Gujarat

Contact No.: + 079-27438531 **Fax:** +91079-27438371

Email id: roc.ahmedabad@mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Prachi Chobisa

Address: 1/99 Housing Board Colony, Govardhan Vilas, Udaipur, Udaipur H Magri – 313002, Rajasthan

Tel: +91-97271-23838

Fax: N.A

Email: info@7nrretailtd.in

Investors may contact Compliance Officer or Registrar to the Issue for any pre-issue / post-issue related matters such as non-receipt of letters of allotment / share certificates / refund orders, etc. All grievances relating to the ASBA process or R-WAP may be addressed to the Registrar to the Issue, with a copy to the SCSBs for grievances related to ASBA, giving full details such as name, address of the applicant, e-mail id of the first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA account number and the Designated Branch of the SCSBs where the plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For further details on the ASBA and R-WAP process, please refer to the section titled “Terms of the Issue” beginning on page 123 of this Draft Letter of Offer.

REGISTRAR TO THE ISSUE

M/s. Cameo Corporate Services Limited

Address: Subramanian Building, 1 Club House Road, Chennai - 600 002, Tamil Nadu

Tel: +044 4002 0700 / 0710, 91-44 - 2846 0129

Email: cameo@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R. D. Ramasamy

SEBI Registration No: INR000003753

STATUTORY AUDITORS OF OUR COMPANY

M/s. J. S. Maheshwari & Co.

Chartered Accountants

205, Solitiare, Opp. Bombay Garage, Under Bridge, Shahibaug, Ahmedabad – 380 004

Contact No.: +91-94141-22363 / +91-94272-59951

Email: jsmcapali@gmail.com , jsmcaahdi@gmail.com

Contact Person: Mr. Dilip Maliwal

Membership Number: 148387

Firm Registration No.: 001318C

IndusInd Bank**Address:** [•]**Tel No:** +91[•]**FaxNo:** [•]**Email:** [•]**Website:** [•]**Contact Persons:** [•]**Experts**

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the draft Letter of Offer, our Company has not obtained any expert opinions.

Self-Certified Syndicate Bankers

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

For further details on the ASBA process, please refer to the details given in ASBA form and also please refer to the chapter titled “Terms of the Issue” starting on page 123 of this Draft Letter of Offer.

Investor grievances

Investors may contact the Compliance Officer for any pre-issue/ post-issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit / Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or Compliance Officer for any pre-issue or post-issue related problems such as non-receipt of Abridged Letter of Offer / Application Form and Rights Entitlement Letter / Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or R-WAP.

Credit Rating

This being an Issue of equity shares, no credit rating is required.

Statement of inter se allocation of Responsibilities for the Issue

The Company has not appointed any merchant banker to the Issue (except for the purpose of obtaining pricing certificate, as may be required,) and hence there is no inter-se allocation of responsibilities.

Trustees

This being an issue of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

As the issue size is below Rs.100 Crores, no monitoring agency has been appointed.

Underwriting

Our Company has not entered into any underwriting / stand by agreement.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any bank or financial institution.

Minimum Subscription

Mr. Nikunj Agrawal, our Promoter, on behalf of the Promoter and Promoter Group has vide letter dated 12th April, 2022 confirmed that all the members of the Promoter Group intend to fully subscribe, jointly and / or severally, to their Rights Entitlements and reserve the right to subscribe to their Entitlement in the Issue by subscribing for renunciation if any made in their favour. The Promoters may also apply for additional Equity Shares in the Issue. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue shall be applicable. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

Changes in Auditors during the last three years

M/s. J. S. Maheshwari & Co., Chartered Accountants (FRN: 001318C) have been appointed as the Statutory Auditors of the Company for the Financial Year 2021-22 at a remuneration to be decided by any Director of the Company in consultation with the Audit Committee and Auditor, in addition to reimbursement of all out-of-pocket expenses as may be incurred by them for the purpose of audit.

Issue Schedule

Last Date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]
Last Date for On Market Renunciation#	[•]
Issue Closing Date*	[•]
Finalisation of Basis of Allotments (on or about)	[•]
Date of Allotments (on or about)	[•]
Date of Credit (on or about)	[•]
Date of listing (on or about)	[•]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights entitlement are credited to the demat account of the Renounces 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 15

(fifteen) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Filing

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased from ten crores to fifty crores. Since the size of this Issue falls below the threshold, the Draft Letter of Offer will not be filed with SEBI. The Draft Letter of Offer will be filed with the stock exchange and submitted with SEBI for information and dissemination.

CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Draft Letter of Offer, is set forth below:

(Amount in Rs. except share data)

	Particulars	Aggregate value at Face Value	Aggregate value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	26,00,00,000 Equity Shares of face value of Rs. 1/- each	26,00,00,000	--
B	ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE¹		
	12,86,45,000 Equity Shares of face value of Rs. 1/- each	12,86,45,000	--
C	PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER²		
	12,86,45,000 Rights Equity Shares at an Issue Price of Rs. 1.80/- per Rights Equity Share	12,86,45,000	23,15,61,000
D	ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE³		
	25,72,90,000 Equity Shares of Rs. 1/- each fully paid-up	25,72,90,000	----
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer ⁴		24378000
	After the Offer		127294000

¹ These shares includes allotment of 2,39,00,000 Equity Shares to be issued on a preferential basis

² The Issue has been authorized by a resolution of our Board passed at its meeting held on 11th April, 2022 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

³ Assuming full subscription for and allotment of the Rights Entitlements.

⁴ Securities Premium includes Securities premium of Equity Shares to be issued on a preferential basis

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchase scheme.
2. Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.
3. All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. For further details on the terms of the Issue, please see the chapter titled "Terms of the Issue" on page 123 of this Draft Letter of Offer.

1. Shareholding of Promoter and Promoter Group:

The details of Equity Shares held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such Equity Shares as on 8th April, 2022 (i.e. latest Benpose) are set forth below:

Sr. No.	Name of the Promoter & Promoter Group	Number of fully paid-up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged / encumber		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shares held	No. of Equity Shares	% of total shares held
1.	Mr. Umang Vijaykumar Trivedi	1,92,74,420	18.40	-	-	-	-
2.	Mr. Nikunj Agrawal	92,43,065	8.82	-	-	-	-
	Total	2,85,17,485	27.22	-	-	-	-

None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, or otherwise encumbered.

2. Details of Equity Shares acquired by Promoter or Promoter Group in the last one year

Promoters of the Company have acquired 516399 shares through market and through Share Purchase Agreement our Promoters have acquired 31,27,686 (Thirty-One Lakhs Twenty-Seven Thousand Six Hundred and Eighty-Six) Equity Shares, representing 29.86% of the equity and voting share capital of the Company.

3. Intention and extent of participation in the Issue by the Promoter and Promoter Group

The Promoters vide their letters dated 12th April, 2022 have undertaken to fully subscribe for their Rights Entitlement in the Issue. The Promoters reserve the right to subscribe to their Entitlement in the Issue by subscribing for renunciation if any made in their favour. The Promoters may also apply for additional Equity Shares in the Issue. As a result of this subscription and consequent allotment, the Promoters may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding above the current shareholding with the entitlement of Equity Shares under the Issue. This subscription and acquisition of additional Equity Shares by the Promoters, if any, shall be made in compliance with the applicable provisions of the SEBI SAST Regulations. Allotment to the Promoters of any unsubscribed portion, over and above their entitlement shall be done in compliance with SEBI LODR Regulations and other applicable laws prevailing at that time relating to continuous listing requirements. In the event of renunciation by any promoter and / or member of the promoter group of the Issuer Company, other than renunciation within the promoters / promoter group, the promoters and the promoter group shall not be eligible for exemption available under Regulation 10(4)(b) of the SEBI SAST Regulations, 2011.

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

- The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is [●].
- At any given time, there shall be only one denomination of the Equity Shares.

6. The details of the promoter and promoter group shareholders holding of the Company as on 8th April, 2022 (i.e. latest Benpose) are as under:

Sr. No.	Name of Promoters and Promoter Group	No. of Equity Shares held	% of total share capital
1.	Mr. Umang Vijaykumar Trivedi	1,92,74,420	18.40
2.	Mr. Nikunj Agrawal	92,43,065	8.82
	Total	2,85,17,485	27.22

7. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

- Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on 31st December, 2021 is available on the website of BSE <https://www.bseindia.com/stock-share-price/7nr-retail-ltd/7nr/540615/shareholding-pattern/>
- Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on 31st December, 2021 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/7nr-retail-ltd/7nr/540615/shareholding-pattern/>
- The statement showing holding of Equity Shares belonging to the category “Public” including the details of lock-in, pledge of and encumbrance thereon as on 31st December, 2021, can be accessed on the BSE website at <https://www.bseindia.com/stock-share-price/7nr-retail-ltd/7nr/540615/shareholding-pattern/>
- Statement showing shareholding pattern of the Non Promoter - Non Public shareholder of our Company as on 31st December, 2021 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/7nr-retail-ltd/7nr/540615/shareholding-pattern/>

SECTION – V
PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the “**Gross Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the following objects (collectively, referred to as the “**Objects**”):

1. In Working Capital Requirements;
2. General Corporate Purposes.

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

Details of gross proceeds and its utilization are as under:

Sr. No.	Particulars	Amount (In lakh)
(A)	Gross proceeds of the Rights Issue**	2315.61
	Less: Expenses of the Issue (approx.)	75.00
	Net proceeds of the Rights Issue	2240.61
(B)	Utilization of the net proceeds of the Rights Issue	
	(a) Towards Working Capital Requirements	1680.46
	(b) General Corporate Purpose	560.15
	Total Net Proceeds**	2240.61

The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

***Assuming full subscription and Allotment with respect to the Right Equity shares.*

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised to be issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

Details of the Objects:

1. To Meet Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company. We intend to meet our working capital requirements to the extent of Rs. 1680.46 Lakhs from the Net Proceeds of this proposed right and the balance will be met from internal accruals and/or borrowings at an appropriate time as per the requirement.

Issue Expenses:

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately Rs.75 Lakhs towards these expenses, a break-up of the same is as follows:-

Sr. No.	Activity	Estimated Amount (in Lakhs)	% of Total Expenses	As a % of Issue Size
1.	Fees payable to the intermediaries (including legal adviser fees, Legal Counsel fees, selling commission, registrar fees and expenses)	[•]	[•]	[•]
2.	Expenses relating to Advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
3.	Statutory and other Miscellaneous Expenses)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

2. General Corporate Purpose

We intend to deploy Rs. 560.15 Lakhs from gross proceeds of the Rights Issue towards General Corporate Purposes. The General Corporate Purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance, partnerships, tie-ups or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 25% of the gross proceeds of the issue would be deployed for the General Corporate Purposes.

Monitoring Agency

As the issue size is below Rs. 100 Crores, no monitoring agency has been appointed.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Key Industry Regulations for the proposed objects of the issue

Our Company is complied with all applicable local law and Key Industry Regulations is not applicable

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
Board of Directors
7NR Retail Limited
Godown No-1, 234/1+234/2, FP-69/3,
Sadashiv Kanto, B/h Bajaj Process,
Narol Chokdi, Narol,
Ahmedabad – 382 405

Dear Sirs,

Re: Statement of Special Possible Tax Benefits available to 7NR Retail Limited and its shareholders.

We report that the enclosed statement in the Annexures, states the possible special tax benefits under direct and in direct tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2021 and the Taxation Laws (Amendment) Act, 2019 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975, as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed Annexures are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither we are suggesting nor advising the investor to invest in the Offer, based on this statement.

We do not express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Yours faithfully,

For J. S. Maheshwari & Co.,
Chartered Accountants

Sd/-

Dilip Mahiwal

Partner

FRN: 001318C

Membership No.: 148387

UDIN:2148387AGVMPN2272

Place: Ahmedabad

Date: 11th April, 2022

ANNEXURE 1
STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO 7NR RETAIL LIMITED (THE
“COMPANY”) AND ITS SHAREHOLDERS

I. UNDER THE INCOME – TAX ACT, 1961 (hereinafter referred to as the ‘Act’)

1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

- a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c) The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.
- d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her investment in the shares of the Company.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f) No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2
STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO 7NR RETAIL LIMITED
(THE“COMPANY”) AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)

1. Special indirect tax benefits available to the Company under the Act

There are no special indirect tax benefits available to the Company.

2. Special indirect tax benefits available to the shareholders under the Act

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

- a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
- c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her investment in the shares of the Company.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION VI - ABOUT THE COMPANY

INDUSTRY OVERVIEW

Global Economy:

The world economy contracted by 3.1% in CY 2020 owing to the global outbreak of Covid-19. In comparison to the IMF's expectations in World Economic Outlook, July 2021, the IMF's predicted global economic growth outlook for CY 2021 has been lowered, while the estimates for CY 2022 have stayed unchanged. The global economy is now forecasted to grow by 5.9% in CY 2021 and 4.9% in CY 2022. The down grades for advanced economies and low-income developing countries resulted in the CY 2021 revision.

Table 1: Global Growth Outlook Projections (in %)

Country / Group	2020	2021E	2022E
World Output	-3.1	5.9	4.9
Advanced Economies	-4.5	5.2	4.5
United States	-3.4	6.0	5.2
Euro Area	-6.3	5.0	4.3
Japan	-4.6	2.4	3.2
United Kingdom	-9.8	6.8	5.0
Canada	-5.3	5.7	4.9
Remaining Advances Economies	-1.9	4.6	3.7
Emerging Market & Developing Economies	-2.1	6.4	5.1
Emerging and Developing Asia	-0.8	7.2	6.3
China	2.3	8.0	5.6
India*	-7.3	9.5	8.5
ASEAN**	-3.4	2.9	5.8
Emerging and Developing Europe	-2.0	6.0	3.6
Latin America and the Caribbean	-7.0	6.3	3.0
Middle East and Central Asia	-2.8	4.1	4.1
Sub-Saharan Africa	-1.7	3.7	3.8

Notes: E-Estimates

*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

**Includes Indonesia, Malaysia, Philippines, Thailand and Vietnam

Source: IMF – World Economic Outlook, October 2021

Advanced Economies:

Growth forecasts for 2021 have been lowered from July, owing to downgrades in the US (due to large inventory drawdowns in the second quarter, in part due to supply disruptions, and softening consumption in the third quarter); Germany (due to shortages of key inputs weighing on manufacturing output); and Japan (due to the effect of the fourth State of Emergency from July to September as infections reached a record level in the current phase). The US outlook incorporates the infrastructure bill recently passed by the Senate and anticipated legislation to strengthen the social safety net, equivalent to about \$4 trillion in spending over the next 10 years. Expected Next Generation European Union (EU) grants and loans for EU economies are also included in the baseline. An expected greater bounce in the first half of next year, as vaccination progresses, leads to an upward revision to the growth prediction for 2022 in advanced economies.

Emerging Markets and Developing Economies:

The group's projection has improved marginally since the July 2021 WEO Update, owing to upgrades in most regions. Due to a stronger-than-expected reduction in public investment, China's prospects for 2021 have been lowered marginally. As the pandemic has spread beyond China and India, emerging and developing Asia has been lowered slightly. Other regions' growth predictions for 2021 have been marginally revised upwards. The revisions in part reflect improved assessments for some commodity exporters outweighing drags from pandemic developments (Latin America and the Caribbean, Middle East and Central Asia, sub-Saharan Africa). Elsewhere, stronger-than-anticipated domestic demand in key regional economies further lifts the 2021 forecast (emerging and developing Europe).

Advanced economies have achieved broad availability of vaccines, with hesitancy (rather than inadequate supply) being the main constraint on further gains. About 58 percent of the population in advanced economies has been fully vaccinated (Figure 1.4). By contrast, the rest of the world has starkly lower shares of population that are fully vaccinated against COVID-19, at about 36 percent in emerging market economies and less than 5 percent in low-income developing countries. In these economies, vaccine supply and distribution remain the primary constraints.

Pandemic-induced supply-demand mismatches could persist longer than expected, leading to sustained price pressures and rising inflation expectations. In response, a faster-than-anticipated monetary normalization in advanced economies could lead to a sudden tightening of global financial conditions. Compressed volatility and elevated equity price valuations point to the possibility of rapid repricing of financial assets in the event of a reassessment of the outlook (see the October 2021 Global Financial Stability Report). As discussed in the April 2021 WEO, vulnerable emerging market and developing economies with large foreign currency debt and financing needs would be particularly exposed. Difficulties with rolling over their external obligations could force abrupt adjustments in these economies, leading to adverse growth outcomes.

The 70 percent coverage target by mid-2022 is driven by the health and economic imperatives of stopping the pandemic as rapidly as possible. This is higher than the originally proposed 60 percent target for mid-2022 given the rise of more infectious variants. The revised target is consistent with the downside risk scenario envisioned in the original \$50 billion IMF staff proposal released in May 2021, under which 1 billion additional doses were designated for low and lower-middle income countries—and is aligned with the updated World Health Organization global vaccination strategy.

The national targets may need to be adjusted based on age demographics and policy developments.

So long as the enormous differences in vaccine access persist, the inequalities in health and economic outcomes will increase, driving further divergences across two blocs of countries: those that can look forward to further normalization later this year (almost all advanced economies); and those that will struggle with the adverse health and economic impacts from resurgent infections. The pressure for booster shots in countries with already-high rates of vaccination could further delay access in others still at early stages of getting first jabs into arms. The continuing wide circulation of the virus, particularly within countries and populations where vaccination rates are low, poses threats to health and economic recoveries everywhere. The World Health Organization is warning that more transmissible and deadly variants—which could escape protection from existing vaccines—are likely to evolve so long as a substantial share of the world population remains unprotected.

Global Trade:

Despite temporary disruptions, trade volumes are expected to grow almost 10 percent in 2021, moderating to about 7 percent in 2022—in line with the projected broader global recovery. Trade growth is projected to moderate to about 3.5 percent over the medium term. The overall trade recovery masks a subdued outlook for tourism-dependent economies and cross-border services more generally. As noted in the October 2020 WEO, countries where tourism and travel account for a larger share of GDP are projected to suffer larger declines in activity compared to pre-COVID-19 forecasts. Travel restrictions and lingering fears of contagion are likely to weigh on cross-border tourist activity until virus transmission declines durably.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>

Indian Economy:

Market Size:

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

According to data from the Department of Economic Affairs, as of August 27, 2021, foreign exchange reserves in India reached US\$ 633.5 billion mark.

Recent Developments:

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 10.7 billion across 137 deals in August 2021, registering a 5x YoY growth. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports between April 2021 and August 2021 were estimated at US\$ 164.10 billion (a 67.33% YoY increase). Merchandise imports between April 2021 and August 2021 were estimated at US\$ 219.63 billion (an 80.89% YoY growth).
- In August 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 52.3.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 112,020 crore (US\$ 15.21 billion) in August 2021.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 547.2 billion between April 2000 and June 2021.
- India's Index of Industrial Production (IIP) for July 2021 stood at 131.4 against 122.6 for June 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 3.11 in August 2021 against 3.96 in July 2021.
- Consumer Price Index (CPI) – Combined inflation was 5.30 in August 2021 against 5.59 in July 2021.
- Foreign portfolio investors (FPIs) invested US\$ 2.5 billion in India in August 2021.

Government Initiatives:

- In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion).
- In September 2021, the government approved a production-linked incentive (PLI) scheme for automobile and drone industries with an outlay of Rs. 26,058 crore (US\$ 3.54 billion) to boost the country's manufacturing capabilities.
- In September 2021, the government announced plans to release Rs. 56,027 crore (US\$ 7.62 billion) under various export promotion schemes to boost exports.
- In August 2021, the Indian government approved Deep Ocean Mission (DOM) with a budget outlay of Rs. 4,077 crore (US\$ 553.82 million) over the next five years.
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- The Union Cabinet approved the production linked incentive (PLI) scheme for white goods (air conditioners and LED lights) with a budgetary outlay of Rs. 6,238 crore (US\$ 848.96 million) and the 'National Programme on High Efficiency Solar PV (Photo Voltic) Modules' with an outlay of Rs. 4,500 crore US\$ 612.43 million).
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In April 2021, the RBI issued a notice on new norms for appointing statutory and central auditors for commercial banks, major urban co-operatives, large non-banks, and housing finance enterprises in order to improve overall audit quality, transparency, and bring value to businesses.
- In May 2021, the Government of India has allocated Rs. 2,250 crore (US\$ 306.80 million) for development of the horticulture sector in 2021-22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- As a result of government efforts such as Make in India and Digital India, a large number of foreign companies are establishing operations in India. Mr. Narendra Modi, India's Prime Minister, initiated the Make in India programme with the goal of boosting the country's manufacturing sector and increasing the purchasing power of the typical Indian consumer, hence driving demand and spurring development and benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. In addition, the government has launched the Digital India programme, which focuses on three key areas: building digital infrastructure, delivering services digitally, and increasing digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- NITI Aayog and Cisco teamed up in August 2021 to promote women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.

- In August 2021, Prime Minister Mr. Narendra Modi announced the launch of e-RUPI, a contactless and cashless digital payment system.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US\$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- The signing of a memorandum of understanding (MoU) on migration and mobility partnership between the Government of India and the United Kingdom of Great Britain and Northern Ireland was agreed by the Union Cabinet in May 2021.
- Mr. Piyush Goyal, Minister of Railways, Commerce & Industry, Consumer Affairs, Food & Public Distribution, introduced the DGFT Trade Facilitation app in April 2021 to enable rapid access to exporters/importers at any time and from any location.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

Road ahead

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The government's ongoing attempts to increase vaccination coverage among residents have aided the economic recovery. This also gave reason to be positive about the prospect of reviving industrial activity.

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The rise in tax collection, combined with the government's budget support for states, boosted the Indian economy's overall growth.

In order to generate energy, India is relying on renewable sources. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 Gigawatt (GW) by 2022. In line with this, India and the United Kingdom together unveiled a "Roadmap 2030" in May 2021 to collaborate and battle climate change by 2030.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by Price water house Coopers.

Source: <https://www.ibef.org/economy/indian-economy-overview>

Indian Retail Industry:

Introduction:

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10% of the country's gross domestic product (GDP) and around eight% of the employment. India is the world's fifth-largest global destination in the retail space.

India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India is the world's fifth-largest global destination in the retail space and ranked 63 in World Bank's Doing Business 2020.

India is the world's fifth-largest global destination in the retail space. In FDI Confidence Index, India ranked 16 (after US, Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy).

Indian Market Growth Size:

As per Kearney Research, India's retail industry is projected to grow at a slower pace of 9% over 2019-2030, from US\$ 779 billion in 2019 to US\$ 1,407 billion by 2026 and more than US\$ 1.8 trillion by 2030.

Revenue of India's offline retailers, also known as brick and mortar (B&M) retailers, is expected to increase by Rs. 10,000-12,000 crore (US\$ 1.39-2.77 billion) in FY20. India's direct selling industry would be valued at US\$ 2.14 billion by the end of 2021.

According to the Retailers Association of India (RAI), the retail industry achieved 93% of pre-COVID sales in February 2021; consumer durables and quick service restaurants (QSR) increased by 15% and 18% respectively.

After an unprecedented decline of 19% in the January-March 2020 quarter, the FMCG industry displayed signs of recovery in the July-September 2020 quarter with a y-o-y growth of 1.6%. The growth witnessed in the fast-moving consumer goods (FMCG) sector was also a reflection of positivity recorded in the overall macroeconomic scenario amid opening of the economy and easing of lockdown restrictions.

E-Retail has been a boon during the pandemic and according to a report by Bain & Company in association with Flipkart 'How India Shops Online 2021' the e-retail market is expected to grow to US\$ 120-140 billion by FY26, increasing at approximately 25-30% p.a. over the next 5 years. India has the third-highest number of e-retail shoppers (only behind China, the US). The new-age logistics players are expected to deliver 2.5 billion Direct-to-Consumer (D2C) shipments by 2030. Online used car transaction penetration is expected to grow by 9x in the next 10 years. During the festival period in 2020, Amazon, Flipkart and various vertical players sold goods worth US\$ 9 billion despite the pandemic onslaught.

Source: <https://www.ibef.org/industry/retail-india>

Development Scenario:

Retail tech companies supporting the retail sector with services such as digital ledgers, inventory management, payments solutions, and tools for logistics and fulfillment are taking off in India. In the first nine months of 2021, investors pumped in US\$ 843 million into 200 small and mid-sized retail technology companies, which is an additional 260% of capital compared to the entire 2020.

In November 2021, Department for Promotion of Industry and Internal Trade announced that it is working on a regulatory compliance portal to minimise burdensome compliance processes between industries and the government.

In October 2021, retailers in India increased by 14% compared with last year

In September 2021, New Delhi-based e-commerce enablement startup GoKwik raised US\$ 5.5 million through Matrix Partners India. Dukaan, another startup that helps businesses digitise operations, received a US\$ 11 million investment led by 640 Oxford Ventures.

The Indian retail trading has received Foreign Direct Investment (FDI) equity inflow totalling US\$ 3.61 billion during April 2000-June 2021, according to Department for Promotion of Industry and Internal Trade (DPIIT).

With the rising need for consumer goods in different sectors including consumer electronics and home appliances, many companies have invested in the Indian retail space in the past few months.

India's retail sector attracted US\$ 6.2 billion from various private equity and venture capital funds in 2020.

According to a report by PGA Labs and Knowledge Capital, investors had put in US\$ 1.4 billion into D2C companies between 2014 and 2020. The sector recorded an investment of ~US\$ 417 million in 2020.

In October 2021, Reliance announced plan to launch 7-Eleven Inc.'s convenience stores in India.

In October 2021, Realme launched 100 new exclusive stores across India to expand and strengthen its footprint in the country.

In October 2021, Reliance Retail introduced Freshpik, a new experiential gourmet food store in India, to expand its grocery segment in the ultra-premium category.

In October 2021, Plum, the direct-to-consumer beauty & personal care brand, announced plan to launch >50 offline stores across India (by 2023) to expand its customer base.

In July 2021, Dyson announced to increase its retail presence to 12 stores.

Tanishq, Shoppers Stop and Bestseller India (sells fashion brands Vero Moda, ONLY and Jack & Jones) plan to add 10-35 stores in FY22.

In 2021, Lenskart received US\$ 315 million funding from Falcon Edge Capital, Temasek Holdings, KKR. The company plans to use the proceeds to expand its retail footprint in Southern India.

Flipkart hired 23,000 individuals in India between March and May 2021 in various capacities across its supply chain, including delivery executives, to strengthen the supply chain.

In May 2021, Big Bazaar rolled out its two-hour delivery service in small cities, such as Bhopal, Mangalore, Raipur, Ranchi, Guwahati, Kanpur, Lucknow, and Varanasi, and recorded a boost in orders over the past weeks.

In April 2021, Flipkart expanded its hyperlocal delivery service Quick to six new cities including Delhi, Gurugram, Ghaziabad, Noida, Hyderabad, and Pune as the demand for essential goods on e-commerce platforms surges amid the second wave of the pandemic.

Government Initiatives:

The Government of India has taken various initiatives to improve the retail industry in India. Some of them are listed below:

- ✓ In October 2021, the RBI announced plans for a new framework for retail digital payments in offline mode to accelerate digital payment adoption in the country.
- ✓ In July 2021, the Andhra Pradesh government announced retail parks policy 2021-26, anticipating targeted retail investment of Rs. 5,000 crore (US\$ 674.89 million) in the next five years.
- ✓ Government may change Foreign Direct Investment (FDI) rules in food processing in a bid to permit E-commerce companies and foreign retailers to sell Made in India consumer products.
- ✓ Government of India has allowed 100% FDI in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of E-commerce companies operating in India.
- ✓ The government's focus to improve digital infrastructure in Tier 2 and Tier 3 markets would be favourable to the sector.
- ✓ The Minister of MSME announced inclusion of retail and wholesale trades as MSMEs. Retail and wholesale trade will now get the benefit of priority sector lending under the RBI guidelines.

Road ahead:

E-commerce is expanding steadily in the country. Customers have the ever-increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in retail industry, and this trend is likely to continue in the years to come. Retailers should leverage digital retail channels (E-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier II and tier III cities.

Online retail market in India is projected to reach US\$ 350 billion by 2030 from an estimated US\$ 55 billion in 2021, due to rising online shoppers in the country. In 2020, the most common payment methods online were digital wallets (40%), followed by credit cards (15%) and debit cards (15%). Online penetration of retail is expected to reach 10.7% by 2024 versus 4.7% in 2019.

Nevertheless, long-term outlook for the industry looks positive, supported by rising income, favourable demographics, entry of foreign players, and increasing urbanisation.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the section titled "Risk Factors", beginning on page no. 23 of this Draft Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled "Financial Statement" and "Management Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no. 23, 65 and 102 respectively, of this Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to 7NR Retail Limited and Group Entities as the case may be.

1. Summary of Primary Business

Our company was originally incorporated as '7NR Retail Private Limited' on December 21, 2012, under the Companies Act, 1956 engaged in the business of trading of apparels in the wholesale and retail segments. Consequent upon conversion into Public Limited Company the name of our Company was changed to '7NR Retail Limited' on March 22, 2017 and fresh certificate of incorporation was obtained from the Registrar of Companies, Ahmedabad, Gujarat, on March 22, 2017.

Our Company remained focused on providing distinctive, high quality and trusted products to consumers at right price. Our Company is an Entrepreneur driven and well managed organization focused on meeting our consumer requirements for meeting their fashion and lifestyle requirements by offering products and services with the finest quality.

Salient features of our Products:

- All Sizes Kids Garments
- Attractive Design
- Eco-Friendly Products

Further our Company has started 2 new units at Vatva and Motera in the Segment of Retail Stores of Furniture, Garments and other products and Wholeselling of Electronic Devices

Achievement of the Company

Our Company has been awarded with the title of 'Excellence Award of the Year from the brand "Gini & Jony" for constant expansion and overall performance of all the outlets / stores across the Gujarat. We have a huge consumer base in Gujarat.

Our approach

Customer Oriented	•Our staff helps the customer to satisfy their appropriate needs.
Goal Oriented	•Our Goal is definite and devises strategies to achieve the growth of the Company parallel to consumer needs and satisfaction.
Value driven approach	•Our Company offers good value to the Customers keeping the price and quality appropriate for the targeted market.
Coordinated Effort	•Every activity of our Company is aligned to the Goal as specified and is designed to maximize efficiency and deliver value to the customer.

Our Company deals in two segments as mentioned below:



Retail Segment

We are engaged in the business of trading in kids garments in the retail segment. With the increase in brand awareness in the customers there is demand in the retail sale of branded clothes under different brands.

Our Company has started 2 new units at Vatva and Motera in the Segment of Retail Stores of Furniture, Garments and other products

Wholesale Segment

We are into wholesale segment due to its cost effectiveness against future inflation. We are engaged into Wholeselling of Electronic Devices. The Company is also planning to wider its presence in the whole sale market by including varied product range.

Our Competitive Strength

- Experienced Management Team
- Success through Partnering / Franchising
- Quality Assurance and Standards
- Leveraging our Market Skills and Relationships
- Strong Marketing Capacity
- Established relationship with various brands, customers and employees

Our Strategies

- Increase Geographical Presence in Tier I and Tier II cities
- Introducing retailing more brands
- Continue to develop client relationships and trust

Competition

We face competition from various other retailers including standalone stores or other branded chain of stores in the organized as well as unorganized sector.

Approach to marketing and marketing set-up

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers. Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have strong marketing team which is led by our Promoter Mr. Nikunj Agrawal. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.

OUR MANAGEMENT

Board of Directors

The Articles of Association require our Board to have at least 3 (Three) Directors and not more than 15 (Fifteen) Directors. Our Board presently comprises of 5 (Five) directors, which consists of 1 (One) Executive Director, 2 (Two) Non – Executive and Non - Independent Directors and 2 (Two) Non – Executive and Independent Directors. Our Chairman is an Executive Director.

The following table sets forth details regarding the Board of Directors of our Company as of the date of filing the draft Letter of Offer:

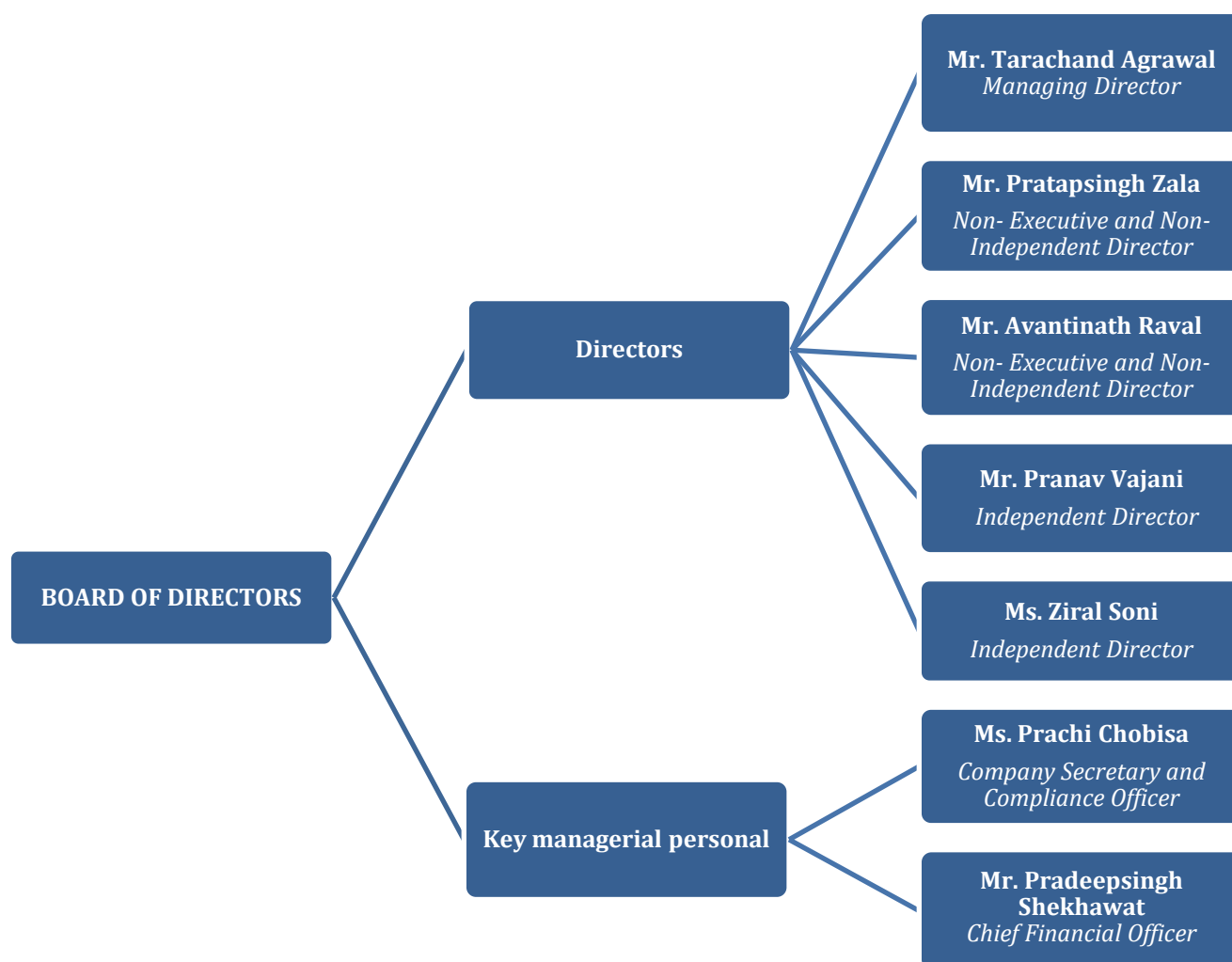
Sr. No.	Particulars (Name, Designation, Address, Age, Occupation, Nationality, Term etc.)	Date of Appointment	DIN	Other Directorships
1.	Mr. Tarachand Agrawal S/o. Gangashay Agrawal DOB: 28/05/1977 (44 years) Address: 4/7, Guru Ramdas Society, Bapunagar, Ahmedabad – 380 024 Nationality: Indian Occupation: Business Designation: Managing Director Term: Appointed for 5 years w.e.f. 21/03/2022 to 20/03/2027	27/12/2021	00465635	1. Fountain Commerce Private Limited 2. Stitched Textiles Limited 3. Vax Fashion Private Limited 4. Jheeldevi Nidhi Limited
2.	Mr. Pratapsingh Zala S/o. Bhoorsingh Zala DOB: 12/01/1957 (65 years) Address: C-41 Mansi Tenaments, Hathijan Daskroi, Ahmedabad 382445 Nationality: Indian Occupation: Service Designation: Non – Executive Director Term: N.A.	08/01/2022	03445568	1. Bhavsar Enterprises Private Limited 2. Jheeldevi Nidhi Limited
3.	Mr. Avantinath Raval S/o. Anilkumar Raval DOB: 08/01/1987 (35 years) Address: A/3, Param Pinak Appartment, Opp Madhuvan Society, Ahmedabad – 382 330 Nationality: Indian Occupation: Business Designation: Non – Executive Director and Chairperson Term: N.A.	27/12/2021	07686783	1. Proera Logistic Private Limited 2. Numerous Cabs Private Limited
4.	Mr. Pranav Vajani S/o. Manoj Vajani DOB: 24/04/1994 (27 years) Address: A-604, Riddhi Tower, Near Lotus School, Satellite, Ahmedabad – 380 015 Nationality: Indian Occupation: Service Designation: Independent Director Term: Appointed for 5 years w.e.f. 03/07/2021 to 02/07/2026	03/07/2021	09213749	1. Padmanabh Industries Limited 2. Darjeeling Ropeway Company Limited 3. Chandrima Mercantiles Limited 4. Vaxtex Cotfab Limited 5. Evoq Remedies Limited

5.	Ms. Ziral Soni S/o. Pankajkumar Soni DOB: 11/01/1992 (30 years) Address: 61, Vada Pole, Khambhat, Anand – 388 620 Nationality: Indian Occupation: Service Designation: Independent Director Term: Appointed for 5 years w.e.f. 07/03/2022 to 06/03/2027	07/03/2022	09213763	1. Chandrima Mercanties Limited 2. Vaxtex Cotfab Limited 3. KBC Global Limited
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Family Relationship between our Directors

None of the directors of our Company have family relationship with each other.

ORGANIZATIONAL STRUCTURE



Details of Key Management Personnel

Except our Managing Director, following are the Key Managerial Personnels:

Sr. No.	Name, designation and date of appointment
1.	Ms. Prachi Chobisa Designation: Company Secretary and Compliance Officer Date of appointment: 11/04/2022
2.	Mr. Pradeepsingh Shekhawat Designation: Chief Financial Officer Date of appointment: 18/06/2021

Confirmations

- None of our Directors / Manager is or was a Director of any Listed Company during the last five years preceding the date of filing of the draft Letter of Offer, whose shares have been or were suspended from being traded on BSE / NSE within a period of 5 (five) years immediately preceding the date of this Letter of Offer.
- Further, none of our Directors of the Company are or were associated in the capacity of a director with any Listed Company which has been delisted from any stock exchange(s) in the last 10 years immediately preceding the date of filing of this draft Letter of Offer.
- None of our Directors is or was a director of any Listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- None of the Directors of our Company has been declared as a wilful defaulter, as defined by the SEBI ICDR Regulations. There are no violations of securities laws committed by our Directors in the past and no such proceedings are pending against them.

SECTION VII: FINANCIAL INFORMATION FINANCIAL STATEMENTS

Sr. No.	Particulars	Page Nos.
1.	The limited review report and unaudited Financial Results for the nine months period ended on 31 st December, 2021	65 - 66
2.	The Statutory Auditor's Report and the Audited Financial Statements for the period ended 31 st March, 2021.	67 - 106

The following tables set forth financial information derived from our Audited Financial Information for the year ended on 31st March, 2021 and the limited review unaudited Financial Statements for the period ended on 31st December, 2021 prepared in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015. We have not given Restated Financials because we fall under Part - B of SEBI (ICDR), Regulations, 2018.

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7NR RETAIL LIMITED
CIN: L52320GJ2012PLC073076

Address: Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol Ahmedabad 382405
Unaudited Financial Result for the Quarter and Nine months ended on 31st December, 2021

(Rs. In Lakhs except EPS)

Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2021	30-09-2021	31-12-2020	31-12-2021	31-12-2020	31-03-2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales /Income from Operations	952.99	195.51	75.65	1199.43	256.76	275.65
2	Other Operating Income	0.00	6.31	17.95	13.96	17.95	22.07
3	Total Income from Operations (Net)	953.00	201.82	93.60	1213.39	274.71	297.72
4	Expenditure:						
	Cost of material consumed						
	Changes in Inventories of finished goods, work-in-progress and stock in trade	-410.38	109.55	16.61	-303.95	28.51	58.54
	Purchase of stock in trade	1308.01	44.35	49.05	1404.45	212.25	210.73
	Employees cost	4.20	5.66	9.75	16.68	28.06	35.87
	Depreciation	3.75	3.75	8.00	11.25	10.75	14.48
	Finance Cost	1.14	1.43	0.09	2.94	0.22	0.28
	Power and Fuel	0.03	0.06	0.21	0.12	0.86	0.99
	Other Expenses	8.56	7.23	9.30	22.77	20.77	30.19
	Total Expenses	915.30	172.03	93.01	1154.25	301.42	351.08
5	Profit before Exceptional Items & Extraordinary Items & Tax (3-4)	37.69	29.79	0.59	59.14	-26.71	-53.36
6	Exceptional Items & Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00
7	Profit before Tax	37.69	29.79	0.59	59.14	-26.71	-53.36
8	Total Tax Expenses	9.80		0.00			
9	Net Profit for the Period From Continuing Operations (7-8)	27.89	29.79	0.59	59.14	-26.71	-53.36
10	Details of Equity Shares						
	Paid up Equity Share Capital	1047.45	1047.45	1047.45	1047.45	1047.45	1047.45
	Face Value of Equity Share Capital	10.00	10.00	10.00	10.00	10.00	10.00
11	Earning Per Share						
	Basic Earning per share	0.03	0.03	0.00	0.06	-0.03	-0.05
	Diluted Earning per share	0.03	0.03	0.00	0.06	-0.03	-0.05

Notes:

- The above Unaudited Financial Statement has been reviewed by the Audit Committee and approved by the Board of the Directors at its meeting held on 10th February, 2022.
- The above result have been prepared in accordance with the Companies (Indian Accounting standards) Rule, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
- The figures for the quarter and nine months ended on 31st December, 2021 and the corresponding quarter ended in the previous year as reported in attached financial results are the balancing figure between the audited figures in respect of full financial year and the published year to date figures upto the end of the second quarter of the financial year.
- IND AS 108 Relating to Segment wise reporting is not applicable as the Company operates in only One Primary segment i.e Trading in Textiles
- The figure pertaining to previous periods have been regrouped, re-classified and restated wherever necessary.

Place : Ahmedabad
Date : 10th February, 2022



For 7NR RETAIL LIMITED

Tarachand Agrawal
Director
DIN:00465635

Niranjan Jain & Co.

Chartered Accountants

Ph. : (O) +91 (079) 26440427, 40075175
E-mail : niranjanjainco156@yahoo.co.in

307, 308, Shital Varsha Arcade, Opp. Girish Cold Drinks, C. G. Road, Ahmedabad - 380 009.

LIMITED REVIEW REPORT

Independent Auditor's Review Report on Quarterly and Nine months ended on 31st December, 2021 Unaudited Financial Results of 7NR Retail Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To,
The Board of Directors
7NR Retail Limited
Ahmedabad

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of 7NR Retail Limited ("the Company") for the quarter and nine months ended on 31st December, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For, Niranjan Jain & Co
Chartered Accountant
Firm Registration No: 113913W

Niranjan Jain
Proprietor
Membership No: 047811



Date: 10th February, 2022
Place: Ahmedabad

UDIN: 22047811ABDTHM9155

Independent Auditors' Report

To
The Members of
7NR RETAIL LIMITED
AHMEDABAD

Report on the Financial Statements

We have audited the accompanying IND AS Financial Statements of **7NR RETAIL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit and loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above mentioned reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the above mentioned reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions as per the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (**"the Act"**) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 (**"the Order"**) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we further report that:

- (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (iii) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
- (v) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- (vi) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**,
- (vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (viii) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For Loonia & Assocaites
Chartered Accountants
Registration No. 130883W

Hitesh Loonia
Proprietor
M No 135424
Firm Reg No. 130883W
UDIN : 21135424AAAADV5855

Place - Ahmedabad
Date – 03rd June, 2021

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 1 under the heading "Report on Other Legal And Regulatory Requirements" of Our Independent Audit Report of even date on the Financial Statements of 7NR RETAIL LIMITED for the year ended 31st March, 2021.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of its Property, plant and equipments:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipments.

(b) As explained to us, the management during the year has physically verified the Property, plant and equipments in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in Property, plant and equipments are held in the name of the Company.

(ii) As explained to us, in our opinion, the management has physically verified inventories at reasonable intervals during the year and there was no material discrepancies noticed on such physical verification as compared to the book records.

(iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms or Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees and security in terms of section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2021 for a period of more than six months from the date they become payable.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks as at the Balance Sheet date.

(ix) According to information and the explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or by its officers or employees on it, has been noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to information and explanations given to us and based on our examination of the records of the Company, in our opinion, all the transactions entered with the related parties are in compliance with sections 177 and 188 of the Act and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under paragraph 3(xiv) of the order is not applicable.
- (xv) According to information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause 3(xvi) of the Order is not applicable

For Loonia & Associates
Chartered Accountants
Registration No. 130883W

Hitesh Loonia
Proprietor
M No 135424
Firm Reg No. 130883W
UDIN : 21135424AAAADV5855
Place - Ahmedabad
Date – 03rd June, 2021

Annexure - B to the Independent Auditors' Report

Referred to in paragraph 2(F) under the heading "Report on Other Legal And Regulatory Requirements" of Our Independent Audit Report of even date on the Financial Statements of **7NR RETAIL LIMITED** for the year ended 31st March, 2021.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **7NR RETAIL LIMITED** ("the Company") as of 31 March, 2021 in conjunction with our audit of the Ind As financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Loonia & Associates
Chartered Accountants
Registration No. 130883W

Hitesh Loonia
Proprietor
M No 135424
Firm Reg No. 130883W
UDIN : 21135424AAAADV5855

Place - Ahmedabad
Date – 03rd June, 2021

BALANCE SHEET AS AT 31-MARCH-2021

(Rs. in Lakh)

	Particulars	Note No.	as at 31-Mar-2021		as at 31-Mar-2020	
I	ASSETS					
1	Non-current Assets					
	a) Property, Plant & Equipment	2	109.79		125.61	
	b) Capital Work-in-Progress		-		-	
	c) Deferred tax assets (net)	3	0.56		0.56	
	d) Financial Assets:					
	(i) Investments					
	(ii) Trade Receivable	4	132.83		-	
	(iii) Loans	5	50.22		32.71	
	e) Other non-current assets		-		-	
	Total Non-Current Assets			293.40		158.88
2	Current Assets					
	a) Inventories	6	477.35		535.89	
	b) Financial Assets:					
	(i) Trade Receivables	7	15.35		167.66	
	(ii) Cash and cash equivalents	8	85.00		307.64	
	(iii) Loans	9	566.17		316.96	
	c) Current Tax Assets (Net)		1.63		-	
	d) Other Current Assets	10	4.63		6.28	
	Total Current Assets			1150.13		1334.43
	Total Assets			1443.53		1493.31
II	EQUITY & LIABILITIES					
A	Equity					
	a) Equity Share Capital	11	1047.45		1047.45	
	b) Other Equity	12	(42.33)		11.03	
	Total Equity			1005.12		1058.48
B	Liabilities					
1	Non -current Liabilities					
	a) Financial Liabilities:					
	(i) Borrowings		-		-	
	(ii) Trade Payable	13	402.43		-	
	b) Provisions		-		-	
	c) Deferred Tax Liabilities (net)		-		-	
	d) Other Non Current Liabilities		-		-	
	Total Non-Current Liabilities			402.43		
2	Current Liabilities					
	a) Financial Liabilities:					
	(i) Borrowings	14	14.86		-	
	(ii) Trade Payable	15	18.05		423.27	
	(iii) Other Financial Liabilities		-		-	
	b) Other Current Liabilities		-		-	
	c) Provisions	16	3.07		11.56	
	c) Current Tax Liabilities					

	(Net)		-		-	
	Total Current Liabilities			35.98		434.83
	Total Liabilities			438.41		434.83
	Total Equity & Liabilities			<u>1443.53</u>		<u>1493.31</u>
	Significant Accounting Policies	1				
	Notes forming part of the Financial Statements					

The Notes referred to above form an integral part of the Balance Sheet.

As per our report of even date.

Loonia & Associates
Chartered Accountants

For & on behalf of the Board of Directors of
7NR RETAIL LIMITED

Sd/-
Hitesh Loonia
Proprietor
Mem No 135424
UDIN: 21135424AAAADV5855

Sd/-
Pinal Shah
Managing Director

Sd/-
Vinay Raval
Director

Place: Ahmedabad
Date: 03.06.2021

Sd/-
Kiran Prajapati
Company Secretary

Sd/-
Mittal Shah
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MARCH-2021						
(Amount in Lakh)						
Sr. No.	Particulars	Note No.	31-Mar-2021		31-Mar-2020	
I	Revenue from Operations	17		275.65		1184.20
II	Other Income	18		22.07		13.41
III	TOTAL REVENUE (I + II)			297.72		1971.61
IV	EXPENSES					
	Purchase of traded goods	18		210.73		997.05
	Changes in inventories of finished goods, work in progress & Stock in Trade	19		58.54		50.25
	Employee Benefit Expenses	20		35.87		52.67
	Finance Costs	21		0.28		0.61
	Depreciation and Amortization Expenses			14.48		1436
	Other Expenses	22		31.18		63.68
	TOTAL EXPENSES			351.08		1178.62
V	Profit before Exceptional Items and Tax			(53.36)		18.99
VI	Exceptional Items (Net)			-		-
VII	Profit before Tax (V)-(VI)			(53.36)		18.99
VIII	Tax Expense					
	Current Tax			-		8.25
	Deferred Tax			-		-0.29
				-		7.96
IX	Profit/(Loss) for the period (IX-X)			(53.36)		11.03
XI	Other Comprehensive Income					
A(i)	items that will not be reclassified to profit or loss			-		-
(ii)	income tax relating to items that will not be reclassified to profit or loss			-		-
B(i)	items that will be reclassified to profit or loss			-		-
(ii)	income tax relating to items that will be reclassified to profit or loss			-		-
XI	Total Comprehensive Income for the Period [(IX)+(X)] (Comprising Profit and Other Comprehensive Income for the period)			(53.36)		11.03
XVI	Earnings per Equity Share (Nominal Value per Share:(Rs. 10)	22				
	-Basic			(0.51)		0.11
	-Diluted			(0.51)		0.11

The Notes referred to above form an integral part of the Balance Sheet.

As per our report of even date.
Loonia & Associates
Chartered Accountants

Sd/-
Hitesh Loonia
Proprietor
Mem No 135424
UDIN: 21135424AAAADV5855

Place: Ahmedabad
Date: 03.06.2021

For & on behalf of the Board of Directors of
7NR RETAIL LIMITED

Sd/-
Pinal Shah
Managing Director

Sd/-
Vinay Raval
Director

Sd/- Kiran
Prajapati
Company Secretary

Sd/- Mittal
Shah
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-MARCH-2021			
		[Amount in Lakh]	
	Particulars	31-Mar-2021	31-Mar-2020
A.	Cash Flow From Operating Activities		
	Profit before tax as per Statement of Profit and Loss	(53.36)	18.99
	Adjusted for:		
	Misc Exp to the extent written off	-	5.02
	Loss on sale of assets	0.94	-
	Finance Cost	0.28	0.61
	Interest Income earned	(20.69)	(13.33)
	Depreciation	14.48	14.36
	Operating Profit before working capital changes	(58.35)	25.65
	Adjusted for:		
	(Increase)/ Decrease in Trade Receivables	19.48	(156.53)
	(Increase)/ Decrease in Loans	(266.72)	233.68
	(Increase)/ Decrease in Inventories	58.54	50.25
	Increase/ (Decrease) in Trade Payable	(2.79)	81.93
	Increase/ (Decrease) in Other Current Assets	0.02	(6.28)
	Increase/ (Decrease) in Provisions	(8.49)	6.22
	Cash Generated from Operations	(258.31)	222.48
	Adjusted for:		
	Direct Tax Refund (Net of Payment)	-	(8.25)
	Net Cash from Operating activities	(258.31)	214.23
	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment	-	(12.96)
	Other Non - Current Assets	0.40	-
	Sales of Fixed Assets	-	-
	Net Cash Flow from Investing Activities	0.40	(12.96)
	Cash Flow from Financing activities:		
B.	Borrowings (Net)	14.86	(30.01)
	Finance Cost	(0.28)	(0.61)
	Interest earned	20.69	13.33
C.	Net cash from Financing Activities	35.27	(17.29)
	Net cash from Financing Activities		
	Net Increase/(Decrease) in cash	(222.64)	183.98
	Opening Balance of Cash & Cash equivalents	307.64	123.66
	Closing Balance of Cash & Cash equivalents	85.00	307.64

The accompanying notes are an integral part of the financial statements

As per our report of even date

Loonia & Associates
Chartered Accountants

For & on behalf of the Board of Directors of
7NR RETAIL LIMITED

Sd/-
Hitesh Loonia
Proprietor
Mem No.135424
UDIN: 21135424AAAADV5855

Sd/-
Pinal Shah
Managing Director

Sd/-
Vinay Raval
Director

Place: Ahmedabad
Date: 03.06.2021

Sd/- **Kiran**
Prajapati
Company Secretary

Sd/- **Mittal**
Shah
Chief Financial Officer

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

COMPANY INFORMATION / OVERVIEW

7NR RETAIL LIMITED ("the Company") is a public limited Company established in the B-308, Titanium Heights, Near Vodafone House, Corporate Road, Prahaladnagar, Makarba, Ahmedabad - 380015. The Company is engaged in the business of trading of textiles and is under retail chain model. The financial statements were authorised for issue in accordance with a resolution of the directors on 3rd June, 2021.

"1" SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lacs, except otherwise indicated.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities

CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of sale/lease
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of sale/lease
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.”

USE OF ESTIMATES

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

REVENUE RECOGNITION

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods:

Revenue from sales is recognized when the substantial risks and rewards of ownership of goods are transferred to the buyer and the collection of the resulting receivables is reasonably expected. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

Other income:

Interest

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

PROPERTY, PLANT & EQUIPMENT

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation,

such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improve the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Advances paid towards the acquisition of Property, Plant & Equipment outstanding at each reporting date is classified as Capital advances under Other Non –Current Assets and assets which are not ready for intended use as on the date of Balance sheet are disclosed as “Capital Work in Progress.”

DEPRECIATION/ AMORTISATION

Depreciation on Property, Plant & Equipment is charged on Straight Line Method. Depreciations are charged over the estimated useful lives of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis from/till the date they are put to commercial use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

Depreciation on additions/deletions to Property plant and equipment during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on Property plant and equipment arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life. Depreciation on refurbished/revamped Property plant and equipment which are capitalized separately is provided for over the reassessed useful life

IMPAIRMENT OF ASSETS

Property, Plant & Equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost incurred in bringing each product to its present location and condition are accounted for as follows:-

- **Finished goods and Work In Progress:**

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

- **Traded Goods:**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

TAXATION

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of Cash Flow Statement comprise Cash and Cheques in hand, bank balances, demand deposits with banks (other than deposits pledged with government authorities and margin money deposits) with an original maturity of three months or less.

CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions: Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities : Contingent liabilities are not provided for in the books but are disclosed by way of notes in the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either

not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent Assets are neither recognized nor disclosed in the financial statements.

EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided by Chief Financial Officer and Director of the Company jointly and responsible for allocating resources, assess the financial performance of the Company and make strategic decisions.

The Company has identified one reportable segment "trading of textile products" based on information reviewed by them.

DIVIDEND:

Dividend declared is provided in books of account when the same is approved by shareholders'.

EMPLOYEE BENEFITS

- **Short-term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Post Employee Obligations**

The Company operates the following post-employment schemes:

- defined contribution plans such as provident fund.

- **Gratuity obligations**

The Company had an obligation towards gratuity – a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of an employment of an amount equivalent to 15 days salary payable for each completed years of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service and is payable thereafter on occurrence of any of above events.

As per information provided by the Company, there are no employees who have served more than 5 years.

- **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

FOREIGN CURRENCY TRANSACTIONS

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period. Exchange differences on reinstatement of all monetary items are recognised in the Statement of Profit and Loss.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

Initial recognition and measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

❖ Classification

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- **Financial assets at amortised cost**

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in the Statement of Profit and Loss.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

These assets are subsequently measured at fair value through other comprehensive income (OCI). Changes in fair values are recognized in OCI and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest income calculated using EIR and impairment loss, if any, are recognized in the Statement of Profit and Loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognized in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing for financial assets.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivable, trade receivable other contractual rights to receive cash or other financial assets. For trade receivable, the Company measures the loss allowance at an amount equal to life time expected credit losses. Further, for the measuring life time expected credit losses allowance for trade receivable the Company has used a practical expedient as permitted under Indian AS 109. This expected credit loss allowance is computed based on provisions, matrix which takes into account historical credit loss experience and adjusted for forward looking information.

FINANCIAL LIABILITIES

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at amortized cost unless at initial recognition, they are classified as fair value through profit or loss. In case of trade payables they are initially recognize at fair value and subsequently, these liabilities are held at amortized cost, using the Effective interest method.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortized cost using the effective interest method. Interest expense is recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on subsequently different terms, or the terms of an existing liability are subsequently modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amount is recognize in the Statement of Profit & Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Statement of changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

Particulars	Rs. In Lakh
As At 31 st March 2019	1047.45
Movement during the year on account of Bonus shares issued	-
As at 31.03.2020	1047.45
Movement during the year	-
As at 31 st March 2021	1047.45

B. Other Equity

Particulars	Securities Premium	Retained Earnings	Rs. In Lakhs Total Other Equity
Balance as at 1st April, 2019	15.26	5.78	21.04
Profit for the year	-	11.03	11.03
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year		11.03	27.53
Public Issue exp written off	(15.26)	(5.78)	(21.04)
Balance as at 31st March, 2020	-	11.03	11.03
Balance as at 1st April, 2020	-	11.03	11.03
Profit for the year	-	(53.36)	(53.36)
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year		(53.36)	(53.36)
Public Issue exp written off	-	-	-
Balance as at 31st March, 2021	-	(42.33)	(42.33)

As per our report of even date.

Loonia & Associates
Chartered Accountants

Sd/-
Hitesh Loonia
Proprietor
Mem No 135424
UDIN: 21135424AAAADV5855

Place: Ahmedabad
Date: 03.06.2021

For & on behalf of the Board of Directors of
7NR RETAIL LIMITED

Sd/-
Pinal Shah
Managing Director

Sd/-
Kiran Prajapati
Company Secretary

Sd/-
Vinay Raval
Director

Sd/-
Mittal Shah
Chief Financial Officer

2" Property, Plant & Equipment								
PARTICULARS	Plant & Machinery	Electric Installation & Air Condition	Furniture & Fixtures	Office Building	Computer & Software	Office Equipment	TOTAL TANGIBLE ASSETS	CAPITAL WORK IN PROGRESS
Deemed cost as at April 01, 2019	0.15	36.03	77.92	21.72	3.20	0.49	139.51	-
Additions	-	0.39	12.41	-	0.16	-	12.96	-
Disposals	-	-	-	-	-	-	-	-
Gross Carrying Amount as at March 31,2020	0.15	36.42	90.33	21.72	3.36	0.49	152.47	-
Additions	-	-	-	-	-	-	-	-
Disposals/ Deduction	-	-	1.52	-	-	-	1.52	-
Gross Carrying Amount as at March 31,2021	0.15	36.42	88.81	21.72	3.36	0.49	150.95	-
Accumulated Depreciation/ Amortization and Impairment								
Balance as at April 01,2019	0.01	3.74	7.66	0.31	0.58	0.20	12.50	-
Depreciation for the year	0.01	3.86	9.35	0.34	0.59	0.21	14.36	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
Balance as at March 31,2020	0.02	7.60	17.01	0.65	1.17	0.41	26.86	-
Depreciation for the year	0.01	3.89	9.45	0.34	0.59	0.20	14.48	-
Depreciation on Disposals	-		0.18				0.18	-
Balance as at March 31,2021	0.03	11.49	26.28	0.99	1.76	0.61	41.16	-
Net Carrying Amount								
As at March 31,2020	0.12	24.93	62.53	20.73	1.60	(0.12)	109.79	-
As at March 31,2019	0.13	28.82	73.32	21.07	2.19	0.08	125.61	-
As at March 31,2018	0.14	32.29	70.26	21.41	2.62	0.29	127.01	-

Note: The Company has elected to continue with the carrying value for all of its property, plant & equipment as recognized in the financial statements as the date of transition to IND AS. i.e. 1st April,2018 measured as per previous GAAP and use that as its deemed cost as at the date of transition.

3. Deferred Tax Assets:

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	DEFERRED TAX ASSETS :				
	Opening balance	0.56		0.27	
	Add:				
	Timing Difference between tax WDV and carrying values of Property, Plant and Equipments	-		0.29	
	TOTAL		0.56		0.56

4. Non Current Financial Assets - Trade Receivable

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
1	Trade Receivable	132.83		-	
	Total		132.83		-

5. Non Current Loans:

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
1	Unsecured, Considered Good unless otherwise stated : Loans & Advances				
	Advance recoverable in cash or in kind	23.44	-		
2	Security Deposits	26.78		32.71	
	Total		50.22		32.71

6. Inventories

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	(As taken, valued & certified by the Management)				
	(At lower of cost and net realisable value)				
1	Stock In Trade	477.35		535.89	
	Total		477.35		535.89

7. Trade Receivables

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	Unsecured, considered good:				
	(i) Outstanding for a period exceeding 6 months from the date they are due for payment	-		-	
	(ii) Others	15.35		167.66	
	Total		15.35		167.66

8. Cash and Cash Equivalents

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
1	Cash & Cash Equivalent				
	Balances with Banks				
	- In Current Accounts	4.84		5.85	
	Cash on Hand	23.14		13.96	
	In Fixed Deposits	57.02		287.83	
	Total		85.00		307.64

9. Current Loans

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	Unsecured, Considered Goods				
	Advances recoverable in cash or in kind for value to be received				
	Advance to staff	-		0.34	
	Others	566.17		316.62	
	Total		566.17		316.96

10. Other Current Assets

(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	GST Receivable	4.63		6.28	
	Total		4.63		6.28

11. Equity Share Capital
(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
		Number of Shares	Amount	Number of Shares	Amount
1	AUTHORIZED SHARE CAPITAL				
	1,10,00,000 (7000000) Equity Shares of Rs.10/- each	11,000,000	1,100.00	11,000,000	1,100.00
	Total	11,000,000	1,100.00	11,000,000	1,100.00
2	ISSUED , SUBSCRIBED & FULLY PAID UP CAPITAL				
	Equity Shares of Rs.10 each, fully paid	10,474,500	1,047.45	10,474,500	1,047.45
	(a) Reconciliation of Number of Shares	Number of Shares	Amount	Number of Shares	Amount
	Balance as at the beginning of the Year	10,474,500	1,047.45	10,474,500	1,047.45
	Issued During the Year	-	-	-	-
	Bonus Issue	-	-	-	-
	Balance as at the end of the Year	10,474,500	1,047.45	10,474,500	1,047.45

B. The details of shareholder holding more than 5% shares is set out below:

		As at 31st March 2021		As at 31st March 2020	
Name of the shareholder		No of Shares	% of holding	No of Shares	% of holding
1.	Pinal Kanchanlal Shah	16,27,290	15.54%	16,27,290	15.54%
2.	NutanbenJaykishan Patel	13,69,710	13.08%	13,69,710	13.08%
3.	Jaykishan Patel	1340	0.01%	4,82,250	4.60%
4.	Riddhi Shah	0	0.00%	5,86,650	5.60%
5.	Snehal K Shah	5,29,200	5.05%	5,29,200	5.05%
6.	Pinal K Shah HUF	0	0.00%	4,82,250	4.60%
7.	Jaykishan Patel HUF	451486	4.31%	4,82,250	4.60%
8.	Chandrika K Shah	0	0.00%	5,04,450	4.82%
	Total	3979026	37.99%	60,64,050	57.89%

C. Rights, preferences and restrictions attached to shares :-

The Company has only one class of equity shares having par value of Rs. 10 each and the holder of the equity share is entitled to one vote per share. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

12. Other Equity
(Amount in Lakh)

Sr. No	Particulars	Securities Premium	Revaluation Reserve	Capital Reserve	Retained Earnings	Total
	Balance as at 1st April,2019	15.26	-	-	5.78	21.04
	Profit for the year	-	-	-	11.03	11.03
	Other Comprehensive Income for the Year	-	-	-	-	-
	Total Comprehensive Income for the Year	-	-	-	11.03	11.03
	Public Issue exp written off	(15.26)	-	-	(5.78)	(21.04)
	Balance as at 31st March, 2020	(0.00)			11.03	11.03
	Balance as at 1st April,2020	15.26	-	-	11.03	11.03
	Profit for the year	-	-	-	(53.36)	(53.36)
	Other Comprehensive Income for the Year	-	-	-	-	-
	Total Comprehensive Income for the Year	-	-	-	(53.36)	(53.36)
	Public Issue exp written off	(15.26)	-	-	-	-
	Balance as at 31st March, 2021	-	-	-	(42.33)	(42.33)

13. Non-Current Financial Liabilities
(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	Trade Payable	402.43		-	
	Total		402.43		-

14. Current Financial Liabilities-Borrowings
(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	Overdraft Bank Limit (Against Fixed Deposit)	14.86		-	
	Total		14.86		-

15. Current Liabilities Trade Payables
(Amount in Lakh)

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
	Unsecured, repayable on Demand:				
	Trade Payable/ Sundry Creditors	18.05		423.27	
	Total		18.05		423.27

16. Current Provisions**(Amount in Lakh)**

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
1	(i) Current tax provision (Net)	-		7.00	
	(ii) Provisions for TDS	0.27		0.51	
	(iii) Provisions for employees benefits	2.06		3.54	
	(iv) Other Provisions	0.74		0.51	
	Total		3.07		11.56

17. Revenue from Operations**(Amount in Lakh)**

Sr. No	Particulars	As at 31st March 2021		As at 31st March 2020	
1	<u>Revenue from Operations</u>				
	a) Sale of Products (Net)	275.65		1,184.20	
	b) Sale of Services	-		-	
	c) Other Operating Revenues	-		-	
	Total		275.65		1,184.20

18. Other Income**(Amount in Lakh)**

Sr. No.	Particulars	As at 31st March 2021		As at 31st March 2020	
	a) Interest income	20.69		13.33	
	b) Balance written off	0.40		-	
	c) Excess Provision written off	0.98		-	
	d) Other Misc. Income	-		0.08	
	Total		22.07		13.41

19. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade (Amount in Lakh)

Sr. No.	Particulars	As at 31st March 2021		As at 31st March 2020	
1	Stock at the beginning of the year				
	Finished Goods	535.89		586.14	
	Total-A		535.89		586.14
	Stock at the end of the year				
	Finished Goods	477.35		535.89	
	Total-B		477.35		535.89
	(Increase) / Decrease in Stocks (A-B)		58.54		50.25

20. Employee Benefits Expense**(Amount in Lakh)**

Sr. No.	Particulars	As at 31st March 2021		As at 31st March 2020	
	(a) Directors Remuneration	6.00		6.94	
	(b) Salaries and Bonus	28.37		42.77	
	(b) Contribution to Provident Fund & other fund	1.50		2.50	
	(b) Employees Welfare & other Amenities	-		0.46	
	Total		35.87		52.67

22. Financial Costs

Sr. No.	Particulars	As at 31st March 2021		As at 31st March 2020	
	Interest Expenses	0.02		0.08	
	Bank & Other Charges	0.26		0.53	
	Total		0.28		0.61

23. Other Expenses**(Amount in Lakh)**

Sr. No.	Particulars	As at 31st March 2021		As at 31st March 2020	
	Auditors' Remuneration (Refer Note 22.1 below)	0.30		0.30	
	Account Charges	1.20		1.20	
	Advertisement Exp.	0.37		0.23	
	Conveyance and Petrol Exp.	-		1.14	
	Courier & Postage Exp.	-		0.18	
	Donation Exp.	-		0.11	
	Freight Expense	-		1.59	
	Housekeeping & Stores Exp	2.04		6.49	
	Insurance Expense	0.33		0.42	
	Internet Expense	-		0.05	
	Listing Fees	3.78		8.66	
	Loss on sale of fixed assets	0.94		-	
	Misc. Exp	0.03		0.98	
	Misc Exp to the extent written off	-		5.02	
	Office Expense	0.21		0.93	
	Power and fuel exp.	0.99		4.97	
	Legal & Professional Fees	5.34		6.39	
	Repairs & Maintenance	-		1.32	
	Rent , Rate & Taxes	15.13		19.91	
	ROC Exp	0.07		0.08	
	Stationery Expense	-		0.49	
	Short/ Excess Provision written off	-		0.55	
	Software Exps	0.30		0.67	

	Travelling Exp	-		1.71	
21. Finance Costs	Telephone Exp	0.15		0.29	(Amount in Lakh)
	Total		31.18		63.68

Payment to Auditors

(Amount in Lakh)

	Payments to Auditors				
	Statuary Audit fees	0.15		0.15	
	Tax Audit fees	0.15		0.15	
	Total		0.30		0.30

Sr. No.	Particulars	As at 31st March 2021		As at 31st March 2020	
1.	Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders		(53.36)		11.03
2.	Number of equity shares used as denominator for calculating EPS		10,474,500.00		10,474,500.00
3.	Basic and Diluted Earning per Share		(0.51)		0.11
4.	Face Value per equity share (in Rs)		10.00		10.00

24.

Earning in Foreign Exchange		Nil		Nil
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25. Related Party Disclosures under IND AS 24

Related Parties/Nature of Relationship:

A. Enterprises over which Key Managerial Personnel exercises significant influence:

7NR inc.

B. Key Managerial Persons:

Key Managerial Persons	
Pinal Shah	Managing Director
Riddhi Shah	Director (Resigned on 19.06.2019)
Vinay Arjan Raval	Independent Director
Rachanaben Jain	Director
Sudhir Baraiya	Independent Director (Resigned on 15.03.2021)
Amit Choudhary	Independent Director (Resigned on 03.07.2021)
Gaurav Kimtani	Independent Director
Kiran Prajapati	Company Secretary
Mittal Shah	CFO (resigned as on 18.06.2021)

(Rs. In Lakhs)

Nature of Transaction	FY 2020-2021	FY 2019-2020
Pinal Shah		
Director Remuneration	6.00	6.00
Outstanding Payable	0.46	0.54
Riddhi Shah		
Director Remuneration		0.94
Outstanding Payable	-	-
7NR Inc		
Outstanding Receivable	-	-

26. Financial Instruments:	Particular	Carrying Value		Fair Value	
		(Amt in Lakhs)			
	Financial Assets	March 31,2021	March 31,2020	March 31,2021	March 31,2020
	Amortised cost				
	Trade receivables	15.35	167.66	15.35	167.66
	Cash and cash equivalents	85.00	307.64	85.00	307.64
	Loans and Advances (Current)	566.17	316.96	566.17	316.96
	Trade receivables (Non Current)	132.83	-	132.83	-
	Loans and Advances (Non Current)	50.22	32.71	50.22	32.71
	FVTOCI				
	Investment in equity instruments	-	-	-	-
	FVTPL				
	Investment in equity instruments (Unquoted)	-	-	-	-
	Total Assests	849.57	824.97	849.57	824.97
	Financial Liabilities				
	Amortised cost				
	Long Term Borrowings	-	-	-	-
	Non Current Financial Liabilities - Trade payables	402.43	-	402.43	
	Trade payables	18.05	423.27	18.05	423.27
	Other Financial Liabilities	-	-	-	-
	Short Term Borrowings	14.86	-	14.86	-
	Total Liabilities	435.34	423.27	435.34	423.27

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at March 31, 2020 was assessed to be insignificant.
- iii) The fair values of the unquoted equity shares, if any have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

27. *Financial Risk Management*

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to Bad debt is not significant. Also the Company does not enter into sales transaction with customers having credit loss history. There are no significant Credit risks with related parties of the Company. The Company's is exposed to Credit risk in the event of non-payment of customers. Credit risk concentration with respect to Trade Receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessment.

The history of Trade receivables shows an allowance for bad and doubtful debts of Rs Nil (Nil as at March 31, 2020). The Company has made allowance of Rs Nil (Nil as at March 31, 2020) against Trade receivable of Rs. 65.57 lakh (Rs. 167.66 Lakh as at March 31,2020).

Bank Deposits:

The company maintains its cash and cash equivalents and bank deposits with reputed and highly rated bank. Hence, there is no significant credit risk on such deposits.

Investments:

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

(Amt. in Lakhs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and Cash equivalents	85.00	307.64
Total	85.00	307.64

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020.

Particulars	As at	Less than 1 year	1-2 years	More than 2 years
Borrowings	March 31, 2021	14.86	-	-
	March 31, 2020	-	-	-
Trade Payables	March 31, 2021	18.05	402.83	-
	March 31, 2020	423.27	-	-
Other Financial Liabilities	March 31, 2021	-	-	-
	March 31, 2020	-	-	-

28. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows :

(Amt. in Lakhs)		
Particulars	March 31, 2021	March 31, 2020
Total equity attributable to the equity share holders of the company	1,005.12	1,058.48
As percentage of total capital	98.54%	100.00%
Current borrowings	14.86	-
Non-current borrowings	-	-
Total borrowings	14.86	-
As a percentage of total capital	0.00%	0.00%
Total capital (borrowings and equity)	1,019.98	1,058.48

The Company is predominantly debt financed which is evident from the capital structure table.

29. Trade Payable to MSME

According to the information available with the Management, on the basis of intimation received from suppliers regarding status of Micro, Small And Medium Enterprise Development Act, 2006, the Company has amount due to Micro and Small enterprise under the said Act as on 31.03.2021 is as under:-

Particulars	2020-2021	2019-2020
Principal Amount Due	-	-
Interest Due on above	-	-
Amount of interest paid in terms of Section 16 of MSME Act, 2006	-	-
Amount of interest due and payable for the period of delay	-	-
Amt of interest accrued and remaining unpaid as at year end	-	-
Amt. of further interest remaining due and payable in the succeeding year	-	-

30. Events Occurring After Balance – Sheet

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 3rd June, 2021 there were no subsequent events to be recognized **or reported that are not already disclosed.**”

31. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Trading in Textile is the Company's only business segment, hence the disclosure of segment wise information as required by Ind AS 108 on "Segment Reporting" is not applicable.

32. Contingent Liabilities and Commitment-NIL

33. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value of realization equivalent to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made in the accounts for all the known liabilities.

34. Previous Years Figures have been re-grouped/ re-arranged wherever consider necessary. The disclosure requirements are made in the notes to accounts for by way of additional statements. The other disclosure required by the Companies Act, are made in the notes to accounts

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at 31st March, 2021, on the basis of Audited Financial Statements:
(in Lakhs)

Particulars	Pre-Offer as at 31 st March, 2021	As adjusted for the Offer*
Borrowings:		
Current borrowings (A)	14.86	[●]
Non-Current borrowings (including Current Maturity) (B)	-	[●]
Total Borrowings (C = A + B)	14.86	[●]
Total equity:		
Equity Share capital (D)	1047.45	[●]
Other Equity (E)	(42.33)	[●]
Total equity (F=D+E)	1005.12	[●]
Non-Current borrowings (including current maturity) / Total Equity ratio (B / F)	-	[●]
Total borrowings / Total Equity ratio (C / F)	-	[●]

**To be updated in the Letter of Offer*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 74 of this Draft Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 20 and 15, respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. You should read the following discussion in conjunction with our Consolidated Financial Statements and Pro Forma Financial Statements included herein as of and for the nine months ended December 31, 2021 and the Financial Years ended March on 31, 2021 and 2020, including the related notes, schedules and annexures included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 74 of this Draft Letter of Offer.

1. COMPANY OVERVIEW:

Your Company is engaged in whole selling and Retailing of the readymade garments. The Company is offering the finest quality product matching with the latest style and fashion. We have been taking care regarding the choice, quality and customer satisfaction. Your Company strives to focus on maintaining and reinforcing the image of its existing exclusive brand outlets under the brand name of "Gini & Jony". Now the Company has started business of Suiting and Shirting.

2. OVERVIEW OF THE ECONOMY:

The pandemic was an unforeseen health catastrophe, which has had enormous impact on the global economy, contracting by 3.3% (World Economic Outlook, April 2021: Managing Divergent Recoveries) in 2020. Countries across the globe went into a lockdown to control the spread of the virus, deeply affecting both lives and livelihoods. This led to governments and central banks across the world announcing favourable fiscal policies and offering monetary stimulus to curtail the economic meltdown and support the recovery.

Vaccination drives across countries are a source of optimism and an enabler of continuity in an environment of uncertainty, considering new strains emerging in some countries. Recovery is expected to be unequal across countries and sectors, depending on variation in pandemic-induced disruptions, effectiveness of policy intervention, access to medical support, cross-country exposure and other structural factors affecting economic growth. The global economy is expected to grow at 6% (source: World Economic Outlook, April 2021) in 2021 and is seeing upwards revision in projections by global forums backed by strong economic signals. The vaccine-powered recovery in the second half of 2021, unrelenting adaptation of economic activity due to subdued mobility and additional fiscal support in a few large economies, bode well for the global economy.

India

Although the economy is being steadily supported by multiple fiscal measures announced by the government to ease supply constraints and inject liquidity, the path to recovery has been inconsistent. The pandemic mounted additional pressures on the already stressed Indian economy, which saw a steep economic slowdown, and is reported by National Statistical Office (NSO) to have contracted by 7.7% in FY 2021. The service and industry sector were affected by the pan-Indian restriction on movement, impacting income and consumption patterns. There were signs of revival in the latter half of the year, boosted by pent up demand and the upcoming festive season.

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
8.2	7.0	6.1	4.2	-7.7

Multiple economic indicators contributed positively towards broad-based resurgence of economic activity. The path to recovery will carry likelihood of further mobility restrictions, less stringent restrictions, targeted lockdown approach, and shorter duration of lockdowns, going forward. Resilient consumer and business behaviour to the New Normal will mitigate the economic impact of the second wave.

3. INDUSTRY OVERVIEW: World market:

The global retail and wholesale market was distressed due to operational challenges caused by social distancing, remote working, and closure of commercial activities. With companies rearranging their operations as they recover from the COVID-19 impact, the sector is expected to see a fast rebound, growing at a rate of 9.9% (Source: Business Wire- Retail and wholesale Global Market Report 2021) from \$65,323.79 billion in 2020 to \$71,809.83 billion in 2021, thereon moderating to a compound annual growth rate (CAGR) of 7% to reach \$93,696.36 billion by 2025.

Growth of omni-channel with focus on digital:

The pandemic accelerated the adoption of multiple contactless services, including video and WhatsApp shopping, home delivery and drive-through service. Digital channel adoption for food delivery, grocery to all kind of shopping and services gained a higher share than before. Online sales increased by over 10% (Source: McKinsey & Company- perspective on Retail and Consumer Goods) across most categories they are available in. The trend is expected to stay with countries having lower online penetration, seeing an uptick in adoption, while those who already have a strong e-commerce set-up, seeing a growth in ticket size.

Preference for value essentials and convenience:

Consumers are speculative about economic revival and growth, the degree of the same varying with impact of COVID-19 in their own country. Consumers are becoming more restrained in their purchases, with trading down for value buying, choosing convenience over anything else and sometimes opting for a combination of both.

Health and 'caring' economy:

Customers are now more cognisant about the perception of the place they are shopping from. They are looking for retailers with advanced safety measures, such as enhanced cleaning and social distancing, healthy and hygienic packaging and those demonstrating concern for employees. Stakeholder engagement has become more important than ever, with the steps taken and opinion created during the pandemic expected to linger in the customers, subconscious.

Catering the Homebody economy:

As the name suggests the 'homebody economy' is fuelled by the at-home consumer. Noticeably, one of the major benefactors of this was the e-commerce platform. Big data analysis and knowing your customer are of paramount importance for targeted advertisements.

Indian markets:

Changes in customer behaviours have been seen domestically too, with COVID-19 derailing India's retail growth by a couple of years. Restriction in operations and supply chain, lower discretionary spend due to lack of secure income flow and health risk comprehension leading to lower footfalls into stores, were some of the factors affecting the India growth story.

The pandemic tested the adaptability of the Indian retail sector, and it has been seen that retail players navigated the crisis by leveraging technology and acceleration of e-commerce growth.

Indian retail industry outlook:

India had been witnessing strong consumption growth for several years now, which was forecast to triple (Source: NASSCOM- Retail 4.0 India Story) by 2030. This has largely been driven by strong fundamentals, including the burgeoning middle and affluent class, urbanisation, nuclearisation and one of the world's youngest population with a hunger for spending. Backed by the world's second-largest consumer base, India's retail industry is emerging among the fastest evolving and digitising sector. With economic activity picking up, as recorded across multiple factors and consumer sentiment, India is expected to be back on its growth trajectory with a delay of 1-2 years.

COVID-19 impact on forces shaping the Indian retail landscape

- Attitude and demographic changes in consumer behaviour
- Disruptions and irregular supplies leading to innovation in supply
- Data and technology driven disruptions reshaping customer shopping preference
- Blurring omni-channel boundaries leading to addition of new competitive forces
- Change in regulations leading to increased local sourcing, labour and store operations

4. OPPORTUNITIES AND STRENGTH

--OPPORTUNITIES:

- Online Expansion
- Premiumisation and access to global brands
- Further Growth of Private Brands
- Expanding Beauty and Personal Care Categories
- Digital Innovation
- Focus on analytics

--STRENGTH:

- First Citizens loyalty Programme
- Increased omni Channel presence
- Personal Shoppers Service
- Brand Marketing
- Strong brands across Apparel, Beauty, Accessories and Home
- Robust supply base
- Strong systems, processes and teams
- Corporate Governance

5. CHALLENGE AND THREATS:

--Challenge

- Pandemic impacting footfall at stores
- Accelerated technology adoption
- Inadequate availability of skilled work
- Increased cost of operations

--THREATS

- Economic conditions
- Increased competition
- Industry Disruption
- Marketplace scale in fashion and beauty

6. SEGMENT REVIEW:

The Company operates in single segment.

7. OUTLOOK:

There are significant challenges in the short to medium term as the country races to mitigate the second wave of infections and increase the speed of vaccinating the large populace.

The long-term growth factors of the economy such as favourable demography, stable geo-political environment, and increased urbanisation remain intact and are projected to drive the India growth story in the long term.

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has in place an adequate internal financial control system, commensurate with the size and complexity of its operations. Necessary checks and controls are in place to ensure that all assets are safeguarded, to detect and prevent errors and frauds and that the transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conduct Audit of various departments to ensure that internal controls are in place and submit Quarterly Reports to the Audit Committee. The Audit Committee regularly reviews these Reports and the Company when needed takes corrective actions. The Internal Auditors also audit the effectiveness of the Company's internal financial control system. No major inefficiencies were reported.

9. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Income from Operations	275.65	1184.20
EBITDA (Before exceptional items)	-38.60	33.96
Profit/(Loss) after tax	-53.36	11.03
Basic & Diluted Earnings per Share (EPS)	-0.51	0.11

The Company recorded total revenue of Rs. 297.72/- Lakh during the year under review as against Rs. 1197.61/-Lakh. The profit after tax for the year ended 31st March, 2021 is Rs.-53.36/- Lakh as against Rs. 11.03/-Lakh.

10. KEY FINANCIAL RATIOS:

Ratios	2020-2021	2019-2020
Debtors Turnover ¹	1.47	7.06
Inventory Turnover Ratio	0.58	0.45
Interest Coverage Ratio ²	-1.92	2.36
Current Ratio ³	3.01:1	3.07:1
Debt Equity Ratio	0.00:1	0.42:1
Operating Profit Margin % ⁴	2.31%	2%
Net Profit Margin% ⁴	-19.36%	0.93%
Return on Networth % ⁴	-5.61%	1.05%

Notes:

1. Debtors turnover has decreased due to decrease in frequency of receivables.
2. Decrease in interest coverage ratio is due to decrease in earnings with no corresponding decrease in finance cost due to pandemic situation mainly.
3. Current ratio is impacted due to increase in current maturity of long-term borrowing.
4. Operating Profit Margin, Net Profit Margin and Return on Net Worth is low due to due to pandemic situation.

11. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The Company's employee value proposition is

based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counseling and appropriate empowerment. The Company continues to maintain and enjoy a cordial relationship with its employees, providing positive environment to improve efficiency with regular investments in upgrading the knowledge and skills of the employees.

Industrial relations with staff and workmen during the year under review continued to be cordial.

12. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standards.

13. CAUTIONARY STATEMENT:

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Particulars	nine months ended December 31		For the year ended March 31			
	2021		2021		2020	
	(Rs. in lakhs)	% of Total Revenue	(Rs. in lakhs)	% of Total Revenue	(Rs. in lakhs)	% of Total Revenue
Revenue from operations	1199.43	98.84	275.65	92.59	1184.20	98.88
Other income	13.96	1.16	22.07	7.41	13.41	1.12
Total revenue	1213.39	100	297.72	100	1197.61	100
Cost of material consumed	0.00	0.00	0.00	0.00	0.00	0.00
Changes in inventories of finished goods, work-in-progress and stock in trade	(303.95)	(25.05)	58.54	19.66	50.25	4.20
Purchase of Stock in Trade	1404.45	115.75	210.73	70.78	997.05	83.25
Employee Benefits Expenses	16.68	1.37	35.87	12.05	52.67	4.40
Finance Costs	2.94	0.24	0.28	0.09	0.61	0.05
Depreciation and Amortization Expense	11.25	0.93	14.48	4.86	14.36	1.20
Power and Fuel	0.12	0.01	0.00	0.00	0.00	0.00
Other Expenses	22.77	1.88	31.18	10.47	63.68	0.87
Total expenses	1154.25	95.13	351.08	117.91	1178.62	98.41
Profit before tax	59.14	4.87	(53.36)	(17.91)	18.99	1.59
Current year	0.00	0.00	0.00	0.00	8.25	0.69
Deferred Tax	0.00	0.00	0.00	0.00	(0.29)	(0.02)
Total Tax Expenses	0.00	0.00	0.00	0.00	7.96	0.66
Profit for the period from continuing operation	59.14	4.87	(53.36)	(17.91)	11.03	0.92
Profit for the period	59.14	4.87	(53.36)	(17.91)	11.03	0.92

For the Nine month period ended 31st December, 2021

1. Total Income:

Our total income was Rs. 1213.39 Lakhs for the nine months period ended on 31st December, 2021.

a. Revenue from operations:

Our revenue from operations was Rs. 1199.43 Lakhs which represented 98.84% of our total revenue for the nine months period ended on 31st December, 2021.

b. Other income:

Other income contributed Rs. 13.96 Lakhs representing 1.16% our total revenue for the nine months period ended on 31st December, 2021.

2. Expenses:

a. Changes in inventories of finished goods, work-in-progress and stock in trade:

Our Changes in inventories were Rs. (303.95) Lakhs for the nine months ended on 31st December, 2021, representing 25.05% of our total revenue for the period.

b. Employee benefits expenses:

Our employee benefits expenses were Rs. 16.68 Lakhs, representing 1.37% of our total revenue for the nine months ended on 31st December, 2021.

c. Finance cost:

Finance cost was Rs. 2.94 Lakhs for the nine months ended on 31st December, 2021, representing 0.24% of our total revenue for the same period.

d. Depreciation and amortization expenses:

Depreciation and amortization expenses were Rs. 11.25 Lakhs for the nine months ended on 31st December, 2021, representing 0.93% of our total revenue for the same period.

e. Power and fuel Expenses:

Power and fuel Expenses were Rs. 0.12 Lakhs for the nine months ended on 31st December, 2021, representing 0.01% of our total revenue for the same period.

f. Other Expenses:

Other expenses were Rs. 22.77 Lakhs for the nine months ended on 31st December, 2021, representing 1.88% of our total revenue for the same period.

g. Total Expenses:

Our total expenses were Rs. 1154.25 Lakhs for the nine months ended on 31st December, 2021, representing 95.13% of our total revenue for the same period.

h. Profit for the period

As a result of the foregoing factors, our profit for the nine months ended December 31, 2021 was Rs. 59.14 Lakhs, representing 4.87 % of total revenue.

Cash Flows of our Company:

Set for the below is a table of selected information from our statements of cashflows for Financial Year 2020 and 2021.

Particulars	As at 31 st March	
	2021	2020
	(Rs. in Lakhs)	
Net cash generated from / (used in) operating activities (A)	(258.31)	222.48
Net cash generated from / (used in) investing activities (B)	0.40	(12.96)
Net cash generated from / (used in) financing activities (C)	35.27	(17.29)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(222.64)	183.98

1. Operating Activities

a. Financial Year 2021

Net cash generated from operating activities was Rs. (258.31) Lakhs for Financial Year 2021. The net profit before tax of Rs. (53.36) Lakhs, as adjusted primarily for depreciation and amortization expenses of Rs. 14.48 Lakhs, Loss of sale of assets of Rs. 0.94 Lakhs, finance cost of Rs. 0.28 Lakhs and interest income earned of Rs. (20.69) Lakhs. Operating profit before working capital was Rs. (58.35) Lakhs. The main adjustments in working capital included decrease in inventories of Rs. 58.54 Lakhs, decrease in trade receivables of Rs. 19.48 Lakhs, increase in loans of Rs. (266.72) Lakhs, decrease in trade payable of Rs. (2.79) Lakhs, increase in other current assets of Rs. 0.02 Lakhs and decrease in provisions of Rs. (8.49) Lakhs. Cash generated from operations amounted was Rs. (258.31).

b. Financial Year 2020

Net cash generated from operating activities was Rs. 214.23 Lakhs for Financial Year 2020. The net profit before tax of Rs. 18.99 Lakhs, as adjusted primarily for depreciation and amortization expenses of Rs. 14.36 Lakhs, Misc. expense to the extent written off of Rs. 5.02 Lakhs, finance cost of Rs. 0.61 Lakhs and interest income earned of Rs. (13.33) Lakhs. Operating profit before working capital was Rs. 25.65 Lakhs. The main adjustments in working capital included decrease in inventories of Rs. 50.25 Lakhs, increase in trade receivables of Rs. (156.53) Lakhs, decrease in loans of Rs. 233.68 Lakhs, increase in trade payable of Rs. 81.93 Lakhs, decrease in other current assets of Rs. (6.28) Lakhs and increase in provisions of Rs. 6.22 Lakhs. Cash generated from operations amounted was Rs. 222.48 adjusted to direct tax refund of Rs. (8.25) Lakhs.

2. Investing Activities

a. Financial Year 2021

Net cash used in investing activities was Rs. 0.40 Lakhs for Financial Year 2021, primarily due to other current assets of Rs. 0.40 Lakhs.

b. Financial Year 2020

Net cash used in investing activities was Rs. (12.96) Lakhs for Financial Year 2020, primarily due to purchase of property, plant and equipment of Rs. (12.96) Lakhs.

3. Financing Activities

a. Financial Year 2021

Net cash used in financing activities was Rs. 35.27 Lakhs for Financial Year 2021, primarily due to Borrowings (Net) of Rs. 14.86 Lakhs, Finance costs of Rs. (0.28) Lakhs and Interest earned of Rs. 20.69 Lakhs.

b. Financial Year 2020

Net cash generated from financing activities was Rs. (17.29) Lakhs for Financial Year 2020, primarily due to proceeds from borrowings (net) of Rs. (30.01) Lakhs, Finance costs of Rs. (0.61) Lakhs and Interest earned of Rs. 13.33 Lakhs.

Contingent Liabilities

We have no contingent liabilities as on 31st March, 2021.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

1. Quantitative Disclosure about Market Risk

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used in our products. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

Credit risk

We are exposed to credit risk from our operating and financial activities. We manage credit risk in relation to our customers by ensuring that our marketing department follows our established policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which expose us to the risk of not being able to meet our obligations. The senior management team of our Company oversees our processes and policies are formulated to minimise such risk.

2. Qualitative Disclosure about Market Risk

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 102 and page 64 respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "Risk Factors" on page 23 of this Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 23, 102 and 64 respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the

relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply, we will be able to stay competitive. For further details, kindly refer the chapter titled "Our Business" beginning on page 57.

Total Turnover of Each Major Business Segment

The Company operates in single segment in context of accounting standards 17 on Segment Reporting issued by ICAI.

New Product or Business Segment

Except as disclosed in "Our Business" on page 57 we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our business is seasonal in nature, for further reference; please refer section title "Risk Factor" on page 23 of this draft letter of offer.

Significant dependence on a Single or Few Suppliers or Customers

We are not under threat of dependence from any single supplier or customer.

Significant Developments since last balance sheet date

To our knowledge no circumstances have arisen since 31st December, 2021, the date of the last financial information disclosed in this draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

As on 31st March, 2021, our Company does not have any outstanding secured borrowing and unsecured borrowing.

For further details, kindly refer the chapter titled "Financial Information" beginning on page 64 of this draft letter of offer.

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE. As our Equity Shares are listed only on the BSE, stock market data for our Equity Shares has been given for BSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;

- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Yearly Stock Market Quotation at BSE

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

FY	High (in Rs.)	Number of shares	No. of shares traded	Low (in Rs.)	Total Turnover	Average Price (in Rs.)
2021	27.95	1,54,32,754	34,729	5.31	17,51,46,562	16.63
2020	156.85	30,37,922	14,823	4.40	2,93,91,526	80.625
2019	239.50	2,35,76,402	1,67,199	10.80	4,02,35,77,832	125.15

(Source: www.bseindia.com)

Notes: High, low and average prices are based on the daily closing prices. In case of two days with the same high or low price, the date with the high volume has been considered.

Monthly Stock Market Quotation at BSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month and Year	High	Number of shares	No. of shares traded	Low	Total Turnover	Average Price (in Rs.)
March, 2022	23.00	1,03,38,144	12,081	1.90	6,83,98,355	12.45
February, 2022	23.55	42,00,925	7,032	15.80	8,29,07,684	19.68
January, 2022	21.45	19,87,828	5,334	16.25	3,76,93,622	18.85
October, 2021	16.34	28,20,346	5,584	8.25	3,74,45,458	12.30
November, 2021	25.10	15,44,658	5,063	12.30	2,94,49,046	18.70
December, 2021	27.95	17,37,350	6,394	15.25	3,89,43,526	21.60

(Source: www.bseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter

SECTION VIII – LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Draft Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Draft Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("Materiality Threshold") or above.

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

a. Litigations involving our Company: Nil

b. Litigations against our Company: Nil

1. Criminal proceeding against our Company: Nil
2. Action and proceeding initiated by Statutory / Regulatory Authority including economic offences against our Company: Nil
3. Other proceeding against our Company including matters which are considered material as per Materiality Policy: Nil

c. Litigations by our Company: Nil

1. Criminal proceeding by our Company: Nil
2. Other proceeding by our Company including matters which are considered material as per Materiality Policy: Nil

d. Litigations involving our Directors: Nil

e. Litigations against our Directors: Nil

1. Criminal Proceeding involving moral turpitude against our Directors: Nil
2. Action and Proceeding initiated by Statutory/Regulatory Authority against of our Directors: Nil
3. Other Proceeding against our Directors: Nil

f. Litigations by our Directors: Nil

1. Criminal proceeding by our Directors: Nil
2. Other Proceeding by our Directors: Nil

g. Litigations involving our Promoters: Nil

h. Litigations against our Promoters: Nil

1. Criminal proceeding involving moral turpitude against our Promoters: Nil
2. Action and Proceeding initiated by Statutory/Regulatory Authority against of our Promoters: Nil

i. Litigations by our Promoters: Nil

1. Criminal proceeding by our Promoters: Nil
2. Other Proceeding by our Promoters: Nil

j. Litigations involving Associate Companies: Nil

k. Litigations against Associate Companies: Nil

1. Criminal proceeding against our Subsidiary Companies: Nil
2. Action and Proceeding initiated by Statutory/Regulatory Authority against of our Subsidiary Companies: Nil
3. Other Proceeding against our Subsidiary Companies: Nil

l. Litigations by Associate Companies: Nil

1. Criminal proceeding by our Subsidiary Companies: Nil
2. Other Proceeding by our Subsidiary Companies: Nil

Revenue Matters: Nil

Disclosures pertaining to wilful defaulters:

Neither our Company / Promoters / Directors / Subsidiary Companies are or have been classified as a willful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters issued by RBI.

Amount due to MSME:

There is no pending dues to one MSME supplier for more than 30 (thirty) days.

MATERIAL DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this draft letter of offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 102 and 64 of this letter of offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this draft letter of offer, there are no pending material approvals required for our Company or any of our Subsidiaries, to conduct our existing business and operations.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

As on the date of this draft letter of offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on 11th April, 2022, and pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on 11th April, 2022, determined the Issue Price as Rs. 1.80/- per Rights Equity Share, and the Rights Entitlement of upto 1 (One) Equity Share for every 1 (One) fully paid-up Equity Share(s) to held on the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated [●], respectively. Our Company will also make application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" beginning on page 123 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority / court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Our Company / Subsidiary Company / our Promoters / Directors have not been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this 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 the BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this draft letter of offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

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 this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is below Rs. 5000 Lakhs.

Disclaimer from our Company, our Director(s)

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and any one placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available

for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, Gujarat, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Listing

Our Company will apply to BSE Limited for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. The Disclaimer Clause as intimated by BSE Limited to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements

and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be post marked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which:

(i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and / or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO

AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONGKONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the BSE and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the BSE.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders' Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer. Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or the optional mechanism R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole / first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photo copy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R-WAP, see "*Terms of the Issue*" beginning at page 123 of this Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, 1 Club House Road,
Chennai - 600 002, Tamil Nadu

Tel: +044 4002 0700 / 0710, 91-44 - 2846 0129

Email: cameo@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R. D. Ramasamy

SEBI Registration No: INR000003753

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-issue / post-issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit / Refund Orders etc.

Ms. Prachi Chobisa is our Company Secretary & Compliance Officer. Her contact details are set forth here under:

Contact No.: +91-97271-23838,

Email id: info@7nrretailtd.in

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are one time relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by the Eligible Equity Shareholders, you are advised to read the frequently asked question (FAQ) on the website of the registrar at <https://cameoindia.com/>

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA alongwith rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this draft Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer 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 draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at <https://www.7nrretailtd.in/> ;
- (ii) The Registrar at <https://cameoindia.com/> ;
- (iii) The Stock Exchanges at www.bseindia.com ; and
- (iv) The Registrar's web-based application platform at <https://cameoindia.com/> ("R-WAP").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://cameoindia.com/>) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., <https://www.7nrretailtd.in/>).

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non - availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re- distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

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

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" below.

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

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein:

- i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Shareholders).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online / electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Relaxation Circular through R-WAP) shall be treated as incomplete and shall be rejected. For details see "- Grounds for Technical Rejection" below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" below.

Options available to the Eligible Equity Shareholders

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

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

A shareholder, 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. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorization 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.

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&intmlId=34>

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the

correct bank account have been provided in the Application.

- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process

In accordance with the SEBI Relaxation Circulars, a separate web-based application platform, i.e., the R-WAP facility (accessible at <https://cameoindia.com/>), has been instituted for making an Application in this issue by resident Shareholders. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Shareholders are not able to utilize the ASBA facility for making an application despite their best efforts.

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

Set out below is the procedure followed using the R-WAP:

- a) Prior to making an application using the R-WAP facility, the Shareholders should enable the internet banking or UPI facility of their respective bank accounts and the Shareholders should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non - cash payment mechanism in accordance with the SEBI Relaxation Circulars.
- b) Resident Shareholders should visit R-WAP (accessible at <https://cameoindia.com/>) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.

- c) Non-resident Shareholders are not eligible to apply in this Issue through R-WAP.
- d) Shareholders should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Shareholders can obtain details of their respective Rights Entitlements and apply in this Issue by filling – up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.
- e) Shareholders who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.
- f) The Shareholders shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- g) Verification, if any, in respect of Application through Shareholders' own bank account, shall be done through the latest beneficial position data of our Company containing Shareholders's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account "[●]" opened by our Company with the Escrow Collection Bank(s).
- i) For guidance on the Application process through R-WAP and resolution of difficulties faced by the Shareholders, the Shareholders are advised to carefully read the frequently asked questions, visit the online / electronic dedicated Shareholders helpdesk (<https://cameoindia.com/>).

PLEASE NOTE THAT ONLY RESIDENT SHAREHOLDERS CAN SUBMIT AN APPLICATION USING THE R-WAP. R- WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY AND THE REGISTRAR SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "RISK FACTORS".

Do's for Shareholders applying through R-WAP:

- a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.
- d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.
- e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.
- f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Dont's for Shareholders applying through R-WAP:

- a) Do not apply from bank account of third parties.
- b) Do not apply if you are a non-resident Shareholders.
- c) Do not apply from non-resident account.

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

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

Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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

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

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

- a) Name of our Company, being 7NR Retail Limited;
- b) 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);
- c) Folio Number (in case of Eligible Equity Share holders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
- d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- e) Number of Equity Shares held as on Record Date;
- f) Allotment option – only dematerialized form;
- g) Number of Equity Shares entitled to;
- h) Number of Equity Shares applied for within the Rights Entitlements;
- i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- j) Total number of Equity Shares applied for;
- k) Total amount paid at the rate of Rs. 1.80/- per Equity Share;
- l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- o) 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); and
- p) All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity 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 (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.

I/ We acknowledge that the Company, our affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "

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

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Shareholders. The plain paper Application form at will be available on the website of the Registrar at <https://cameoindia.com/>

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

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

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

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

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 containing the name(s), address, e-mail address, contact details and the details of their demat account alongwith copy of self- attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two working days prior to the

- Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" mentioned above.

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

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Basis of Allotment" mentioned below.

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

Additional general instructions for Shareholders in relation to making of an application

- i) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- ii) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.
- iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online / electronic 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, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

- vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and / or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID / Folio number should match the demat account details in the records available with Company and / or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or in accurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

- xvi) Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.
- xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.
- xviii) Do not submit multiple Applications.
- xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- ii) A detail of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- vi) Account holder not signing the Application or declaration mentioned therein.
- vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- viii) Multiple Application Forms, including cases where an Shareholders submits Application Forms along with a plain paper Application.
- ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.
- xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- xiv) Application Forms accompanied by stock invest, out station cheques, post-dated cheques, money order, postal order or outstation demands.
- xv) If an Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and / or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S.

Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- xix) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

Applications by non-resident Shareholders.

- a. Payment from third party bank accounts.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple applications. A separate application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "Procedure for Applications by Mutual Funds" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholder submits Application Form along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on R-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

Procedure for Applications by certain categories of Shareholders

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as

Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are in eligible to participate in this Issue under applicable securities laws. As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Shareholders"), will require prior approval of the Government of India. It is not clear from the press note whether or not an

issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) Networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2022, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as maybe extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "Basis of Allotment" mentioned below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R- WAP facility will be available until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

A Shareholder who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to cameo@cameoindia.com in case of Application through R-WAP facility. However, no Shareholders, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the

Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.cameoindia.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, <https://www.7nrretailtd.in/>).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for 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 [•]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

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 after keying in the irrelative details along with other security control measures implemented there at.

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

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to 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, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*ie* www.cameoindia.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

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

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client mastersheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two working days prior to the Issue Closing Date, i.e., by [●], 2022 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, 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 our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

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 favor 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 either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders 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 **(the "On**

Market Renunciation"); or (b) through an off-market transfer (**the" Off Market Renunciation")**, during the Renunciation Period. The Shareholders 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.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

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

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 Shareholders.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading / selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker 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[•] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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 Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●], 2022 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN[•] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders 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 under automatic order matching mechanism and on 'T+2 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 stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange 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 Renouncees

on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders 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[•], 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 Shareholders 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.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds asset for thin this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSCBC42/24.47.00/2003-04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents / NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

For details of mode of payment in case of Application through R-WAP, see "-Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process" mentioned above.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical format the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "The Issue" beginning on mentioned above.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1:1 1 (One) Equity Shares for every 1 (One) Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In terms of present ratio, there will no fractional shares.

Ranking

The Equity Shares to be issued and allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 540615) under the ISIN: INE413X01027. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing / trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means / unblock the respective ASBA Accounts, the entire monies received / blocked within four days of receipt to intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded / unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoter" mentioned above.

Rights of the Rights Equity Shareholders

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;

- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the jointholders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the jointholders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholder holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer 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 Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Gujarati language national daily

newspaper with wide circulation being the regional language of Ahmedabad, where our Registered Office is situated.

This draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders / Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters / letters of Allotment / Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.cameoindia.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and Our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please note that only resident Shareholders can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been de-recognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholder being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting the irrespective copies of self-attested proof of address, passport, etc. at cameo@cameoindia.com

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE

Issue Schedule

Last date for credit of Rights entitlements	[•]
Issue opening date	[•]
Last Date on Market Renunciation of Rights Entitlements #	[•]
Issue Closing Date*	[•]
Finalisation of Basis of Allotment (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of Credit (on or about)	[•]
Date of Listing (on or about)	[•]

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 but not exceeding 30 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.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to the Issue Closing Date, i.e., [•], 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, atleast one day before the Issue Closing Date, i.e., [•], 2022.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the

number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- (d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

- i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS

Our Company will send / dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and / or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and / or letters of regret 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 Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and / or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and / or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid / blocked shall be refunded / unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of over subscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes given below.

Unblocking amounts blocked using ASBA facility.

NACH–National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Creditor RTGS.

National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

Direct Credit – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS– If the fund amount exceeds Rs. 2,00,000/- the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholders's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole / first Shareholders and payable at par.

Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- iii) The responsibility for correctness of information filled in the Application Form *vis-à-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.
- iv) If in complete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form / with IEPF authority / in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

Non-transferable Allotment advice / refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

- vi) Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending upto five years or a fine of an amount extending upto Rs. 0.5 crore or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balancesheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balancesheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven working days of finalization of Basis of Allotment.
- iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be

credited along with amount and expected date of electronic credit of refund.

- v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.
- vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[•]" on the envelope and post marked in India or in the e-mail) to the Registrar at the following address:

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, 1 Club House Road,

Chennai - 600 002, Tamil Nadu

Tel: +044 4002 0700 / 0710, 91-44 - 2846 0129

Email: cameo@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R. D. Ramasamy

SEBI Registration No: INR000003753

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.cameoindia.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is "[•]".

(i) The Shareholders can visit following links for the below-mentioned purposes:

4. Frequently asked questions and online / electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.cameoindia.com
5. Updation of Indian address / e-mail address / phone or mobile number in the records maintained by the Registrar or our Company: www.cameoindia.com
6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.cameoindia.com
7. Submission of self-attested PAN, client mastersheet and demat account details by non-resident Eligible Equity Shareholders: cameo@cameoindia.com

- a) This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy upto any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular

2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the Registered Office of our Company between 11:00 A.M. to 2:00 P.M. on any working day from the date of the Draft Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

- (i) Registrar Agreement dated "[•]" entered into between our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated "[•]" amongst our Company, the Registrar to the Issue and the Bankers to the Issue.
- (iii) Tripartite Agreement dated "[•]" between our Company, NSDL and the Registrar to the Issue.
- (iv) Tripartite Agreement dated "[•]" between our Company, CSDL and the Registrar to the Issue.

B. DOCUMENTS FOR INSPECTION

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Certificate of incorporation dated December 21, 2012 in the name of '7NR Retail Private Limited'.
- (iii) Fresh certificate of incorporation dated March 21, 2017 pursuant to change of name of our Company to '7NR Retail Limited'.
- (iv) Resolution of the Board of Directors dated April 11, 2022 in relation to the Issue including Issue Price and the Rights Entitlement Ratio.
- (v) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to the Issue, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- (vi) Annual Reports of the Company for the past two years i.e., 2021 and 2020.
- (vii) Limited Review Financial for period ended 31st December, 2021.
- (viii) Statement of Tax Benefits dated 11th April, 2022 from the Statutory Auditor included in this draft Letter of Offer.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XI - DECLARATION

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

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Tarachand Gangasahay Agrawal
(Managing director)

Sd/-
Pratapsingh Bhoorsingh Zala
(Director)

Sd/-
Avantinath Anilkumar Raval
(Director)

Sd/-
Pranav Manoj Vajani
(Director)

Sd/-
Ziral Pankajkumar Soni
(Director)

Date: 11th April, 2022
Place: Ahmedabad