

Date: November 25, 2022

To,

The 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,
Gujarat – 382405, India

Subject: Fairness opinion on the value of equity share ascertained by Amish Garg, Registered Valuer - Securities or Financial Assets for the reorganization/reclassification of identified creditors of the 7NR Retail Limited

We refer to the engagement letter dated November 24, 2022 and discussions undertaken with the Management of 7NR Retail Limited ("7NR Retail", "the Company" or "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the value of equity share ascertained by Amish Garg, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated September 30, 2022 ("Valuation Date") in connection with the issuance of equity shares to the identified creditors against the amount of trade payables. (hereinafter referred to as "Proposed Transaction").

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the Company, sources of information and our opinion on the fair value of equity share ascertained by the Independent Valuer for the aforesaid Proposed Transaction. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited



Mr. Kunal Shah
Director (DIN: 00049623)



Place: Ahmedabad

Kunvarji Finstock Pvt. Ltd.

Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051

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CIN - U65910GJ1986PTC008979
000730/2022



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FAIRNESS OPINION
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
7NR RETAIL LIMITED
AND
ITS SHAREHOLDERS
AND
ITS CREDITORS

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared By:

KUNVARJI

SINCE 1960

Driven By Knowledge

Kunvarji Finstock Private Limited
SEBI Registered Category I Merchant Banker
(Registration Number – INM000012564)

Kunvarji, B-Wing, Siddhivinayak Towers,
Nr. D.A.V. School, Off. S. G. Road, Makarba,
Ahmedabad-380051



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1. BACKGROUND OF THE COMPANY

7NR Retail Limited is a public company and the shares of the company are presently listed on Bombay Stock Exchange. The 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 the Company was changed to '7NR Retail Limited' on March 11, 2017 and fresh certificate of incorporation was obtained from the Registrar of Companies, Ahmedabad, Gujarat, on March 22, 2017. The Corporate Identification Number of the Company is L52320GJ2012PLC073076.

The Company mainly deals in the business of trading of apparels in the Wholesale and Retail Segments." Company's mission is to develop the franchisee in different cities of India focusing more on Tier I and Tier II cities for expansion of Company and to deliver superior quality to value to the customers, shareholders, employees and society at large. The Company mainly deals in the business of Branding and selling of ready made garments , suiting-shirting , fabrics and all other textile products.

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

The salient features of the Products:

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

Further the 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.

The equity shareholding pattern of 7NR as at September 30, 2022 is set out below:

Category of Shareholder	Number of shares (FV - INR 1 each)	% shareholding
Promoter and Promoter Group	5,95,24,275	25.50%
Public	17,38,65,725	74.50%
Total	23,33,90,000	100.00%

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2. TRANSACTION OVERVIEW AND SCOPE OF SERVICES**Transaction Overview**

We understand that the Management of the Company is contemplating a scheme of arrangement with its identified creditors as on September 30, 2022, wherein they intend to convert the amount of trade payable into the equity shares in accordance with the provisions of Sections 230 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft scheme of arrangement (hereinafter referred to as 'the Scheme').

As a consideration for the Proposed Transaction, creditors of 7NR Retail would be issued equity shares of 7NR Retail. The equity shares to be issued for the aforesaid Proposed Transaction will be based on the equity share value report prepared by the Independent Valuer appointed by them.

Scope of Services

Pursuant to Securities & Exchange Board of India ("SEBI") master circular no. SEBI/HO/CFD/DILI/CIR/P/2021/000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "SEBI Circulars") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the fair value of equity share ascertained by the Independent Valuer vide report dated November 25, 2022 for the proposed transaction.

In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide a fairness opinion on the fair value of equity share ascertained by an Independent Valuer as at Valuation Date for the Proposed Transaction.

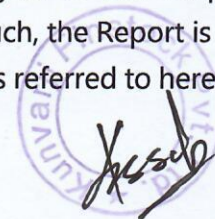
Our scope of work only includes forming an opinion on the fairness of the fair value of equity share arrived at for the purpose of the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

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3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management of the Transacting Company obtained from the public domain for the purpose of this report:

- Signed fair value report of equity share issued and prepared by Amish Garg, Registered Valuer- Securities or Financial Assets dated November 25, 2022;
- Unaudited financial statements for the six months period ended September 30, 2022 of the Company;
- Audited financial statements for the financial year ended March 31, 2022 of the Company;
- Draft scheme of arrangement between the Company and its shareholders and its creditors pursuant to which Proposed Transaction is to be undertaken;
- Shareholding pattern of the Company as at September 30, 2022;
- We have also relied on various representations, information and explanations given by the Management.

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the fair value report of equity share) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided.

4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available in public domain.
- Discussions with the Management to understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance of the Company.
- Undertook Industry Analysis: Research publicly available market data including economic factors and industry trends that may impact the opinion;
- Analysis of information shared by Management;
- Reviewed the draft scheme of arrangement between the Company and its shareholders and its creditors pursuant to which Proposed Transaction is to be undertaken;

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- Reviewed signed fair value report of equity share issued and prepared by Amish Garg, Registered Valuer- Securities or Financial Assets dated November 25, 2022;
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.

5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date; (iii) Audited financial statements for the year ended March 31 2022 and unaudited financial statements for the six month period ended September 30, 2022 of 7NR Retail; and (iv) draft scheme of arrangement.

A fairness opinion of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Company and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take a buy or sell decision, for which specific opinion needs to be taken from expert advisors.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Company and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Company. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.

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It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Company to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "SEBI Circulars") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.


The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations, and that the Company will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the company, reflected in their respective balance sheet remain intact as of the Report date.

The Report does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

Certain terms of the Proposed Transaction are stated in our fairness opinion, however the detailed terms of the Proposed Transaction shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Transaction. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Company. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company, their directors, employees or agents.

**Kunvarji Finstock Pvt. Ltd.**

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This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed scheme of arrangement, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of 7NR Retail will trade following the announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of the company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction. Our opinion contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

5. OUR RECOMMENDATION

As stated in the Share Exchange Ratio Report dated November 25, 2022 prepared by Amish Garg, Registered Valuer- Securities or Financial Assets, they have ascertained the fair value of **INR 1.61** per equity share

The aforesaid arrangement shall be pursuant to the draft scheme of arrangement and shall be subject to receipt of approval from the Hon'ble National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the arrangement are more fully set forth in the draft scheme of arrangement. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of arrangement alters the Proposed Transaction.



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Based on the information, data made available to us, to the best of our knowledge and belief, the fair value of equity share ascertained by Amish Garg, Registered Valuer- Securities or Financial Assets in relation to the proposed draft scheme of arrangement is **fair** to the equity shareholders of 7NR Retail in our opinion.

For, Kunvarji Finstock Private Limited



Mr. Kunal Shah
Director (DIN: 00049623)



Date: November 25, 2022

Place: Ahmedabad

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