

## **FREQUENTLY ASKED QUESTIONS**

### **RIGHTS ISSUE OF EQUITY SHARES OF 7NR RETAIL LIMITED**

Set out below are the frequently asked questions (“FAQs”) to guide investors in gaining familiarity with the application process for subscribing to the rights issue of equity shares (“Issue” or “Rights Issue”) by 7NR Retail Limited (“Company”) in terms of the letter of offer dated August 26, 2022 (“Letter of Offer”) filed with the BSE Limited (“BSE or Stock Exchange”) and Securities and Exchange Board of India (SEBI). These FAQs are not exhaustive, nor do they purport to contain a summary of all the disclosures in the Letter of Offer or the entire application process in the Issue or all details relevant to prospective investors (“Investors”). Further, these FAQs should be read in conjunction with, and are qualified in their entirety by, more detailed information appearing in the Letter of Offer, including the sections “Notice to Investors”, “Risk Factors” and “Terms of the Issue” on pages 12, 23 and 145, respectively, of the Letter of Offer. Readers are advised to refer to the Letter of Offer which is available on the website of the Registrar to the Issue, Stock exchanges and the Company at <https://rights.cameoindia.com/7nrretail>; [www.7nrretailtd.in](http://www.7nrretailtd.in); and [www.bseindia.com](http://www.bseindia.com). Unless otherwise defined herein, all capitalised terms shall have such meaning as ascribed to them in the Letter of Offer.

#### **A) GENERAL FAQS:**

##### **1) What is the Rights Issue schedule?**

|  |                              |
|--|------------------------------|
| <b>ISSUE OPENING DATE</b>  | Tuesday, September 06, 2022  |
| <b>LAST DATE FOR ON MARKET RENUNCIATION</b>  | Thursday, September 15, 2022 |
| <b>ISSUE CLOSING DATE</b>  | Tuesday, September 20, 2022  |
| <b>FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)</b>  | Monday, September 26, 2022   |
| <b>DATE OF ALLOTMENT (ON OR ABOUT)</b>   | Tuesday, September 27, 2022  |
| <b>DATE OF CREDIT OF EQUITY SHARES TO DEMAT ACCOUNT OF ALLOTTEES (ON OR ABOUT)</b>                           | Monday, October 03, 2022     |
| <b>DATE OF LISTING/ COMMENCEMENT OF TRADING OF RIGHTS EQUITY SHARES ON THE STOCK EXCHANGES (ON OR ABOUT)</b> | Thursday, October 06, 2022   |

*Please note that the Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

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 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.

##### **2) How can an Eligible Equity Shareholder access the details of his respective Rights Entitlement?**

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/7nrretail>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of the Company (i.e. [www.7nrretailtd.in](http://www.7nrretailtd.in)).

**3) How will the Basis of Allotment be decided?**

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) 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

c) 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) and (b) 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.

d) 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) and (c) 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 (c) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

**4) When will the Rights Equity Shares be credited to the demat account?**

On or About Tuesday, August 30, 2022

**5) When will the Rights Equity Shares get listed on the exchanges?**

On or About Thursday, October 06, 2022

**6) How to withdraw an Application made through ASBA platform?**

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

**7) What are the details of the Issue?**

|  |   |
|--|---|
| <b>Rights Equity Shares offered in the Issue</b> | Upto 11,66,95,000 Equity Shares   |
| <b>Rights Entitlement</b>                        | 1 (One) Rights Equity Share for every 1 (One) fully paid-up Equity Share(s) held on the Record Date |
| <b>Record Date</b>                               | August 23, 2022   |
| <b>Face Value per Rights Equity Share</b>        | ₹1/- each   |
| <b>Paid up Value per Rights Equity Share</b>     | ₹1/- each   |
| <b>Issue Price</b>                               | ₹1.40/- each  |
| <b>Issue size</b>                                | ₹ 16,33,73,000/-  |

**8) What are the options available to an Eligible Equity Shareholder in rights Issue?**

The Eligible Equity Shareholders will have the option to

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

**9) Where can I get the Rights Issue documents if I have not received any mail?**

the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material will be sent/ dispatched only to the Eligible Equity Shareholders. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of

Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, subject to the applicable law. In the event that e-mail addresses of the Eligible Equity Shareholders were not available with our Company/ Depositories or the Eligible Shareholders had not provided valid e-mail addresses to our Company/ Depositories, our Company has dispatched the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

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

- a) Our Company at [www.7nrretailtd.in](http://www.7nrretailtd.in)
- b) the Registrar to the Issue at <https://rights.cameoindia.com/7nrretail>
- c) the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com);
- d) the Registrar's web-based application platform at <https://rights.cameoindia.com/7nrretail>.

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

Our Company, Lead Manager and the Registrar will not be liable 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.

**10) Can an application in the rights Issue be made using third party bank account?**

No. Investors can make payment only using bank account held in their own name. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

**11) Can a joint bank account be used to make applications on behalf of shareholders?**

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.

**12) Can an application be made by cash / cheque?**

No.

**13) Can an application be made by visiting the Company, Registrar, and / or the Lead Manager's office?**

No.

**14) Can the broker collect the application form and submit the application?**

No.

**15) How can an Investor understand if the Rights Equity Shares have been allocated?**

The Company and/or the Registrar will email Allotment advice to the successful investors who have received allocation.

**16) What is the procedure for making plain paper application and where can the plain paper application be submitted?**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

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

**B) FAQs FOR SHAREHOLDERS HOLDING EQUITY SHARES IN A PHYSICAL FORM:**

- 1) What is the process to be followed by a shareholder holding shares in a physical form, for understanding their Rights Entitlements details?**

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/7nrretail>) by entering their Folio Number and PAN. The link for the same shall also be available on the website of the Company (i.e. [www.7nrretailtd.in](http://www.7nrretailtd.in)).

- 2) What is the process to be followed, to make an application in Rights Issue, by a shareholder holding shares in a physical form?**

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company 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.

- 3) What is the process of updating the email ID, phone number, Indian address?**

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or the Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/7nrretail> <https://rights.cameoindia.com/addshop>.

Eligible Equity Shareholders holding shares in physical form can update their Indian address in the records maintained by the Registrar and the Company by submitting their respective copies of self-attested proof of address, passport, etc. at [priya@cameoindia.com](mailto:priya@cameoindia.com) or to the Depository participant in case of holding in dematerialised form. Updation of email id and phone numbers can be done at the portal <https://rights.cameoindia.com/7nrretail> for the purpose of downloading rights entitlement letter.

- 4) Can shareholders holding Equity Shares in a physical form renounce their Rights Entitlement?**

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

- 5) Will share certificates be provided to shareholder holding Equity Shares in a physical form if demat account is not provided?**

No, share certificates will not be provided to shareholder holding Equity Shares in a physical form.

**6) Why will physical share certificates not be issued to successful Allottees in Rights Issue?**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only.

**7) Can shareholders holding Equity Shares in physical form apply through ASBA?**

No, shareholders holding Equity Shares in physical form, cannot apply through ASBA.

**C) FAQs BY SHAREHOLDERS HOLDING EQUITY SHARES IN DEMAT FORM:**

**1) What is the process to be followed by a shareholder holding Equity Shares in demat form to make an application in rights Issue?**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use either the ASBA process for resident Investors in the Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “- Procedure for Application through the ASBA Process” on page 147 of the Letter of Offer.

**2) What is the process of on market and off market renunciation?**

*(a) On Market Renunciation*

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of 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 INE413X20019 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one (1) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Tuesday September 06, 2022 to Thursday September 15, 2022 (both days inclusive).

The Investors 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 INE413X20019 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE 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 Exchanges and the SEBI.

*(b) Off Market Renunciation*

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

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE413X20019, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

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

**D) FAQs BY INSTITUTIONAL INVESTORS, NON-RESIDENT INVESTORS:**

**1) What is the 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 investor group (which means multiple entities registered as foreign portfolio investors 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 investor 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 investor 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 investor 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:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) 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.

## **2) What is the procedure for applications by AIFs, FVCIs and VCFs**

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 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. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

### **3) What is the procedure for applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible 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 Investors”), 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 Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

### **4) What is the 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.

### **5) What is the 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) net worth 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.