




## DRAFT TO BE UPDATED AND FINALIZED

7NR Retail Limited was incorporated as “7NR Retail Private Limited” (Corporate Identification Number U52320GJ2012PTC073076) under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 21, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Registration No. 073076. The Company was converted into a Public Limited Company and Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company was issued on March 22, 2017 by the Registrar of Companies, Ahmedabad, Gujarat and consequently the name of our Company was changed to “7NR Retail Limited”. The Equity Shares of the Company were listed and admitted to dealing on the SME Platform of BSE on July 18, 2017 and pursuant to migration from SME to Main Board, the Equity Shares of the Company got listed and admitted to dealing on the Main Board of BSE on August 28, 2019. For further details of our Company, please refer to the chapter titled “General Information” on page no. 39 of this Letter of Offer.

**Corporate Identification Number:** L52320GJ2012PLC073076  
**Registered Office:** Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India – 382 405  
**Contact No.:** +91-6357214201; **Email id:** [info@7nrretailtd.in](mailto:info@7nrretailtd.in);  
**Website:** <https://www.7nrretailtd.in/>;  
**Contact Person:** Ms. Purvi Agrawal, Company Secretary and Compliance Officer

PROMOTER OF OUR COMPANY: MR. UMANG VIJAYKUMAR TRIVEDI*** FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY 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 LETTER OF OFFER		
ISSUE OF UPTO [•]# FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH (“EQUITY SHARES”) OF 7NR RETAIL LIMITED (“7NR” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UPTO RS. 30.00/- CRORES ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [•] RIGHTS EQUITY SHARE FOR EVERY [•] FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [•] (THE “RECORD DATE”). THE ISSUE PRICE IS [•] TIMES OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE NO. 150 OF THIS LETTER OF OFFER.		
#ASSUMING FULL SUBSCRIPTION OF THE ISSUE		
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 Letter of Offer. Specific attention of the investors is invited to the section “Risk Factors” on page no. 25 of this Letter of Offer.		
OUR COMPANY’S ABSOLUTE RESPONSIBILITY		
Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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 on BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received ‘in-principle’ approval from BSE for 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 Rights 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 Limited (“BSE”).		
REGISTRAR TO THE ISSUE	BANKERS TO THE ISSUE	
<div></div> <div>CAMEO CORPORATE SERVICES LIMITED Subramanian Building, No. 1 Club House Road, Chennai - 600 002, Tamil Nadu Tel: +91-4440020700 Email: <a href="mailto:rights@cameoindia.com">rights@cameoindia.com</a> Investor Grievance Email id: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> Website: <a href="https://cameoindia.com/">https://cameoindia.com/</a> Contact Person: Ms. K. Sreepriya SEBI Registration No.: INR000003753 CIN: U67120TN1998PLC041613</div>	[•]	
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSES 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 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

\*\*\*Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.

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## TABLE OF CONTENTS

CONTENTS	Page No.
<b>Section – I Definitions and Abbreviations</b>	<b>05</b>
Conventional and General Terms	05
Technical and Industry Related Terms/ Abbreviations	06
Issue Related Terms	11
Notice to Investors	15
No offer in the United States	16
Presentation of Financial Information and Use of Market Data	17
Forward Looking Statements	19
<b>Section II – Summary of Letter of Offer</b>	<b>20</b>
<b>Section III – Risk Factors</b>	<b>25</b>
<b>Section IV – Introduction</b>	<b>38</b>
Summary of the Issue	38
General Information	39
Capital Structure	43
<b>Section V – Particulars of the Issue</b>	<b>45</b>
Objects of the Issue	45
Statement of Possible Tax Benefits	52
<b>Section VI – About the Company</b>	<b>56</b>
Industry Overview	56
Our Business	69
Key Industries Regulations and Policies	74
History and Certain Corporate Matters	82
Our Management	86
<b>Section VII – Financial Information</b>	<b>94</b>
Financial Result along with Limited Review Report	95
Auditors’ Report and Financial Information of our Company	98
Capitalisation Statement	132
Management’s Discussion and Analysis Report	133
Market Price Information	138
<b>Section VIII – Legal and other Regulatory Information</b>	<b>139</b>
Outstanding Litigations and Material Developments	139
Government and other Statutory Approvals	142
Other Regulatory and Statutory Disclosures	144
<b>Section IX – Issue Related Information</b>	<b>150</b>
Terms of the Issue	150
Procedure for making an application in the issue	152
Procedure for applications by certain categories of shareholders	163
Restrictions on Foreign Ownership of Indian Securities	180
<b>Section X – Other Information</b>	<b>181</b>
Material Contracts and Documents for Inspection	181
<b>Section XI – Declaration</b>	<b>182</b>

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain 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 Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications there to notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled **“Industry Overview”, “Summary of the Issue”, “Financial Information”, “Statement of Possible Tax benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on page nos. 56, 38, 94, 52, 139 and 150** respectively of this Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

### CONVENTIONAL/ GENERAL TERMS

Term	Description
“7NR”, “the Company”, “our Company”, “Issuer” and “7NR Retail Limited”	7NR Retail Limited, a Company incorporated in India under the Companies Act, 1956 having its Registered Office at Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India – 382 405.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
Audited Financial Statements/ Financial Statements/ or Results	The Audited Financial Statements of our Company prepared under IND AS for Financial Year 2023-24 and Unaudited Financial Results for quarter and nine months ended on December 31, 2024, prepared in line with IND AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Articles/ Articles of Association/ AOA	Articles of Association of our Company as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of 7NR Retail Limited being M/s. Aniket Goyal & Associates, Chartered Accountants, Ahmedabad.
Board/ Board of Directors	Board of Directors of our Company including a committee thereof.
Chief Financial Officer/ CFO	Mr. Pradeepsingh Shekhawat, being Chief Financial Officer of the Company.
CIN	Corporate Identification Number of Company i.e. L52320GJ2012PLC073076.
Companies Act, 1956	The Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act, 2013/ Companies Act	The Companies Act, 2013 along with rules made thereunder.
Company Secretary and Compliance Officer/ CS	Ms. Purvi Agrawal, being Company Secretary and Compliance Officer of the Company.
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 having face value of Rs. 10.00/- each.
Eligible Equity Shareholder(s)	Equity Shareholders whose names appear on the Register of Members of our Company or in the Register of Beneficial Owners of our Company maintained by the Depositories as at the end of business hours of the Record Date i.e., [•]
Executive Directors	Executive Directors of our Company.
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Key Managerial Personnel(s)/ KMP(s)	Key Managerial Personnel(s) of our Company in terms of Section 2(51) and Section 203 of the Companies Act, 2013 and the SEBI ICDR Regulations as described in this Letter of Offer.

Limited Review Report and Financial Results	The Standalone Unaudited Financial Results along with the Limited Review Report for the quarter and nine months ended on 31 <sup>st</sup> December, 2024 of our Company, prepared and published in accordance with Regulation 33 of the SEBI Listing Regulations.
Managing Director	Mr. Chetan Kumar Ojha, is the Managing Director of the Company.
Memorandum/ Memorandum of Association/ MOA	Memorandum of Association of our Company, as amended from time to time.
Non-executive Directors	A Director, not being an Executive Director of our Company.
Promoter	Mr. Umang Vijaykumar Trivedi is the Promoter of our Company.  <i>*Mr. Nikunj Agrawal is promoter of the Company and had applied for Reclassification of Promoter vide Application No.: 192222 dated January 13, 2024 and the said application is under process. Further outgoing promoter has no nexus with the Company and also not controlling affairs of the Company and Board Structure.</i>
Promoter Group	Person(s) and entity(ies) 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 is situated at Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India – 382 405.
Registrar of Companies/ ROC	Registrar of Companies, Gujarat situated at ROC Bhavan, Opp. Rupal Park, Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat.
Rights Issue Committee	The committee of our Board constituted/ designated for purposes of the Issue and incidental matters thereof.
Subsidiaries	Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable accounting standard.

#### **TECHNICAL AND INDUSTRY RELATED TERMS**

Term	Full Form
100% Cotton	Natural fiber known for breathability, comfort, and softness.
Lycra (Elastane/Spandex)	A synthetic fiber added to cotton for stretchability.
Blended Cotton	Mixture of cotton with polyester or viscose for enhanced durability.
Chief Value Cotton (CVC)	A blend with a higher percentage of cotton than synthetic fibers.
Polyester Cotton (PC)	A polyester-cotton blend offering wrinkle resistance and durability.
100% Cotton Yarn Dyed	Cotton fabric where the yarns are dyed before weaving for long-lasting color.
Polyester Viscose (PV)	A blend with a soft texture, drape, and moisture-wicking properties.
Terry Rayon Suiting	A synthetic blend known for a smooth finish and a formal look.
Mock Linen	A synthetic fiber blend that mimics the appearance and texture of linen.
Warp & Weft	The two perpendicular threads in woven fabric.
GSM (Grams per Square Meter)	Measures the weight and thickness of the fabric.
Plain Weave	Simple over-and-under interlacing pattern.
Twill Weave	Diagonal ribbed texture (e.g., denim).
Satin Weave	Smooth, shiny surface with a soft feel.
Combed vs. Carded Cotton	Combed cotton is softer and more refined, while carded cotton is coarser.
Mercerization	Treatment of cotton to increase luster, strength, and dye absorption.
Sanforization	Pre-shrinking treatment for fabric to reduce shrinkage after washing.
Reactive Dyeing	Dyeing method for cotton to improve color fastness.
Disperse Dyeing	Used for polyester and synthetic fabrics.
Yarn Count (Ne)	Measurement of yarn thickness (e.g., 40s, 60s, 80s).
Thread Count (TC)	Number of threads per square inch, affecting softness and durability.
Anti-Pilling	Prevents fabric from forming small fiber balls.
Moisture Wicking	Enhances sweat absorption and drying.
Wrinkle-Free Treatment	Reduces creases for easy maintenance.

Ready-Made Garments (RMG)	Pre-stitched garments available for wholesale and retail.
Shirting & Suiting	Fabric categories used for shirts and suits.
Cut, Make, Trim (CMT)	Manufacturing process for garment production.
Pattern Making & Grading	Creating and adjusting garment sizes.
Lining & Interlining	Inner layers used for structure and durability.
Fusing	Heat application to bond fabrics for added stiffness.
Lock Stitch	Basic stitch used in garment construction.
Overlock (Serging)	Used for finishing fabric edges.
Flatlock	Used in activewear for comfort and durability.
Wholesale & Retail Trade	Business model for selling fabrics and garments.
B2B & B2C	Business-to-Business (wholesale) and Business-to-Consumer (retail) trading models.
Textile Sourcing & Procurement	Process of acquiring raw and finished textile products.
Stock Keeping Unit (SKU)	A unique identifier for each fabric or garment variety.
Minimum Order Quantity (MOQ)	The minimum purchase requirement from a supplier.
Bulk Discounting	Pricing strategy offering discounts for larger purchases.
Textile Supply Chain	The process from fiber production to final garment retail.
Import & Export Compliance	Regulations for cross-border textile trade.
Harmonized System Code (HS Code)	International classification for textile products in trade.
Fast-Moving Fashion (FMF)	Rapid production and sales of trendy clothing.
Organic Cotton	Grown without synthetic pesticides and chemicals.
Fair Trade Certified	Ensures ethical labor practices in textile production.
Eco-Friendly Dyes	Natural or low-impact dyes reducing environmental impact.
OEKO-TEX Certification	Ensures textiles are free from harmful substances.
GRS (Global Recycled Standard)	Certification for using recycled fabric materials.
Bamboo & Tencel Fibers	Sustainable fabric alternatives to traditional cotton.
Zero Liquid Discharge (ZLD)	Water recycling in textile dyeing units.
Enterprise Resource Planning (ERP)	Software for managing textile business operations.
Customer Relationship Management (CRM)	System for managing customer interactions.
Online Fabric Marketplace	Digital platforms for textile trade (e.g., Amazon, Flipkart, IndiaMart).
Point of Sale (POS) System	Technology for retail billing and inventory management.
Dropshipping	A retail model where the seller doesn't hold inventory but ships directly from suppliers.
E-Catalog & Digital Swatches	Online showcase of fabric collections.

## **ABBREVIATIONS**

Term	Full Form
AS/ Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT.	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of

	India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx.	Approximately
B. A.	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E.	Bachelor of Engineering
B. Sc.	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/ LC	Bank Guarantee/ Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CAD	Canadian Dollar
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CFO	Chief Financial Officer
CS & CO	Company Secretary & Compliance Officer
CSR	Corporate Social Responsibility
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ ICWA	The Institute of Cost Accountants of India
CMD	Chairman and Managing Director
Depository(ies)	A Depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earning Per Share
EGM/ EOGM	Extra-Ordinary General Meeting
ESOP	Employee Stock Option Plan
ESI Act	Employees' State Insurance Act, 1948
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FIPB	Foreign Investment Promotion Board
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	The Foreign Exchange Management Act, 1999 as amended from time to time, read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with

	SEBI under applicable laws in India
FPIs	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
FV	Face Value
GOI/ Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/ Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e.	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IND AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
IT	Information Technology
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, GOI
MD	Managing Director
MOF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A.	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E.	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and Medium Enterprises
MOA	Memorandum of Association
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NCLT	National Company Law Tribunal

Networth	The aggregate of Paid-up Share Capital & Share Premium Account & Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt. Ltd.	Private Limited
ROC	Registrar of Companies
RBI	The Reserve Bank of India
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	The United States Securities Act of 1933
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
Trademark Act	Trademark Act, 1999
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UIN	Unique Identification Number
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF/ Venture Capital	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of

Fund	India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
VAT	Value Added Tax
W.E.F.	With Effect From
WDV	Written Down Value
WTD	Whole-time Director
YOY	Year Over Year

## **ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations, 2018 and the Companies Act, 2013.
Additional Right Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Allotment Accounts will be opened, in this case being, [•]
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are allotted pursuant to the Issue.
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee (s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Investor.
Application	Application made through 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, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an application authorizing a SCSB to block the Application Money in the ASBA Account.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the Plain Paper Application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant/ ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being, [•]
Bankers to the Issue Agreement	Agreement dated [•] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the

	Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/ Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be allotted to successful applicants in the Issue and which is described in “ <b>Terms of the Issue</b> ” on page no. 150 of this Letter of Offer.
BSE	BSE Limited
Controlling Branches/ 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 <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, wherever applicable.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Designated SCSB 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 <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , 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.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. [•]. Please note that the investors who are eligible to participate in the Issue (exclude certain overseas shareholders). For further details, see “ <b>Notice to Investors</b> ” on page no. 15 of this Letter of Offer.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom Escrow Account(s) will be opened, in this case being [•]
FII/ Foreign Institutional Investors	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended] registered with SEBI under applicable laws in India.
Fugitive Economic Offender	An individual who is declared a Fugitive Economic Offender under Section 12 of Fugitive Economic Offenders Act, 2018.
IEPF	Investor Education and Protection Fund.
ISIN	International Securities Identification Number.
Issue/ Rights Issue	Issue of upto [•] # Fully Paid-up Equity Shares of face value of Rs. 10.00/- each for cash at an Issue Price of Rs. [•] per Equity share (including Share Premium of Rs. [•] per share) aggregating upto Rs. 30.00 Crores on a rights basis to the Existing Equity Shareholders of our Company in the ratio of [•] Rights Equity Share for every [•] Fully Paid-up Equity Share held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [•] <i>#Assuming full subscription of the Issue</i>
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/ Investors can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. [•] per share (including Rs. [•] as share premium).
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Upto [•] # Rights Equity Shares of face value of Rs. 10.00/- each for cash at a price of Rs. [•] per share (including share premium of Rs. [•] per share) not exceeding an amount aggregating upto Rs. 30.00 Crores. <i>#Assuming full subscription of the Issue</i>
Letter of Offer/ LOF	This letter of offer dated [•] to be filed with the Stock Exchange and submitted with SEBI for information and dissemination.
Net Proceeds	Proceeds of the Issue less issue related expenses. For further information about the issue related expenses, see “ <b>Objects of the Issue</b> ” on page no. 45 of this Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act, 2013.



Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation 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 Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation 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 Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purpose of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) is opened, in this case being, [●]
Registrar to the Company/ Issue	<b>CAMEO CORPORATE SERVICES LIMITED</b> Subramanian Building, 1 Club House Road, Chennai - 600002, Tamil Nadu <b>Tel:</b> +91-4440020700 <b>Email:</b> <a href="mailto:rights@cameoindia.com">rights@cameoindia.com</a> <b>Investor Grievance Email id:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> <b>Website:</b> <a href="https://cameoindia.com">https://cameoindia.com</a> <b>Contact Person:</b> Ms. K. Sreepriya <b>SEBI Registration No:</b> INR000003753 <b>CIN:</b> U67120TN1998PLC041613
Renouncee(s)	Person(s) who has/ have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Companies Act, 2013 and any other applicable law.
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 Bidders(s)/ Retail Individual Investor(s)/ RII(s)/ RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than Rs. 2,00,000/- in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	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, i.e. [●] in this case being [●] Rights Equity Share for every [●] Fully Paid-up Equity Share held by an existing Eligible Equity Shareholder.  Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be allotted pursuant to this Issue.
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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.
Self-Certified Syndicate Banks or SCSBs	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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , 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 <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Stock Exchanges	Stock Exchange where the Equity shares are presently listed, being BSE Limited.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a Wilful Defaulter or Fraudulent Borrower by any Bank or Financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any Company whose director or promoter is categorized as such.
Working Days	All days except 2 <sup>nd</sup> and 4 <sup>th</sup> Saturdays of the month, Sundays, Public holidays, State and National holidays, on which commercial banks in Gujarat; are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, Term Description, the term Working Day shall mean all days, excluding 2 <sup>nd</sup> and 4 <sup>th</sup> Saturdays, Sundays, Public holidays, State and National holidays, on which commercial banks in Ahmedabad are open for business; and (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. <b>“Working Day”</b> shall mean all trading days of the Stock Exchange, excluding Saturdays, Sundays and trading holidays.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the **“Issue Materials”**) will be sent/ dispatched only to such Eligible Equity Shareholders who have provided email address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them, subject to compliance with relevant SEBI circulars/ notices giving/ extending relaxation in dispatch of physical issue material to those Eligible Equity Shareholders who have not provided a valid email address to the Company. 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 this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchange, subject to the applicable law.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company, subject to compliance with relevant SEBI circulars/ notices giving/ extending relaxation in dispatch of physical issue material to those Eligible Equity Shareholders who have not provided a valid email address to the Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except in India. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, or other Issue 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 the Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer (**“Restricted Jurisdictions”**) and, in those circumstances, the Letter of Offer or any other Issue Materials must be treated as sent 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 the Letter of Offer, or any other Issue Materials should not distribute such document(s) to any person outside India where to do so would or might contravene local securities laws or regulations. If this Letter of Offer, or any other Issue Materials is received by any person in any Restricted Jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India.

Envelopes containing an Application Form should not be postmarked or otherwise dispatched from any Restricted Jurisdiction, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India.

Neither the delivery of this Letter of Offer, or any other Issue Materials 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 Letter of Offer or any other Issue Materials or the date of such information.

SEBI has introduced the Concept of Credit of Rights Entitlements into the Demat Accounts of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market Renunciation. Further, the Credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialized Form.

The contents of this 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 purchase or sale of Rights 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 Rights Equity Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

**Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certifications set out in the Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (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 in respect of any such Application Form.**

#### **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 the 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, the Letter of Offer/ Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letter should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

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

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 Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE's shall be issued to eligible equity shareholders as on the Record date i.e. [•].**

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatched to the eligible equity shareholders as on the Record date i.e. [•].**

### Certain Conventions

All references to “India” contained in this 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 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 Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise; all references to a year in this 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 Letter of Offer are to the page numbers of this Letter of Offer.

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Financial Statements. For details, please see **“Financial Information”** on page no. 94 of this Letter of Offer. Our Company’s Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The MCA has notified 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 2023-24 and 2022-23 are prepared in accordance with the IND AS Rules, Section 133 of the Companies Act, 2013 & other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations, 2018 & the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI.

The Unaudited Financial Results along with Limited Review Report of our Company for the quarter and nine months ended on December 31, 2024 is prepared in accordance with IND AS, Section 133 of Companies Act, 2013 and SEBI LODR Regulations, 2015.

In this Letter of Offer, any discrepancies in any table between the total and sum of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

Accordingly, the degree to which the financial information included in this 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 Letter of Offer should accordingly be limited. For further information, see **“Financial Information”** on page no. 94 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

## Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Letter of Offer in “lakh” or “Lac” units or in whole numbers. 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 Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

## Exchange Rates

This Letter of Offer contains conversion of certain other currency amount into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on			
	March 28, 2024	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.3739	82.2169	75.8071	73.5047
1 Euro	90.2178	89.6076	84.6599	86.0990

(Source: RBI reference rate at <https://www.fbil.org.in/#/home>)

## Industry and Market Data

Unless stated otherwise, industry and market data used in this 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 Letter of Offer is reliable, it has not been independently verified by us. 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 no. 25 of this 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 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 source.



## FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward- looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals 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 may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements contained in this 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. All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- General political, social and economic conditions in India and other countries;
- Regulatory changes and the Company's ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Technology changes;
- Change in domestic and foreign laws, regulations and taxes and change in the competition in the industry;
- Fluctuation of the operating cost;
- Company's ability to attract and retain qualified personnel;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the industry;
- Failure to undertake projects on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting the retail industry generally in India;
- Accidents and natural disasters; and
- Other factors beyond our control.

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**" on page nos. 25, 69 and 133 respectively of this 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 at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our 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. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Letter of Offer 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 Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

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 page nos. 25, 38, 43, 45, 69, 56, 139 and 150 respectively of this Letter of Offer.

### **OUR COMPANY**

7NR Retail Limited was incorporated as **“7NR Retail Private Limited”** (Corporate Identification Number U52320GJ2012PTC073076) under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 21, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Registration No. 073076. The Company was converted into a Public Limited Company and Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company was issued on March 22, 2017 by the Registrar of Companies, Ahmedabad, Gujarat and consequently the name of our Company was changed to **“7NR Retail Limited”**. The Equity Shares of the Company were listed and admitted to dealing on the SME Platform of BSE on July 18, 2017 and pursuant to migration from SME to Main Board, the Equity Shares of the Company got listed and admitted to dealing on the Main Board of BSE on August 26, 2019. For further details of our Company, please refer to the chapter titled **“General Information”** on page no. 39 of this Letter of Offer.

### **SUMMARY OF THE INDUSTRY IN WHICH OUR COMPANY OPERATES**

The Indian Textile Industry is a pivotal component of the nation's economy, with a rich history and substantial contributions to employment, industrial output, and exports. Here's a detailed overview:

#### **Market Size and Structure**

As of the fiscal year 2022-23, the Indian textile and apparel market was valued at approximately US\$165 billion. The domestic market accounted for about 76% of this valuation, while exports comprised the remaining 24%. The industry encompasses a wide array of segments, including fiber production, yarn manufacturing, fabric production, and the creation of garments and made-ups. ([wazir.in](http://wazir.in))

#### **Production and Export Highlights**

- **Fiber Production:** In the 2021-22 period, India produced 5,305 million kilograms of cotton, representing 57% of the country's total fiber production. Other notable fibers include silk and various man-made fibers. ([wazir.in](http://wazir.in))
- **Yarn Production:** The same period saw the production of 6,619 million kilograms of spun yarn, with cotton spun yarn constituting the majority. ([wazir.in](http://wazir.in))
- **Fabric Production:** Total fabric production reached 70,445 million square meters in 2020-21, with 100% cotton fabrics making up 52% of this output. ([wazir.in](http://wazir.in))
- **Exports:** In 2021-22, India's textile and apparel exports were valued at US\$44.4 billion, reinforcing its position as a leading global exporter. ([wazir.in](http://wazir.in))

#### **Employment and Economic Contribution**

The textile sector is one of the critical sectors of the Indian economy, accounting for more than 2% of the country's GDP and over 10% of its export earnings. It provides direct employment to over 45 million people and indirect employment to an additional 60 million, making it the second-largest employer in India after agriculture. ([ijcrt.org](http://ijcrt.org))

#### **Challenges**

Despite its strengths, the Indian textile industry faces several challenges:

- **Technological Obsolescence:** Many segments, particularly weaving and processing, suffer from outdated technology, leading to lower productivity and quality issues. ([wrightresearch.in](http://wrightresearch.in))
- **Fragmentation:** The industry is highly fragmented, with a significant presence of small and medium-sized enterprises (SMEs), which often lack the scale to compete globally. ([wrightresearch.in](http://wrightresearch.in))



- **Raw Material Dependence:** Despite being a major cotton producer, India relies on imports for certain high-quality fabrics and fibers, affecting the competitiveness of its finished products. ([wazir.in](http://wazir.in))

### Government Initiatives

To address these challenges and promote growth, the Indian government has implemented several initiatives:

- **Production-Linked Incentive (PLI) Scheme:** Aimed at enhancing manufacturing capabilities and boosting exports in the textile sector. ([wazir.in](http://wazir.in))
- **National Technical Textiles Mission:** Launched to position India as a global leader in technical textiles by promoting research, innovation, and skill development. ([wazir.in](http://wazir.in))
- **Infrastructure Development:** Establishment of textile parks and clusters to provide world-class infrastructure and attract investments. ([wazir.in](http://wazir.in))

### Future Outlook

The Indian Textile Industry is poised for significant growth, driven by increasing domestic consumption and expanding export markets. However, to realize its full potential, the industry must focus on technological upgrades, skill development, and sustainable practices. The government's supportive policies and the industry's adaptability will play crucial roles in shaping its future trajectory.

For a comprehensive analysis, you can refer to the [Annual Report on the Indian Textile & Apparel Industry 2023 by \(Wazir Advisors\)](#).

*For further detailed information, please refer to chapter titled “Industry Overview” on page no. 56 of this Letter of Offer.*

### **SUMMARY OF OUR BUSINESS:**

7NR Retail Limited was incorporated as “7NR Retail Private Limited” (Corporate Identification Number U52320GJ2012PTC073076) under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 21, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Registration No. 073076. The Company was converted into a Public Limited Company and Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company was issued on March 22, 2017 by the Registrar of Companies, Ahmedabad, Gujarat and consequently the name of our Company was changed to “7NR Retail Limited”. The Equity Shares of the Company were listed and admitted to dealing on the SME Platform of BSE on July 18, 2017 and pursuant to migration from SME to Main Board, the Equity Shares of the Company got listed and admitted to dealing on the Main Board of BSE on August 26, 2019.

In the year 2012, Mr. Pinal Kanchanlal Shah, Ms. Nutanben Jaykishan Patel, Mr. Pragnesh Hasmukhlal Shah, Mr. Dineshbhai Somabhai Patel and Ms. Riddhi Pinal Shah incorporated the Company in the name of “7NR Retail Private Limited”.

At present, the Promoter of the Company is Mr. Umang Vijaykumar Trivedi, who have overall experience of more than 3 years in business of textiles. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters & Senior Management Team and their experience of over a decade in the industry in which our Company operates.

***Note:** Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.*

At present, the Board of the Company have 4 (Four) Directors, Mr. Chetan Kumar Ojha, Managing Director is in charge of the affairs of the Company and he is ably assisted by Mr. Avantinath Anilkumar Raval, Non - Executive & Non - Independent Director & Chairman. The Company has 2 (Two) Independent Directors, Mr. Pranav Manoj Vajani and Ms. Hiral Vinodbhai Patel.

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.

Our Company mainly deals in the business of wholesale and retail trading of various fabrics like 100% Cotton – Lycra and Non-Lycra, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen, ready-made garments, shirting and all other related textile products.

*For further details, please refer to the chapter titled “Our Business” and “History and certain Corporate matters” on page nos. 69 and 82 of this Letter of Offer.*

### **LOCATION OF OUR COMPANY**

Our Registered Office is situated at Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India – 382 405.

### **SWOT Analysis:**

SWOT Analysis can be briefly summarized below:

<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>○ <b>Strong Supply Chain:</b> Established relationships with raw material suppliers and efficient production processes.</li> <li>○ <b>Brand Recognition:</b> A well-known and trusted brand in domestic or international markets.</li> <li>○ <b>Skilled Workforce:</b> Experienced designers, technicians, and laborers skilled in textile manufacturing.</li> <li>○ <b>Diverse Product Portfolio:</b> Offering a range of textiles like cotton, polyester, wool, and blends for different industries.</li> <li>○ <b>Technological Advancements:</b> Adoption of modern machinery, automation, and sustainable manufacturing techniques.</li> <li>○ <b>Government Support:</b> Various subsidies and policies supporting the textile sector in countries like India and Bangladesh.</li> </ul>	<p><b><u>Weakness</u></b></p> <ul style="list-style-type: none"> <li>○ <b>High Dependence on Raw Materials:</b> Fluctuations in cotton, wool, or synthetic fiber prices impact profitability.</li> <li>○ <b>Labor-Intensive Industry:</b> High labor costs and challenges in maintaining ethical labor practices.</li> <li>○ <b>Environmental Impact:</b> Pollution from dyeing and waste disposal can lead to regulatory and reputational risks.</li> <li>○ <b>Supply Chain Vulnerability:</b> Dependency on specific suppliers or regions can lead to disruptions.</li> <li>○ <b>Low Adoption of Digital Transformation:</b> Traditional business models may lag behind tech-driven competitors.</li> </ul>
<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>○ <b>Rising Demand for Sustainable Textiles:</b> Growing preference for eco-friendly, organic, and recycled fabrics.</li> <li>○ <b>E-commerce Expansion:</b> Selling directly to customers via online platforms reduces dependency on wholesalers.</li> <li>○ <b>Export Potential:</b> Emerging markets in Africa and Latin America present new export opportunities.</li> <li>○ <b>Technical Textiles Growth:</b> Demand for specialized fabrics in medical, automotive, and defense industries is rising.</li> <li>○ <b>Government Incentives:</b> Tax benefits and</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>○ <b>Global Competition:</b> Competition from low-cost producers like China, Vietnam, and Bangladesh.</li> <li>○ <b>Economic Slowdowns:</b> Recessions or reduced consumer spending affect textile sales.</li> <li>○ <b>Regulatory Challenges:</b> Stringent labor laws and environmental compliance requirements increase operational costs.</li> <li>○ <b>Fast-Changing Fashion Trends:</b> High demand volatility due to rapid shifts in consumer preferences.</li> <li>○ <b>Geopolitical Risks:</b> Trade restrictions, tariffs,</li> </ul>

production-linked incentives (PLI) schemes can boost profitability.	and geopolitical tensions impact international supply chains.
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### **Business Strategies:**

- Increase Geographical Presence in Tier I and Tier II cities;
- Introducing retailing more brands;
- Cost Optimization Strategies;
- Product Innovation & Diversification;
- Digital Transformation & E-commerce Expansion; and
- Continue to develop client relationships and trust.

For details, please refer chapter titled “***Our Business***” on page no. 69 of Letter of Offer.

### **Promoters and Promoter Group\*\*\***

#### **A. Individual Promoters:**

1. Mr. Umang Vijaykumar Trivedi
2. Mr. Agrawal Nikunj

#### **B. Individual Members of Promoter Group: Nil**

#### **C. Non-Individual Promoters/ Members of Promoter Group: Nil**

\*\*\*Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.

### **Objects of the Issue:**

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in Lakhs)	Estimated deployment in FY 2024-25 (Rs. in Lakhs)	Estimated deployment in FY 2025-26 (Rs. in Lakhs)	Estimated deployment in FY 2026-27 (Rs. in Lakhs)
1.	Incremental Working Capital Requirements	2200.00	-	2200.00	-
2.	General Corporate Purpose**	□	-	□	-
	<b>Net Proceeds*</b>	□	-	□	-

^Any portion of the Net Proceeds not deployed for the stated objects in FY 2025-26 will be deployed by our Company in FY 2026-27.

\*Assuming full subscription and allotment with respect to the Rights Equity Shares.

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

For further details, please see chapter titled “***Objects of the Issue***” on page no. 45 of this Letter of Offer.

#### **1. Intention and extent of participation by Promoter and Promoter Group**

Mr. Umang Vijaykumar Trivedi and Mr. Nikunj Agrawal\* Promoters of the Company has indicated their intention not to subscribe any extent of their Rights Entitlement or any Rights Entitlement renounced in his favour by any person(s)/ entity(ies) and the unsubscribed portion over and above their Rights Entitlement.

*\*Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.*

For further details, please see the chapter titled “**Capital Structure**” on page no. 43 of this Letter of Offer.

**2. Summary of Outstanding Litigations**

For further details, please see the chapter titled “**Outstanding Litigation and Material Developments**” on page no. 139 of this Letter of Offer.

**3. Risk Factors**

Please refer the chapter titled “**Risk Factors**” on page no. 25 of this Letter of Offer.

**4. Summary of Contingent Liabilities**

For details, please refer “**Financial Information**” on page no. 94 of this Letter of Offer.

**5. Summary of Related Party Transactions**

For details, please refer “**Financial Information**” on page no. 94 of this Letter of Offer.

**6. 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.

**7. Split or consolidation of Equity shares in last one year**

Our Company has not sub-divided or consolidated its Equity Shares in the last 1 (One) year. Hence, this clause is not applicable in this Issue.

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE's shall be issued to eligible equity shareholders as on the Record date i.e. [•].**

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatched to the eligible equity shareholders as on the Record date i.e. [•].**

### SECTION III - RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment.*

*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. To obtain a better understanding, you should read this section in conjunction with the chapters titled “**Our Business**”, “**Our Industry**” and “**Management’s Discussion and Analysis Report**” on page nos. 69,56 and 133 respectively of this Letter of Offer as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of our Company used in this section is derived from our Financial Information prepared in accordance with IND AS and the Companies Act. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “**Definitions and Abbreviations**” on page no. 5 of this Letter of Offer. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The Letter of Offer also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Letter of Offer.*

#### **A. INTERNAL RISK FACTORS:**

- 1. Our Promoters and Directors are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various regulatory authorities. Any adverse decision may make us liable to liabilities/ penalties and may adversely affect our reputation, business and financial status.***

Our Promoters and Directors are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various regulatory authorities. There is no assurance that in future, our Company, Promoters, Directors or Group Company may not face legal proceedings and any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Company, kindly refer the chapter titled “**Outstanding Litigation and Material Developments**” on page no. 139 of this Letter of Offer.

A classification of the present legal proceedings is mentioned below:

Sr. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (Rs. In Lakhs)
1.	<b>Litigation involving our Company</b>		
i.	<b>Litigation against our Company</b>		
a)	Criminal proceedings	3	N.A.
b)	Civil proceedings	1	N.A.
c)	Actions taken by Statutory/ Regulatory Authorities	1	3.717
d)	Tax proceedings	10	72.14
e)	Other material litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any Stock Exchange in the last five fiscal years	NIL	NIL
i.	<b>Litigation by our Company</b>		
a)	Criminal proceedings	NIL	NIL
b)	Civil and other material litigations	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax proceedings	NIL	NIL
e)	Other material litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any Stock Exchange in the last five fiscal years	NIL	NIL
2.	<b>Litigation involving our Promoters</b>		
i.	<b>Litigation against our Promoters</b>		
a)	Criminal proceedings	NIL	NIL
b)	Civil proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax proceedings (including interest)	NIL	NIL
e)	Other material litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any Stock Exchange in the last five fiscal years	NIL	NIL
i.	<b>Litigation by our Promoters</b>		
a)	Criminal proceedings	NIL	NIL
b)	Civil proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax proceedings (including interest)	NIL	NIL
e)	Other material litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any Stock Exchange in the last five fiscal years	NIL	NIL
3.	<b>Litigation involving our Directors</b>		
i.	<b>Litigation against our Directors</b>		
a)	Criminal proceedings	NIL	NIL
b)	Civil proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax proceedings (including interest)	NIL	NIL
e)	Other material litigations	NIL	NIL

f)	Disciplinary action against our Company by SEBI or any Stock Exchange in the last five fiscal years	NIL	NIL
i.	<b>Litigation by our Directors</b>		
a)	Criminal proceedings	NIL	NIL
b)	Civil proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax proceedings (including interest)	NIL	NIL
e)	Other material litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any Stock Exchange in the last five fiscal years	NIL	NIL
4.	<b>Litigations involving our Group entities</b>		
a)	Tax Proceedings (including interest)	N.A.	N.A.

**2. The Company have outstanding trade receivables from previous transactions yet to be recovered.**

The Company has a significant amount of Rs. 1151.54 Lakhs as outstanding trade receivables as on 30<sup>th</sup> September, 2024 which are yet to be collected. The Company is in continuous efforts to recover amount of outstanding trade receivables and is expecting that the amount of outstanding trade receivables will be received soon.

If we are unable to recover these trade receivables, it may have a negative impact on the Company's financial performance, which could lead to the financial loss of the business.

**3. 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.

**4. The Registered Office of our Company from which we operate is not owned by the Company.**

We operate from our registered office situated at Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405.

The Registered Office of our Company is taken on lease from the owner of the premises for a term of 9 years expiring on 15<sup>th</sup> January, 2031.

Any discontinuance of such arrangement will lead us to locate to any other premises. Our liability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

**5. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirement may have an adverse on our results of operations.**

Our business is working capital intensive and involves a lot of investment in working capital. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funds in a timely manner, or at all, to meet

the requirement of working capital or payout debts, Trade payables could adversely affect our financial condition and result of our operation.

**6. *We have delayed in regulatory filings to be made with the ROC.***

There are some instances where forms have been belated filed with ROC with requisite additional fees. Although, no show cause notice have been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Also with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

**7. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our future ability to pay dividends will depend on our future earnings, financial condition and capital requirements. Dividends may be distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

**8. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/ or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

**9. *Statistical and industry data in this Letter of Offer may be inaccurate, incomplete or unreliable.***

We have not independently verified data obtained from industry publications and other sources referred to in this Letter of Offer. This Letter of Offer includes information that is derived from relevant sources. Neither we nor any other person connected with the Issue has verified the information in the website of relevant sources. This information does not guarantee the accuracy, adequacy or completeness of the information and disclaims responsibility for any errors or omissions in the information or for the results obtained from the use of the information. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that information from website of relevant sources are correct or will not change and accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, Prospective Investors are advised not to unduly rely on the information of relevant sources or extracts thereof as included in this Letter of Offer, when making their investment decisions.

**10. *A failure of our internal controls over financial reporting may have an adverse effect on our business and results of operations.***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an



effective system of internal control over financial reporting could limit our ability to report its financial results accurately and in a timely manner, or to detect and prevent fraud.

- 11. Our success depends heavily upon our Promoters, Directors and Key Managerial Personnel for their continuing services, strategic guidance and financial support. Our success depends heavily upon the continuing services of Promoters, Directors and Key Managerial Personnel who are the natural person in control of our Company.***

Our Promoters and Directors have a vast experience in the business undertaken by our Company. They have established cordial relations with various customers and suppliers over the past several years, which have immensely benefitted our Company's current customer and supplier relations. We believe, our Promoters and Directors, who have rich experience in this industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability.

We benefit from our relationship with our Promoters, Directors and Key Managerial Personnels and our success depends upon their continuing services. We also depend significantly on our Directors and Key Managerial Personnels for executing our day-to-day activities. The loss of any of our Promoters, Directors and Key Managerial Personnels, or failure to retain, recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and Key Managerial Personnels, please refer to the chapter titled "***Our Management***" on page no. 86 of this Letter of Offer.

- 12. The unsecured loan availed by our Company from our Directors maybe recalled at any given point of time.***

Our Company has been availing unsecured loans from our directors from time to time. The total outstanding payable to them as on March 31, 2024 amounts to Rs. 28.13 Lakhs. Although there are no terms and conditions prescribed for repayment, this outstanding loan can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

- 13. Our Company has in the past entered into related party transactions and may continue to do so in the future.***

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include our Promoters, Directors and other related parties.

While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. The Companies Act, 2013 has brought into effect significant changes to the Indian Company law framework, including specific compliance requirements such as obtaining prior approval from audit committee, the board of directors and shareholders for certain related party transactions. There can be no assurance that such transactions, individually or in the aggregate, will not have a material effect on our financial condition and results of operations.

**B. EXTERNAL RISK FACTORS:**

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

The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Letter of Offer, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors,

a restriction on investment by an Indian Company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on Director(s) and Key Managerial Personnel(s) from engaging in forward dealing. Further, Companies meeting certain financial thresholds are also required to constitute a committee of the Board of Directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the Company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Director(s) and Key Managerial Personnel(s) being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

**2. *Political, economic, or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition, and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**3. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited

body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

**4. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

**5. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business

and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**6. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**7. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other/ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. 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 price of our Equity Shares.

**8. *Any further downgrading of our debt ratings or of India's sovereign debt rating may adversely affect our business.***

Any downgrading of our credit ratings may increase interest rates on our outstanding debt, increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and materially and adversely affect our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth. In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This may materially and adversely affect our capital expenditure plans, business and future financial performance and our ability to fund our growth in future.

**9. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

**10. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian

economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- i. any increase in Indian interest rates or inflation;
- ii. any scarcity of credit or other financing in India;
- iii. prevailing income conditions among Indian consumers and Indian corporations;
- iv. changes in India's tax, trade, fiscal or monetary policies;
- v. political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- vi. prevailing regional or global economic conditions; and
- vii. other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

***11. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

***12. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**C. RISK FACTORS RELATED TO ISSUE:**

***1. Our Company will not distribute this Letter of Offer, the Abridged Letter of Offer and Application Form to overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch this, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Issuing Materials") to such Eligible Shareholders as on Record Date to be determined by the Board of Directors whose email address are not available in record of the Depositories. The Issuing Materials shall not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions.

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

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 i.e. [•] and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue or our

Company in the manner provided on the website of the Registrar to the Issue at <https://cameoindia.com> at least two working days prior to the Issue Closing Date i.e. [•], to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date i.e. [•]. They may also communicate with the Registrar with the help of the helpline number at +91-44-40020710/ 0706/ 0741 and their email address at [rights@cameoindia.com](mailto:rights@cameoindia.com).

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 to the Issue, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, i.e. [•], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in *Section Terms of the Issue - “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on page nos. 156 and 175 respectively of this Letter of Offer.*

**3. *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, please refer to “*Terms of the Issue*” on page no. 150 of this Letter of Offer.

**4. *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.

**5. *You may not receive the Equity Shares that you subscribe to in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe to in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect

thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

- 6. *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, 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.

- 7. *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 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 Equity Share price. Factors affecting the volatility of the Share price, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the Equity Share price will have an adverse impact on the trading price of the Rights Entitlements. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

- 8. *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 our 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.

- 9. *The Rights Entitlements may not be credited into your demat account on time and you may not be able to trade such Rights Entitlements on the platform of the Stock Exchange.***

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. The Rights Entitlements that you may be entitled to may not be credited into your demat account in a timely manner. In relation to the SEBI Rights Issue circular, the Eligible Equity Shareholders can trade in such Rights

Entitlements on the platform of the Stock Exchanges after the Issue Opening Date and such trading shall be closed at least three working days prior to the Issue Closing Date. We cannot assure that the Rights Entitlements allocated to you will be credited to your demat account in a timely manner or at all, which will impact your ability to trade in the Rights Entitlements.

- 10. *We have evolved a mechanism for credit of the Rights Equity Shares in respect of the Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date. However, this mechanism may entail a risk that the sale of such shares by the Company on the open market subsequently may not be at a price acceptable to such shareholders. Further, the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

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 i.e. [•] and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue or our Company in the manner provided on the website of the Registrar to the Issue at <https://cameoindia.com> at least two working days prior to the Issue Closing Date i.e. [•], to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date i.e. [•]. They may also communicate with the Registrar with the help of the helpline number at +91-44-40020710/ 0706/ 0741 and their email address at [rights@cameoindia.com](mailto:rights@cameoindia.com).

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 to the Issue, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, i.e. [•], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in *Section Terms of the Issue - “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on page nos. 156 and 175 respectively of this Letter of Offer.*

- 11. *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.

- 12. *There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in



the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations/ adverse comments of the audit committee public.

***13. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

## SECTION IV - INTRODUCTION

This Issue has been authorized through a resolution passed by our Board at its meeting held on 29<sup>th</sup> March, 2025 pursuant to Section 62(1) (a) of the Companies Act, 2013 and the issue details such as price, number of shares, ratio etc. finalized and approved by the Board of Directors in their meeting held on [•]. 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 no. 150 of this Letter of Offer.

### SUMMARY OF THE ISSUE

<b>Equity shares offered through the Issue</b>	Upto [•] <sup>#</sup> Equity shares.
<b>Rights Entitlements</b>	Upto [•] Rights Equity Share for every [•] Fully Paid-up Equity Share held by the eligible equity shareholders on the Record Date i.e. [•]
<b>Record Date</b>	[•]
<b>Face value per Equity share</b>	Rs. 10.00/- per share.
<b>Issue price per Equity share</b>	Rs. [•] per share (including Rs. [•] as share premium).
<b>Issue Size</b>	Upto [•] <sup>#</sup> Equity Shares of face value of Rs. 10.00/- each for cash at a price of Rs. [•] per share (including a share premium of Rs. [•] each) aggregating upto Rs. 30.00 Crores.
<b>Voting Rights and Dividend</b>	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the existing Equity shares of our Company.
<b>Equity Shares issued, subscribed and paid up prior to the Issue</b>	2,80,06,800 Equity Shares.
<b>Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	Upto [•] <sup>#</sup> Equity Shares.
<b>Scrip and Series Details</b>	<b>ISIN:</b> INE413X01035 <b>BSE:</b> 540615 <b>ID:</b> 7NR
<b>Terms of the Issue</b>	Please refer to the section titled “ <b>Terms of the Issue</b> ” on page no. 150 of this Letter of Offer.
<b>Use of Issue Proceeds</b>	Please refer to the section titled “ <b>Objects of the Issue</b> ” on page no. 45 of this Letter of Offer.
<b>Fractional Entitlement</b>	For details in relation fractional entitlements, see “ <b>Terms of the Issue</b> ” on page no. 150 of this Letter of Offer.

<sup>#</sup>**Assuming full subscription of the Issue.**

*\*The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [•] Rights Equity Shares for every [•] fully paid-up Equity Shares held by the eligible equity shareholders of our Company on the Record date i.e. [•]. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Equity Shares or is not in multiples of [•], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.*

Please refer to the chapter titled “**Terms of the Issue**” on page no. 150 of this Letter of Offer.

## GENERAL INFORMATION

Pursuant to the resolution passed by our Board at its meeting held on 29<sup>th</sup> March, 2025, our Company has been authorized to make the following Rights Issue to the Equity Shareholders of our Company. Further, the issue details such as price, number of shares, ratio etc. finalized and approved by the Board of Directors in their meeting held on [•].

Issue of upto [•]<sup>#</sup> Fully Paid-up Equity shares of face value of Rs. 10.00/- each for cash at a price of Rs. [•] per Equity share (including a share premium of Rs. [•] each) aggregating upto Rs. 30.00 Crores on a rights basis to the existing equity shareholders of our Company in the ratio of [•] Rights Equity share for every [•] fully paid-up equity share held by the eligible equity shareholders on the record date, i.e. [•]. The issue price is [•] times of face value of the Equity shares.

<sup>#</sup>Assuming full subscription of the Issue

For further details, please refer to the chapter titled “**Terms of the Issue**” on page no. 150 of this Letter of Offer.

## REGISTERED OFFICE OF OUR COMPANY

### 7NR Retail Limited

Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/H Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405

**Contact No.:** +91-6357214201

**Email id:** [info@7nrretailtd.in](mailto:info@7nrretailtd.in)

**Website:** <https://www.7nrretailtd.in>

**CIN:** L52320GJ2012PLC073076

**Registration No.:** 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 Letter of Offer:

Name of the Director	Designation	DIN	Other Directorship
Mr. Chetan Kumar Ojha	Managing Director	09706197	• Stitched Textiles Limited
Mr. Avantinath Anilkumar Raval	Non - Executive & Non - Independent Director and Chairman	07686783	• Drastic Education Private Limited
Mr. Pranav Manoj Vajani	Non - Executive and Independent Director	09213749	• Vaxtex Cotfab Limited • Darjeeling Ropeway Co Limited • Shyamkamal Investments Limited
Ms. Hiral Vinodbhai Patel	Non - Executive and Independent Director	09719512	• Starlineps Enterprises Limited • Easy Pay Limited • Hemo Organic Limited • Madhav Infra Projects Limited

For further details of our Board of Directors, see “**Our Management**” on page no. 86 of this Letter of Offer.

## 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

**Email id:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. Purvi Agrawal**

**Address:** Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405.

**Contact No.:** +91-6357214201

**Email id:** [info@7nrretailtd.in](mailto: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 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), 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). For further details on the ASBA process, please refer to the section titled “**Terms of the Issue**” on page no. 150 of this Letter of Offer.

## REGISTRAR TO THE COMPANY AND ISSUE

**CAMEO CORPORATE SERVICES LIMITED**

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

**Tel:** +91-4440020700

**Email:** [rights@cameoindia.com](mailto:rights@cameoindia.com)

**Investor Grievance Email id:** [investor@cameoindia.com](mailto:investor@cameoindia.com)

**Website:** <https://cameoindia.com/>

**Contact Person:** Ms. K. Sreepriya

**SEBI Registration No:** INR000003753

**CIN:** U67120TN1998PLC041613

## STATUTORY AUDITORS OF OUR COMPANY

**M/s. Aniket Goyal & Associates**

**Chartered Accountants**

A-402, Aaryabhumi, Jodhpur Char Rasta, Opp. M.G. Party Plot, Satellite, Ahmedabad – 380 015.

**Contact No.:** +91-8003182550

**Email id:** [aniketandgoyal7@gmail.com](mailto:aniketandgoyal7@gmail.com)

**Contact Person:** Mr. Aniket Goyal

**Membership No.:** 423707

**Firm Registration No.:** 022331C

## BANKERS TO THE COMPANY

**INDUSIND BANK LIMITED**

2, Zodiac Square, Opp. Gurudwara, S.G. Highway, Bodakdev, Ahmedabad – 380 054, India

**Contact No.:** +91-8605397938

**Website:** <https://www.indusind.com>

## BANKERS TO THE ISSUE

[•]

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY

**LEGAL ADVISORS TO THE ISSUE:**

**J Mukherjee & Associates**

Advocates & Solicitors

**Mobile No.:** +91-9830640366

**Address:** D-1, MMS Chambers, 1<sup>st</sup> Floor 4A, Council House Street, Kolkata – 700001, West Bengal

**Email:** [jmukherjeeandassociates@gmail.com](mailto:jmukherjeeandassociates@gmail.com)

## **Experts**

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

## **Designated Intermediaries**

### **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 to the chapter titled “**Terms of the Issue**” on page no. 150 of this 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.

## **Credit Rating**

This being an issue of Equity shares, no credit rating is required.

## **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.

## **Debenture Trustees**

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

## **Monitoring Agency**

As the Issue size is less than Rs. 10,000 Lakhs, under the SEBI ICDR Regulations, the Company is not required to appoint a Monitoring Agency pertaining to this Issue.

## **Underwriting Agreement**

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

## **Appraising Entity**

None of the purposes for which the Issue Proceeds are proposed to be utilized have been financially appraised by any Bank or Financial Institution.

## Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, for this Issue the minimum subscription which is required to be achieved is of at least 90% of the Issue. Our Company does not fall under the exemption to Regulation 86(1) which has been inserted by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue closing date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are “officers in defaults” shall pay interest at 15% per annum for the delayed period.

## Changes in Auditors during the last three years

M/s. Aniket Goyal & Associates, Chartered Accountants (FRN: 022331C), Ahmedabad had been appointed as the Statutory Auditor of the Company by the Shareholders of the Company in the Annual General Meeting of the Company held on September 28, 2023 for the F.Y. 2022-23 to F.Y. 2026-27 for the term of 4 consecutive years who shall hold office till the conclusion of 15<sup>th</sup> AGM to be held in the year 2027, on such remuneration as may be decided by any of the Directors in consultation with the Statutory Auditor of the Company.

## Issue Schedule

Last date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]
Last date for On-market renunciation of rights/ Date of closure of trading of Rights Entitlements <sup>#</sup>	[•]
Issue Closing Date*	[•]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of Credit (on or about)	[•]
Date of Listing (on or about)	[•]

<sup>#</sup>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.

\*\*Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/ or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.

## 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 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 Letter of Offer has been filed with BSE Limited (**‘BSE’**) and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with BSE Limited (**‘BSE’**).

## CAPITAL STRUCTURE

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

(Amount in Lakhs except share data)			
Sr. No.	Particulars	Aggregate value at Face value	Aggregate value at Issue Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,80,06,800 Equity shares of face value of Rs. 10.00/- each	2800.68	N.A.
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE</b>		
	2,80,06,800 Equity Shares of face value of Rs. 10.00/- each	2800.68	N.A.
<b>C</b>	<b>PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER<sup>(1)</sup></b>		
	Upto [•] <sup>#</sup> Rights Equity Shares of face value of Rs. 10.00/- each for cash at a price of Rs. [•] per Equity share	[•]	[•]
<b>D</b>	<b>ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE<sup>(2)</sup></b>		
	[•] Fully Paid-up Equity Shares of Rs. 10.00/- each	[•]	[•]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before this Issue		123.09
	After the Issue <sup>(3)</sup>		[•]

<sup>(1)</sup> This Issue has been authorised by a resolution passed by our Board at its meeting held on 29<sup>th</sup> March, 2025, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

<sup>(2)</sup> Assuming full subscription for and Allotment of the Rights Entitlements.

<sup>(3)</sup> Assuming full subscription and allotment with respect to the Rights Equity Shares.

<sup>\*\*</sup> Assuming full acceptance and subject to finalization of Basis of Allotment, Allotment and deduction of Issue Expenses.

### Notes to the Capital Structure:

- Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- 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 Letter of Offer, which would entitle the holders to acquire further Equity Shares.
- 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 no. 150 of this Letter of Offer.

### A. 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 31<sup>st</sup> December, 2024 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 / encumbered		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	28,13,092	10.04	-	-	-	-
2.	Mr. Agrawal Nikunj	2,56,022	0.91	-	-	-	-
	<b>Total</b>	<b>30,69,114</b>	<b>10.96</b>	-	-	-	-

\*\*\*Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.

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

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

None of the Equity Shares are acquired by our Promoters and Members of Promoter Group in the last one year.

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

Mr. Umang Vijaykumar Trivedi and Mr. Nikunj Agrawal\* Promoters of the Company has indicated their intention not to subscribe any extent of their Rights Entitlement or any Rights Entitlement renounced in their favour by any person(s)/ entity(ies) and the unsubscribed portion over and above their Rights Entitlement.

*\*Mr. Nikunj Agrawal, Promoter of the Company have applied for Reclassification from Promoter Category to Public Category vide application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.*

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.

- D.** The ex-rights price per Equity share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is [●].
- E.** At any given time, there shall be only one denomination of the Equity Shares.
- F.** The details of the promoter and promoter group's shareholding of the Company as on 31<sup>st</sup> December, 2024 are as under:

Sr. No.	Name of Promoter and Promoter Group***	No. of Equity shares held	% of Total Share Capital
1.	Mr. Umang Vijaykumar Trivedi	28,13,092	10.04
2.	Mr. Agrawal Nikunj	2,56,022	0.91
	<b>Total</b>	<b>30,69,114</b>	<b>10.96</b>

*\*\*\*Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.*

**G. Shareholding Pattern of our Company as per the last filing with the Stock Exchange 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 31<sup>st</sup> December, 2024 is available on the website of **BSE** at <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 31<sup>st</sup> December, 2024 can be accessed on the website of **BSE** at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540615&qtrid=124.00&QtrName=December%202024>.
- 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 31<sup>st</sup> December, 2024, can be accessed on the website of **BSE** at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540615&qtrid=124.00&QtrName=December%202024>.
- Statement showing shareholding pattern of the Non Promoter - Non Public shareholder of our Company as on 31<sup>st</sup> December, 2024 can be accessed on the website of **BSE** at <https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=540615&qtrid=124.00&QtrName=December%202024>.



## OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds raised through the Issue (“Gross Proceeds”) after deducting the Issue related expenses (“Net Proceeds”) for the following objects (collectively, referred to as the “Objects”):

1. Incremental Working Capital Requirements; and
2. General Corporate Purpose.

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.

## ISSUE PROCEEDS

The details of Issue proceeds and its utilization are as under:

Particulars	Estimated Amount (in Lakhs)
<b>Gross Proceeds to be raised through the Issue*</b>	<b>3000.00</b>
Less: Issue related expenses	[•]
<b>Net Proceeds to be raised through the issue</b>	<b>[•]</b>
Utilization of the net proceeds	
(a) Incremental Working Capital Requirements	2200.00
(b) General Corporate Purpose**	[•]
<b>Net Proceeds</b>	<b>[•]</b>

\*Assuming full subscription and allotment with respect to the Rights Equity Shares.

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

## UTILISATION OF NET ISSUE PROCEEDS

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in Lakhs)	Estimated deployment in FY 2024-25 (Rs. in Lakhs)	Estimated deployment in FY 2025-26 (Rs. in Lakhs)	Estimated deployment in FY 2026-27 (Rs. in Lakhs)
1.	Incremental Working Capital Requirements	2200.00	-	2200.00	-
2.	General Corporate Purpose**	[•]	-	[•]	-
	<b>Net Proceeds*</b>	<b>[•]</b>	<b>-</b>	<b>[•]</b>	<b>-</b>

^Any portion of the Net Proceeds not deployed for the stated objects in FY 2025-26 will be deployed by our Company in FY 2026-27.

\*Assuming full subscription and allotment with respect to the Rights Equity Shares.

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

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any Bank or Financial Institution. The deployment of funds raised through this Issue is at the discretion of the Management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of any increase in the actual utilization of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by means available to us, including by way of incremental debt and/ or internal accruals. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

## Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement 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 and through existing identifiable accruals.

As we operate in a competitive environment, our Company may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling & revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “**Risk Factors**” beginning on page no. 25 of this Letter of offer.

## DETAILS OF USE OF ISSUE PROCEEDS

The details of the Objects of the Issue are set out below:

### 1. Incremental working capital requirements

Our business is working capital intensive. We finance our working capital requirement from our internal accruals and bank finance. Considering the existing and future growth, the incremental working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach Rs. 2200.00 Lakhs.

We intend to meet our working capital requirements to the extent of Rs. 2200.00 Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

#### Basis of estimation of working capital

Particulars	Projected Amount (in Lakhs)
<b>(A) Current Assets</b>	
Current Investment	200.00
Closing Stock	658.88
Debtors	2,146.91
Advance paid to creditors and advances	1,350.02
Other current assets and loans & advance	20.53
Cash & cash equivalents	205.44
<b>Total Current Assets (A)</b>	<b>4,581.78</b>
<b>(B) Current Liabilities</b>	
Sundry Creditors	250.00
Advance from customers	0.00
Statutory Liabilities and other current liabilities	110.74
<b>Total Current Liabilities (B)</b>	<b>360.74</b>
<b>Working Capital requirement (A-B)</b>	<b>4221.04</b>
<b>Sourced by internal accruals</b>	<b>2021.04</b>
<b>Sourced by rights issue</b>	<b>2200.00</b>

#### A. Detailed Assessment of Working Capital:

The details of our Company’s composition of working capital as at March 31, 2024, March 31, 2023 and March 31, 2022 based on the Financial Statements. Further, the source of funding of the same are as set out in the table below:

Particulars	(Rs. in Lakhs)				
	2021-22 (Aud.)	2022-23 (Aud.)	2023-24 (Aud.)	2024-25 (Proj.)	2025-26 (Proj.)
<b>1. Income</b>					
(i) Sales-Domestic	2400.32	4768.06	1162.16	2146.91	4293.82
(ii) Other Operating Income	0.00	0.00	0.00	0.00	0.00
(iii) Other Income	29.03	65.66	58.54	-8.76	65.78
<b>TOTAL</b>	<b>2429.35</b>	<b>4833.72</b>	<b>1220.70</b>	<b>2138.15</b>	<b>4359.60</b>
<b>2. Net Income</b>	<b>2429.35</b>	<b>4833.72</b>	<b>1220.70</b>	<b>2138.15</b>	<b>4359.60</b>

3. Percentage of rise/ fall in Net income	87.74	98.97	-74.75	75.16	103.90
4. Cost of Sales					
(i) Purchase	2,487.71	4,816.94	693.69	2,295.13	3,744.12
(ii) Power and Fuel	0.62	0.00	0.00	0.00	0.00
(iii) Labour	17.87	6.55	7.98	11.17	16.25
(iv) Other Direct Expenses	0.00	0.00	0.00	3.92	6.82
(v) Depreciation	13.31	20.83	27.42	-21.93	80.26
<b>(vi) Sub-total (i to vi)</b>	<b>2,519.51</b>	<b>4,844.32</b>	<b>729.09</b>	<b>2,288.29</b>	<b>3,847.45</b>
(vii) Cost of Production					
(viii) Add : Op. stocks of F.G.	477.35	715.68	874.53	326.26	624.51
<b>Sub-Total</b>	<b>477.35</b>	<b>715.68</b>	<b>874.53</b>	<b>326.26</b>	<b>624.51</b>
(ix) Deduct : Closing stocks of F.G.	715.68	874.53	326.26	624.51	658.88
<b>(x) Cost of Sales</b>	<b>2,281.18</b>	<b>4,685.47</b>	<b>1,277.36</b>	<b>1,990.04</b>	<b>3,813.08</b>
5. Selling, General and Adm. Expenses	63.51	109.30	46.02	34.69	100.00
6. Subtotal (4 + 5)	2,344.69	4,794.77	1,323.38	2,024.73	3,913.08
7. Operating Profit before Interest (3 - 6)	119.14	82.59	-115.20	156.87	480.74
8. Other Financial Charges	3.03	4.64	13.32	4.01	6.51
<b>Total Financial Charges</b>	<b>3.03</b>	<b>4.64</b>	<b>13.32</b>	<b>4.01</b>	<b>6.51</b>
9. Operating Profit after Interest ( 7 – 8 )	116.11	77.95	-128.52	152.86	474.23
10. Profit before Tax/ Loss	81.63	34.31	-116.00	109.41	440.01
11. Statutory Liabilities	4.96	10.35	-4.56	27.54	110.74
12. Net Profit [10 – 11]	76.67	23.96	-111.44	81.87	329.27
13. Retained Profit	76.67	23.96	-111.44	81.87	329.27
14. Retained Profit/ Net Profit (% age)	100.00	100.00	100.00	100.00	100.00
<b>Current Liabilities:</b>					
01 Short Term Borrowings from Banks					
(i) From other banks (Secured)	0.00	0.00	0.00	0.00	0.00
(ii) From related parties	144.14	13.85	15.19	0.00	0.00
<b>Sub - Total (A)</b>	<b>144.14</b>	<b>13.85</b>	<b>15.19</b>	<b>0.00</b>	<b>0.00</b>
02 Sundry Creditors	832.70	1,471.88	746.69	431.02	250.00
03 Statutory Liabilities	7.49	14.58	1.92	27.54	110.74

04 Advance from customers	0.00	171.40	185.53	184.39	0.00
05 Other C.L. & Provisions (Specify Major Items)	0.82	7.76	0.00	0.00	0.00
<b>Sub - Total (B)</b>	<b>841.01</b>	<b>1,665.62</b>	<b>934.14</b>	<b>642.95</b>	<b>360.74</b>
<b>06 Total Current Liabilities</b>	<b>985.15</b>	<b>1,679.47</b>	<b>949.33</b>	<b>642.95</b>	<b>360.74</b>
07 Unsecured Loans from Banks / Directors	0.00	0.00	0.00	0.00	0.00
08 Secured borrowings	0.00	58.24	43.05	43.30	41.20
09 Other Term Liabilities (Q.E.)	1.63	144.14	468.50	349.64	330.52
<b>10 Total Term Liabilities (Total of 07 to 09)</b>	<b>1.63</b>	<b>202.38</b>	<b>511.55</b>	<b>392.94</b>	<b>371.72</b>
<b>11 Total outside Liabilities (06 + 10)</b>	<b>986.78</b>	<b>1,881.85</b>	<b>1,460.88</b>	<b>1,035.89</b>	<b>732.46</b>
12 Paid-Up Capital	1,047.45	2,800.68	2,800.68	2,800.68	5,800.68
13 Reserves and Surplus	-42.33	123.09	123.09	123.09	23.09
14 Surplus (+) or Deficit (-) in Profit and Loss account	76.67	58.30	-53.14	28.73	358.00
<b>15 Net Worth (Total of 12 to 14)</b>	<b>1,081.79</b>	<b>2,982.07</b>	<b>2,870.63</b>	<b>2,952.50</b>	<b>6,181.77</b>
<b>16 Total Liabilities (11 + 15)</b>	<b>2,068.57</b>	<b>4,863.92</b>	<b>4,331.51</b>	<b>3,988.39</b>	<b>6,914.24</b>
17 Cash and Bank Balances	24.43	52.62	13.78	21.25	205.44
18 (I) Receivables other than Deferred & Exports including B.P./B.D. by Bank)	515.59	2,541.32	2,183.82	942.27	2,146.91
(iii) Finished Goods & Raw Material	715.68	874.53	326.26	624.51	658.88
19 Advances to suppliers of Raw mate. stores/ spares	0.00	0.00	0.00	1,042.49	1,350.02
20 Other Current Assets					
(i) Current Investment	0.00	56.22	164.19	116.23	200.00
(ii) Loans & advances	707.22	959.43	977.80	1,138.55	0.00
(iii) Others	9.64	291.29	599.71	20.33	20.53
<b>21 Total Current Assets</b>	<b>1,972.56</b>	<b>4,775.41</b>	<b>4,265.56</b>	<b>3,905.63</b>	<b>4,581.78</b>
22 Gross Block (incl. work in progress)	66.78	164.36	164.69	133.91	1,158.20
23 Depreciation to-date	55.60	76.43	103.85	51.14	80.26
<b>24 Net Block (22 - 23)</b>	<b>11.18</b>	<b>87.93</b>	<b>60.84</b>	<b>82.77</b>	<b>1,077.94</b>

(a) Investment in group Cos.	0.00	0.00	0.00	0.00	0.00
(b) Others	61.38	0.56	5.12	0.00	0.00
(c) Advances to suppliers of capital goods	23.44	0.00	0.00	0.00	1,254.51
<b>25 Total Other Non-Current Assets (a + b)</b>	<b>84.82</b>	<b>0.56</b>	<b>5.12</b>	<b>0.00</b>	<b>1,254.51</b>
<b>26 Total Assets (Total of 21, 24 &amp; 25)</b>	<b>2,068.56</b>	<b>4,863.90</b>	<b>4,331.52</b>	<b>3,988.40</b>	<b>6,914.23</b>
<b>27 Tangible Net Worth</b>	<b>1,081.78</b>	<b>2,982.05</b>	<b>2,870.64</b>	<b>2,952.51</b>	<b>6,181.77</b>
<b>28 Net Working Capital</b>	<b>987.41</b>	<b>3,095.94</b>	<b>3,316.23</b>	<b>3,262.68</b>	<b>4,221.04</b>
<b>29 Current Ratio C.R. (Excluding Term Loan Instalment)</b>	<b>2.00</b>	<b>2.84</b>	<b>4.49</b>	<b>6.07</b>	<b>12.70</b>
<b>30 Total outside Liabilities/ Tangible Net Worth (TOL/ TNW)</b>	<b>0.91</b>	<b>0.63</b>	<b>0.51</b>	<b>0.35</b>	<b>0.12</b>
31 Additional Working Capital Requirement	N.A.	N.A.	N.A.	N.A.	4221.04
32 Sourced by Rights Issue	N.A.	N.A.	N.A.	N.A.	2200.00
33 Internal accrual	N.A.	N.A.	N.A.	N.A.	2021.04

**B. Assumptions for working capital requirements:**

Particulars	No. of outstanding or holding level for the following period					Justification for Holding
	2021-22 (Aud.)	2022-23 (Aud.)	2023-24 (Aud.)	2024-25 (Proj.)	2025-26 (Proj.)	
Inventory	96.01	62.22	175.32	86.24	62.75	In financial year ending 2022, 2023 and 2024 our Inventory holding period was 96 days, 62 days AND 175.32 days. We are estimating to maintain the Inventory holding period at levels of 86.24, and 62.75 days for financial year ending 2025 and 2026 respectively as per our projected financials and market condition. We are estimating the decrease in inventory holding period as to improved inventory management with lower cost and able to deliver goods faster to increase the sales with the support of funds raised.
Trade Receivables	39.20	117.00	742.01	265.74	131.30	In financial year ending 2022, 2023 and 2024 our holding period was 39.2 days, 117 days AND 742.01 days. We are estimating to maintain the holding period at levels of 265.74 and 131.30 days for financial year ending 2025 and 2026 respectively as per our projected financials and market condition.  We are estimating the decrease in Trade Receivables holding period as to attract more customers with improving buyer's liquidity with the support of funds raised.
Trade Payables	61.09	87.31	583.67	93.65	33.20	In financial year ending 2022, 2023 and 2024 our holding period was 61.09 days, 87.31 days AND 583.67 days. We are estimating to maintain the holding period at levels of 93.65 days and 33.20 days for financial year ending 2025 AND 2026 respectively as per our projected financials and market condition to avail better pricing and reducing the cost of purchase.

## 2. General Corporate Purpose

We intend to deploy Rs. [•] 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. Further, the amount for General Corporate purposes, as mentioned in this Letter of Offer, shall not exceed 25% of the amount raised by our Company through this Issue.

### ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately [•]\*. The expenses of the Issue include among others, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, marketing expenses and other expenses.

The Estimated Issue Expenses are as under:

Particulars	Expenses (in Lakhs)	% of Estimated Issue Size	% of the Issue Expenses
Fees of Banker to the Issue, Registrar to the Issue, Auditor's Fees, etc. including out of pocket expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[•]	[•]	[•]
Advertising, Printing and Distribution	[•]	[•]	[•]
Other expenses (including miscellaneous expenses and stamp duty)	[•]	[•]	[•]
<b>Total</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

*\* Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards Issue Expenses/general corporate purpose. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

### APPRAISAL OF THE OBJECTS

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency.

### INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI. Our Company confirms that pending utilization of the Net Proceeds shall not be utilized for any investment in the equity markets, real estate or related products.

### BRIDGE LOAN

Our Company has not raised any bridge loans from any Bank or Financial Institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument pending receipt of the Net Proceeds.

### MONITORING UTILIZATION OF FUNDS FROM ISSUE

As this is an Issue for an amount less than Rs. 10,000 Lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above.

### STRATEGIC AND FINANCIAL PARTNERS TO THE OBJECTS OF THE ISSUE

There are no strategic or financial partners to the Objects of the Issue.

#### **KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE**

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

#### **OTHER CONFIRMATIONS**

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, our Directors, Associates or Key Managerial Personnels and in the normal course of business and in compliance with the applicable laws.

#### **VARIATION IN OBJECTS**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## STATEMENT OF POSSIBLE TAX BENEFITS

To

**The Board of Directors,  
7NR Retail Limited**

Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto,

B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India – 382 405

Dear Sir,

**Reference – Rights Issue of Equity Shares by 7NR Retail Limited**

**Subject - Statement of possible tax benefits (“the statement”) available to 7NR Retail Limited (“the Company”) and its shareholders.**

1. We hereby confirm that the enclosed Annexure 1 and 2 (together “**the Annexures**”), prepared by **7NR Retail Limited (“the Company”)**, provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 (“**the Act**”) as amended by the Finance Act 2024, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26. The Central Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26 (“**the Indirect Tax Act**”), presently in force in India (together, the “**Tax Laws**”), several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are 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 proposed Rights Issue.
3. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Letter of Offer/ Offer Documents in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.
4. The statement showing the current position of special tax benefits available to the Company and the shareholders of the Company as per the provisions of Income-tax Act 1961 (“IT Act”) and Indirect Tax Regulations (which are together, the “Tax laws”) as amended by Finance Act, 2024, i.e. applicable for the Assessment Year 2025-26 relevant to the Financial Year 2024-25 for inclusion in the Letter of Offer (“LOF”) for the issue of rights shares is annexed herewith.
5. These possible special tax benefits are dependent on the Company, its Certain Material Subsidiaries and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax laws. Hence, the ability of the Company, is Certain Material Subsidiaries and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company and its Certain Material Subsidiaries may face in the future and accordingly, the Company, its Certain Material Subsidiaries and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or its Certain Material Subsidiaries or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.
6. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure I and Annexure II are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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. We are neither suggesting nor are we advising the investor to Invest money or not to invest money based on this statement.



7. We do not express any opinion or provide any assurance whether:

- (i) The Company or its Certain Material Subsidiaries or the shareholders of the Company will continue to obtain these benefits in future;
- (ii) The conditions prescribed for availing the benefits have been/would be met;
- (iii) The revenue authorities/courts will concur with the views expressed herein.

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the rights issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Letter of Offer.

#### **Limitation**

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, as per applicable law.

**For, Aniket Goyal & Associates,  
Chartered Accountants  
FRN: 022331C**

**Aniket Goyal  
Proprietor  
Membership No.: 423707  
UDIN: 25423707BMLMAJ6906**

**Date: 29<sup>th</sup> March, 2025  
Place: Ahmedabad**

## **“ANNEXURE 1” TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

### **A. Special Tax Benefits to the Company**

#### **(i) Lower Corporate tax rate under section 115BAA**

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. April 1, 2020. Section 115BAA grants an option to domestic Company to be governed by the section from a particular assessment year. If Company opts for section 115BAA, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge 10% plus education cess 4%). Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their book profits under section 115JB of the Act.

However, such a Company will no longer be eligible to avail specified exemptions/ incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a Company opts for section 115BA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The tax expense are recognized in the Statement of Profit and Loss of the Company for the year ended March 2024 by applying the tax rate as prescribed in Section 115BAA of the IT Act.

### **B. Special Tax Benefits to the Shareholder**

The Shareholders of the Company are not entitled to any special tax benefits under Direct Tax Act.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole/ first name holder where the shares are held by joint holders.
2. 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.

**For, Aniket Goyal & Associates,  
Chartered Accountants  
FRN: 022331C**

**Aniket Goyal  
Proprietor  
Membership No.: 423707  
UDIN: 25423707BMLMAJ6906**

**Date: 29<sup>th</sup> March, 2025  
Place: Ahmedabad**

## **“ANNEXURE 2” TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Goods and Services Tax Act, presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

### **A. Special Tax Benefits to the Company**

#### **(i) Input Tax Credit availment:**

Under the Central Goods and Service Tax Act, 2017 and Rules framed thereunder and Integrated Goods and Service Tax Act, 2017 and Rules framed thereunder (collectively “GST regime”), the Company is eligible to adjust the amount of tax paid at the time of purchase with the amount of output tax and balance liability has to be paid to the Government.

ITC can be claimed by a person registered under GST only if he fulfills all the conditions as prescribed:

1. The dealer should be in possession of tax invoice.
2. The said goods/ services have been received.
3. Returns have been filed by the supplier.
4. The tax charged has been paid to the government by the supplier.
5. When goods are received in installments ITC can be claimed only when the last lot is received.
6. No ITC will be allowed if depreciation has been claimed on tax component of a capital good.

### **B. Special Tax Benefits to the Shareholder**

The Shareholders of the Company are not entitled to any special tax benefits under the Goods and Services Tax Act.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole/ first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant GST law benefits and does not cover any direct tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Letter of Offer/ Offer Documents.

This statement is solely prepared in connection with the Rights Issue under the Regulations as amended.

**For, Aniket Goyal & Associates,  
Chartered Accountants  
FRN: 022331C**

**Aniket Goyal  
Proprietor  
Membership No.: 423707  
UDIN: 25423707BMLMAJ6906**

**Date: 29<sup>th</sup> March, 2025  
Place: Ahmedabad**

## INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, nor any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections ‘Risk Factors’ and ‘Financial Information’ on page nos. 25 and 94 respectively, of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section ‘Risk Factors’ on page no. 25 of this Letter of Offer. Accordingly, investment decisions should not be based on such information.*

**GLOBAL ECONOMIC OUTLOOK****Macro Overview of Global GDP:**

Global growth is projected at 3.3 percent both in 2025 and 2026, below the historical (2000–19) average of 3.7 percent. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

Medium-term risks to the baseline are tilted to the downside, while the near-term outlook is characterized by divergent risks. Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty. Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>)

**Forces shaping the outlook:**

The global economy is holding steady, although the degree of grip varies widely across countries. *Global GDP growth* in the third quarter of 2024 was 0.1 percentage point below that predicted in the October 2024 WEO, after disappointing data releases in some Asian and European economies. Growth in China, at 4.7 percent in year-over-year terms, was below expectations. Faster-than-expected net export growth only partly offset a faster-than-expected slowdown in consumption amid delayed stabilization in the property market and persistently low consumer confidence. Growth in India also slowed more than expected, led by a sharper-than-expected deceleration in industrial activity. Growth continued to be subdued in the euro area (with Germany’s performance lagging that of other euro area countries), largely reflecting continued weakness in manufacturing and goods exports even as consumption picked up in line with the recovery in real incomes. In Japan, output contracted mildly owing to temporary supply disruptions. By contrast, momentum in the United States remained robust, with the economy expanding at a rate of 2.7 percent in year-over-year terms in the third quarter, powered by strong consumption.

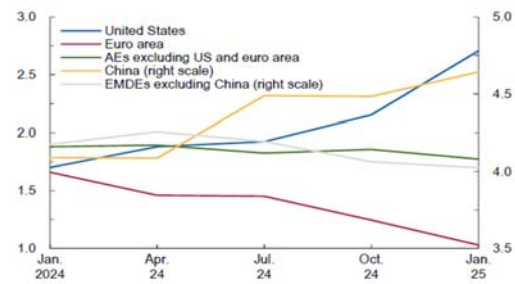
*Global disinflation continues*, but there are signs that progress is stalling in some countries and that elevated inflation is persistent in a few cases. The global median of sequential core inflation has been just slightly above 2 percent for the past few months. Nominal wage growth is showing signs of moderation, alongside indications of continuing normalization in labor markets.

Although core goods price inflation has fallen back to or below trend, services price inflation is still running above Pre-COVID-19 averages in many economies, most notably the United States and the euro area. Pockets of elevated inflation, reflecting a range of idiosyncratic factors, also persist in some emerging market and developing economies in Europe and Latin America.

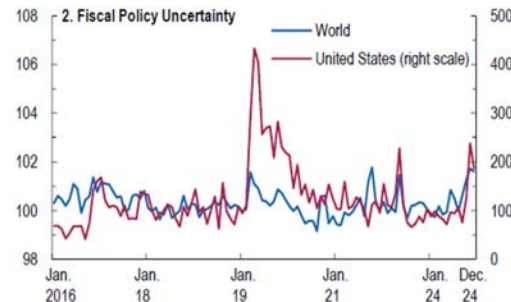
Where inflation is proving more sticky, central banks are moving more cautiously in the easing cycle while keeping a close eye on activity and labor market indicators as well as exchange rate movements. A few central banks are raising rates, marking a point of divergence in monetary policy.

*Global financial conditions* remain largely accommodative, again with some differentiation across jurisdictions (see Box 1). Equities in advanced economies have rallied on expectations of more businessfriendly policies in the United States. In emerging market and developing economies, equity valuations have been more subdued, and a broad-based strengthening of the US dollar, driven primarily by expectations of new tariffs and higher interest rates in the United States, has kept financial conditions tighter.

**Figure 2. Evolution of 2025 Growth Forecasts (Percent)**



**Figure 1. Policy Uncertainty (Index, unless noted otherwise)**



*Economic policy uncertainty* has increased sharply, especially on the trade and fiscal fronts, with some differentiation across countries (Figure 1). Expectations of policy shifts under newly elected governments in 2024 have shaped financial market pricing in recent months. Bouts of political instability in some Asian and European countries have rattled markets and injected additional uncertainty regarding stalled progress on fiscal and structural policies. Geopolitical tensions, including those in the Middle East, and global trade frictions remain elevated.

### The Outlook:

IMF staff projections assume current policies in place at the time of publication. They incorporate recent market developments and the impact of heightened trade policy uncertainty, which is assumed to be temporary, with the effects unwinding after about a year, but refrain from making any assumptions about potential policy changes that are currently under public debate. Energy commodity prices are expected to decline by 2.6 percent in 2025, more than assumed in October. This reflects a decline in oil prices driven by weak Chinese demand and strong supply from countries outside of OPEC+ (Organization of the Petroleum Exporting Countries plus selected nonmember countries, including Russia), partly offset by increases in gas prices as a result of colder-than-expected weather and supply disruptions, including the ongoing conflict in the Middle East and outages in gas fields. Nonfuel commodity prices are expected to increase by 2.5 percent in 2025, on account of upward revisions to food and beverage prices relative to the October 2024 WEO, driven by bad weather affecting large producers. Monetary policy rates of major central banks are expected to continue to decline, though at different paces, reflecting variations in growth and inflation outlooks. The fiscal policy stance is expected to tighten during 2025–26 in advanced economies including the United States and, to a lesser extent, in emerging market and developing economies.

*Global growth* is expected to remain stable, albeit lackluster. At 3.3 percent in both 2025 and 2026, the forecasts for growth are below the historical (2000–19) average of 3.7 percent and broadly unchanged from October (Table 1; see also Annex Table 1). The overall picture, however, hides divergent paths across economies and a precarious global growth profile (Figure 2).

Among *advanced economies*, growth forecast revisions go in different directions. In the *United States*, underlying demand remains robust, reflecting strong wealth effects, a less restrictive monetary policy stance, and supportive financial conditions. Growth is projected to be at 2.7 percent in 2025. This is 0.5 percentage point higher than the October forecast, in part reflecting carryover from 2024 as well as robust labor markets and accelerating investment, among other signs of strength.

Growth is expected to taper to potential in 2026.

In the *euro area*, growth is expected to pick up but at a more gradual pace than anticipated in October, with geopolitical tensions continuing to weigh on sentiment. Weaker-than-expected momentum at the end of 2024, especially in manufacturing, and heightened political and policy uncertainty explain a downward revision of 0.2 percentage point to 1.0 percent in 2025. In 2026, growth is set to rise to 1.4 percent, helped by stronger domestic demand, as financial conditions loosen, confidence improves, and uncertainty recedes somewhat.

In *other advanced economies*, two offsetting forces keep growth forecasts relatively stable. On the one hand, recovering real incomes are expected to support the cyclical recovery in consumption. On the other hand, trade headwinds—including the sharp uptick in trade policy uncertainty—are expected to keep investment subdued.

In *emerging market and developing economies*, growth performance in 2025 and 2026 is expected to broadly match that in 2024. With respect to the projection in October, growth in 2025 for China is marginally revised upward by 0.1 percentage point to 4.6 percent. This revision reflects carryover from 2024 and the fiscal package announced in November largely offsetting the negative effect on investment from heightened trade policy uncertainty and property market drag. In 2026, growth is projected mostly to remain stable at 4.5 percent, as the effects of trade policy uncertainty dissipate and the retirement age increase slows down the decline in the labor supply. In *India*, growth is projected to be solid at 6.5 percent in 2025 and 2026, as projected in October and in line with potential.

In the *Middle East and Central Asia*, growth is projected to pick up, but less than expected in October. This mainly reflects a 1.3 percentage point downward revision to 2025 growth in *Saudi Arabia*, mostly driven by the extension of OPEC+ production cuts. In *Latin America and the Caribbean*, overall growth is projected to accelerate slightly in 2025 to 2.5 percent, despite an expected slowdown in the largest economies of the region. Growth in *sub-Saharan Africa* is expected to pick up in 2025, while it is forecast to slow down in *emerging and developing Europe*.

*World trade volume estimates* are revised downward slightly for 2025 and 2026. The revision owes to the sharp increase in trade policy uncertainty, which is likely to hurt investment disproportionately among trade-intensive firms. That said, in the baseline, the impact of heightened uncertainty is expected to be transitory. Furthermore, the front-loading of some trade flows in view of elevated trade policy uncertainty, and in anticipation of tighter trade restrictions, provides some offset in the near term.

Progress on *disinflation* is expected to continue. Deviations from the October 2024 WEO forecasts are minimal. The gradual cooling of labor markets is expected to keep demand pressures at bay. Combined with the expected decline in energy prices, headline inflation is projected to continue its descent toward central bank targets. That said, inflation is projected to be close to, but above, the 2 percent target in 2025 in the United States, whereas inflationary dynamics are expected to be more subdued in the euro area. Low inflation is projected to persist in China. Consequently, the gap between anticipated policy rates in the United States and other countries becomes wider.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>)

### **Introduction:**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP for Q2 FY25 is estimated at Rs. 76.60 lakh crore (US\$ 886.16 billion) with growth rate of 8.0%, compared to Rs. 70.90 lakh crore (US\$ 820.22 billion) for Q2 FY24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-December 2024, India's exports stood at Rs. 27.56 lakh crore (US\$ 318.96 billion), with Engineering Goods (27.32%), Petroleum Products (14.59%) and Electronic Goods (8.19%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

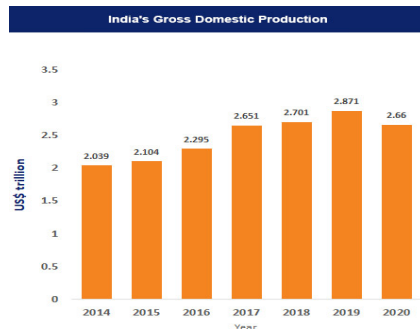
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing.

In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### Market Size:



Real GDP for Q2 of FY25 is estimated at Rs. 44.10 lakh crores (US\$ 509.36 billion) with growth rate of 5.4%, compared to Rs. 41.86 lakh crore (US\$ 484.27 billion) for Q2 of 2023-24. The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India

ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's Current Account Deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at Rs. 96,790 crore (US\$ 11.2 billion) for Q2 of FY25 from Rs. 97,655 crore (US\$ 11.3 billion) in Q2 of FY24 or 1.3% of GDP. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

### Recent Developments:

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- According to a report by the State Bank of India (SBI), domestic investment announcements in India have experienced a substantial increase, exceeding Rs. 37 lakh crore (US\$ 428.04 billion) in FY23 and FY24.
- According to data from the Directorate General of Civil Aviation (DGCA), India's domestic air passenger traffic increased by 6.12% in 2024, reaching a total of 161.3 million passengers. This growth follows a substantial YoY increase of 23.36% in 2023, attributed to the ongoing recovery from the pandemic.
- As of January 10, 2025, India's foreign exchange reserves stood at Rs. 53,80,402 crore (US\$ 625.871 billion).
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.



- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.77 lakh crore (US\$ 20.45 billion) in December 2024.
- Between April 2000–September 2024, cumulative FDI equity inflows to India stood at Rs. 89.30 lakh crore (US\$ 1,033.40 billion).
- In November 2024, the overall IIP (Index of Industrial Production) stood at 148.4. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 133.8, 147.4 and 184.1, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) – Combined inflation was 5.22% in December 2024 against 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January - (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

### ***Government Initiatives:***

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- According to a report by Wood Mackenzie in January 2025, India, the United States, and West Asia are expected to collectively add 100 Gigawatts (GW) of solar capacity by 2025, while China is anticipated to continue its leadership in the solar industry.
- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.



### **Road Ahead:**



In the second quarter of FY24, the growth momentum of the first quarter was sustained, and High-Frequency Indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of FY24 highlighted the unwavering support the government gave to its capital expenditure, which, in FY24, stood 37.4% higher than the same period last year. In the Union Budget of 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs. 11 lakh crore (US\$ 133.51 billion) over Rs. 9.48 lakh crore (US\$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

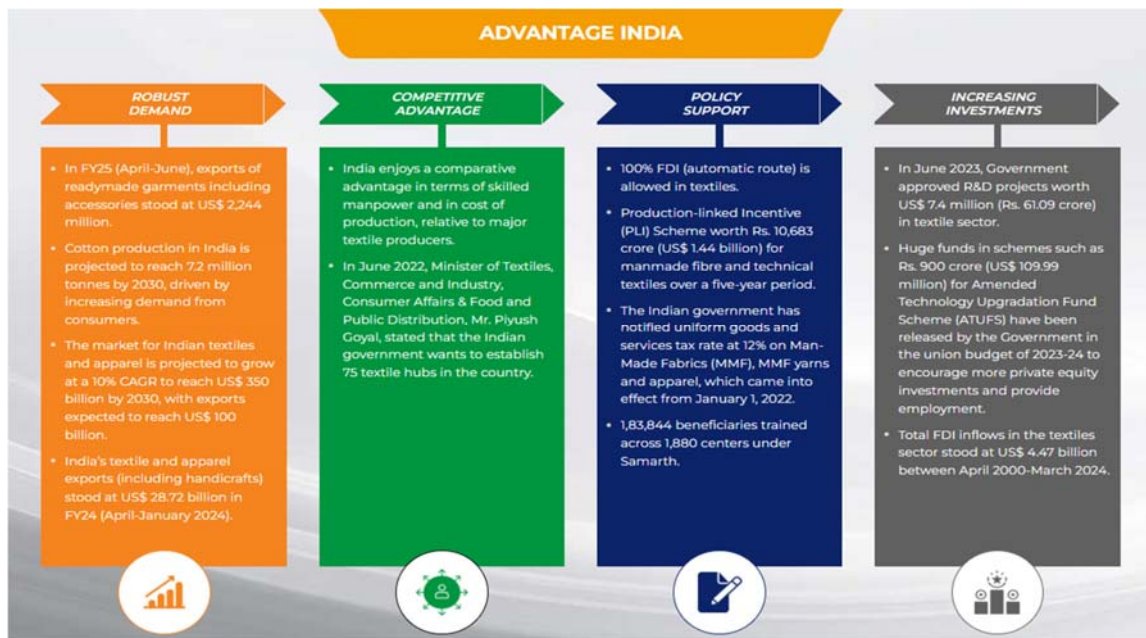
India's is experiencing resilient growth despite the global pandemic. India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023.

With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

**Note:** Conversion rate used for January 2024 is Rs.1 = US\$ 0.012

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

## INDIAN TEXTILE MARKET GROWTH



### Introduction:

According to Crisil Ratings, the organized retail apparel sector is projected to achieve revenue growth of 8-10% in the current financial year, driven by rising demand from a normal monsoon, easing inflation, and the festive and wedding seasons. The increasing preference for affordable, trendy fashion clothing that mimics high-fashion designs is expected to be the primary revenue driver this fiscal year.

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.



The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country.

India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world. In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

## Market Size:



The market for Indian Textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3<sup>rd</sup> largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.

The Textiles and Apparel Industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

Textile manufacturing in India has been steadily recovering amid the pandemic. The manufacturing of textiles Index for the month of June 2024 is 106.

Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030.

India's home textile industry is expected to expand at a CAGR of 8.9% during 2023-32 and reached US\$ 23.32 billion in 2032 from US\$ 10.78 billion in 2023.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US\$ 1.17 million in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$ 138 billion to US\$ 195 billion by 2025.

Textiles exports from India during October were about 11.56% higher on YoY basis at US\$ 1,833.95 million.

Apparel exports from India during October were about 35.06% higher on YoY basis at US\$ 1,277.44 million.

India's Textile Industry is on the brink of expansion, with total textile export projected to reach US\$ 65 billion by FY26.

India saw a 36.4% increase in industrial design applications, particularly in textiles, accessories, tools, machines, health, and cosmetics.

According to ICRA, Indian apparel exporters are projected to achieve revenue growth of 9-11% in FY25, driven by the gradual reduction of retail inventory in key end markets and a shift in global sourcing towards India.

During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion. Exports of textiles (RMG of all textiles, cotton yarns/ fabs/ made-ups/ handloom products, man-made yarns/ fabs/ made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion. India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24.

In FY25 (April- June) the total exports of textiles stood at US\$ 9.17 billion.

In FY25 (April-June), exports of readymade garments including accessories stood at US\$ 2,244 million.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

**Investment and key Development:**

- Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000 - March 2024.
- The textile sector has witnessed a spurt in investment during the last five years.
- In August 2023, government has sanctioned the establishment of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks on Greenfield and Brownfield sites. These parks will feature world-class infrastructure, including plug-and-play facilities, with a total investment of Rs. 4,445 crore (US\$ 535 million) over a seven-year period, extending to 2027-28.
- Ministry of Textiles has sanctioned 19 research projects totalling approximately Rs. 21 crore (US\$ 2.52 million) across various domains of Technical Textiles under the National Technical Textiles Mission.
- DS Group's luxury menswear division, Brioni inaugurates its first boutique in India in November 2023.
- In November 2023, Reliance Foundation launched the first 'Swadesh' handicrafts store in Hyderabad, aimed at supporting and promoting Indian craftwork.
- Industry bodies to host the largest global mega textiles event, Bharat Tex 2024 from February 26-29, 2024, in New Delhi. According to Union Minister, Mr. Piyush Goyal, Bharat Tex 2024 Expo is a testament to India's commitment to becoming a global textile powerhouse.
- In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.
- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In September 2023, Reliance Retail Ventures Ltd. (RRVL) announced the acquisition of Ed-a-Mamma for a 51% stake.
- In September 2023, Shadowfax inaugurated a 1.5 lakh sq. ft. fulfilment centre in Surat with 10 lakh orders per day processing capacity.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.
- In May 2023, Aditya Birla Fashion and Retail Ltd. announced the acquisition of TCNS Clothing with a deal size of US\$ 198.54 million.
- India is expected to host the 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2nd to 5th December 2023 in Mumbai with the theme "Cotton Value Chain- Local Innovations for Global Prosperity".
- Cott-Ally mobile app has been developed for farmers to increase awareness about MSP rates, nearest procurement centers, payment tracking, best farm practices etc.
- In April 2023, Godrej Consumer Products Ltd (GCPL) announced the Rs. 2,825 crore (US\$ 339.93 million) acquisition of Raymond Consumer Care Ltd (RCCL).
- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.

- In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million.
- Sutlej Textiles plans to set up a green field project for 89,184 spindles comprising cotton mélange yarn and PC grey yarn along with a dye house in Jammu & Kashmir with an estimated cost of US\$ 111.41 million (Rs. 914 crore).
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- Arvind Limited, the largest textile-to-technology conglomerate in India, and PurFi Global LLC, a sustainable technology firm that specializes in rejuvenating textile waste into virgin-grade products, have formed a joint venture to reduce the quantity of textile waste dumped in landfills.
- In November 2022, local weavers in Tuensang in Nagaland were provided 45 days of skill-upgrading training, which would equal 315 hours under the SAMARTH programme.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textiles are using technology to optimize the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company's sustainable textiles business.
- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, the flagship company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognized for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US\$ 8.63 million).

#### **Government Initiatives:**

The Indian government has come up with several export promotion policies for the textile sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- Secretary of the Ministry of Textiles, Ms. Rachna Shah, announced that India's technical textiles market has great potential, with a notable growth rate of 10% and ranking as the 5th largest in the world.

- A tripartite Memorandum of Understanding (MoU) was signed by the Textiles Committee under the Ministry of Textiles, the Government e Marketplace (GeM) under the Ministry of Commerce and Industry, and the Standing Conference of Public Enterprises (SCOPE) to promote upcycled products made from textile waste and scrap.
- Mr. Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- 1,83,844 beneficiaries trained across 1,880 centres under Samarth.
- In June 2023, the Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDC), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.

- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton.
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

### **Road Ahead:**



The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population, and increasing demand by sectors like housing, hospitality, healthcare, etc.

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020.



*The following information is qualified in its entirety by, and should be read together with the more detailed financial and other information included in the Letter of Offer, including the information contained in the section titled “Risk Factors” on page no. 25 of the Letter of Offer. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “7NR Retail Limited”, “7NR” and “Our” refers to our Company. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian Accounting Policies set forth in the Letter of Offer.*

### **COMPANY’S BACKGROUND**

7NR Retail Limited was incorporated as “**7NR Retail Private Limited**” (Corporate Identification Number U52320GJ2012PTC073076) under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 21, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Registration No. 073076. The Company was converted into a Public Limited Company and Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company was issued on March 22, 2017 by the Registrar of Companies, Ahmedabad, Gujarat and consequently the name of our Company was changed to “**7NR Retail Limited**”. The Equity Shares of the Company were listed and admitted to dealing on the SME Platform of BSE on July 18, 2017 and pursuant to migration from SME to Main Board, the Equity Shares of the Company got listed and admitted to dealing on the Main Board of BSE on August 26, 2019.

In the year 2012, Mr. Pinal Kanchanlal Shah, Ms. Nutanben Jaykishan Patel, Mr. Pragnesh Hasmukhlal Shah, Mr. Dineshbhai Somabhai Patel and Ms. Riddhi Pinal Shah incorporated the Company in the name of “7NR Retail Private Limited”.

At present, the Promoter of the Company is Mr. Umang Vijaykumar Trivedi, who have overall experience of more than 3 years in business of textiles. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters & Senior Management Team and their experience of over a decade in the industry in which our Company operates.

***Note:** Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.*

At present, the Board of the Company have 4 (Four) Directors, Mr. Chetan Kumar Ojha, Managing Director is in charge of the affairs of the Company and he is ably assisted by Mr. Avantinath Anilkumar Raval, Non - Executive & Non - Independent Director & Chairman. The Company has 2 (Two) Independent Directors, Mr. Pranav Manoj Vajani and Ms. Hiral Vinodbhai Patel.

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.

Our Company mainly deals in the business of wholesale and retail trading of various fabrics like 100% Cotton – Lycra and Non-Lycra, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen, ready-made garments, shirting and all other related textile products.

### **PRODUCT PORTFOLIO**

#### **Cotton Fabrics:**

Cotton fabrics come with more than 100 types of variation. Cotton fabrics are usually most running fabrics in the market. Cotton fabrics can be processed in many different ways as ore the requirement of the buyer.

#### **Polyester Fabrics:**

Polyester fabrics are made from polyester yarns which are manmade yarns and then processed in our factory with different parameters.

#### **Viscos Fabrics:**

Viscos fabrics are also manmade yarns.

### **Polyester Cotton Fabrics:**

These fabrics are made from mixture of cotton and Polly yarns.

### **TRADING IN PROCUTS**

#### **READY MADE GARMENTS:**



**SHIRTS**



**DENIMS**



**CASUAL WEAR**

#### **FABRICS:**



#### **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:



### **OUR BUSINESS STRATEGIES:**

#### **1. Increase Geographical Presence in Tier I and Tier II cities:**

- **Market Research & Consumer Insights:** Conduct surveys and analyze consumer preferences, purchasing power, and fashion trends in Tier I & II cities.
- **Strengthening Retail Presence:** Open company-owned stores in high-footfall areas like malls, shopping streets, and textile markets.
- **E-commerce & Omnichannel Strategy:** Strengthen online presence with an e-commerce website and mobile app for direct consumer sales.

#### **2. Introducing retailing more brands:**

- **Brand Diversification:** Launch multiple brands catering to different customer segments (luxury, mid-range, budget-friendly).
- **Exclusive Collections:** Introduce seasonal and limited-edition collections to attract diverse consumer preferences.
- **Customer Loyalty Programs:** Implement membership rewards, personalized discounts, and exclusive previews to boost customer retention.

#### **3. Cost Optimization Strategies:**

- **Efficient Supply Chain Management:** Establish strong relationships with raw material suppliers to negotiate better prices and reduce procurement costs.
- **Lean Manufacturing:** Implement lean principles to minimize waste, optimize production processes, and increase efficiency.
- **Automation & Technology Adoption:** Invest in AI-driven machinery, automated sewing, and digital printing to reduce labor costs and improve production speed.
- **Energy Efficiency Measures:** Use renewable energy sources and energy-efficient equipment to cut operational costs.

#### **4. Product Innovation & Diversification:**

- **Sustainable & Eco-Friendly Textiles:** Introduce organic cotton, recycled polyester, and biodegradable fabrics to cater to environmentally conscious consumers.
- **Smart & Functional Textiles:** Invest in technical textiles (e.g., anti-bacterial, fire-resistant, or moisture-wicking fabrics) for specialized industries.
- **Customization & On-Demand Production:** Provide personalized textile designs to attract niche markets and premium customers.

##### 5. Digital Transformation & E-commerce Expansion:

- **Online B2B & B2C Platforms:** Sell directly to customers via an e-commerce platform to increase profit margins and reduce dependence on intermediaries.
- **AI & Big Data in Demand Forecasting:** Use data analytics to predict fashion trends and consumer demand, optimizing inventory levels.
- **Blockchain for Transparency:** Implement blockchain technology to ensure transparency in the supply chain, reducing counterfeit risks.

##### 6. Continue to develop client relationships and trust:

- **Consistent Quality Assurance:** Ensure high-quality fabrics and materials that meet client expectations and international standards.
- **Transparent Communication:** Provide clear updates on orders, pricing, and delivery timelines to build reliability.
- **Timely Delivery & Supply Chain Efficiency:** Optimize logistics and maintain a seamless supply chain to avoid delays.

#### 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 Managing Director, Mr. Chetan Kumar Ojha. 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.

#### SWOT ANALYSIS:

<b><u>Strengths:</u></b> <ul style="list-style-type: none"><li>○ <b>Strong Supply Chain:</b> Established relationships with raw material suppliers and efficient production processes.</li><li>○ <b>Brand Recognition:</b> A well-known and trusted brand in domestic or international markets.</li><li>○ <b>Skilled Workforce:</b> Experienced designers, technicians, and laborers skilled in textile manufacturing.</li><li>○ <b>Diverse Product Portfolio:</b> Offering a range of textiles like cotton, polyester, wool, and blends for different industries.</li><li>○ <b>Technological Advancements:</b> Adoption of modern machinery, automation, and sustainable manufacturing techniques.</li><li>○ <b>Government Support:</b> Various subsidies and policies supporting the textile sector in countries like India and Bangladesh.</li></ul>	<b><u>Weakness:</u></b> <ul style="list-style-type: none"><li>○ <b>High Dependence on Raw Materials:</b> Fluctuations in cotton, wool, or synthetic fiber prices impact profitability.</li><li>○ <b>Labor-Intensive Industry:</b> High labor costs and challenges in maintaining ethical labor practices.</li><li>○ <b>Environmental Impact:</b> Pollution from dyeing and waste disposal can lead to regulatory and reputational risks.</li><li>○ <b>Supply Chain Vulnerability:</b> Dependency on specific suppliers or regions can lead to disruptions.</li><li>○ <b>Low Adoption of Digital Transformation:</b> Traditional business models may lag behind tech-driven competitors.</li></ul>
<b><u>Opportunities:</u></b> <ul style="list-style-type: none"><li>○ <b>Rising Demand for Sustainable Textiles:</b> Growing preference for eco-friendly, organic, and recycled fabrics.</li></ul>	<b><u>Threats:</u></b> <ul style="list-style-type: none"><li>○ <b>Global Competition:</b> Competition from low-cost producers like China, Vietnam, and Bangladesh.</li></ul>

<ul style="list-style-type: none"> <li>○ <b>E-commerce Expansion:</b> Selling directly to customers via online platforms reduces dependency on wholesalers.</li> <li>○ <b>Export Potential:</b> Emerging markets in Africa and Latin America present new export opportunities.</li> <li>○ <b>Technical Textiles Growth:</b> Demand for specialized fabrics in medical, automotive, and defense industries is rising.</li> <li>○ <b>Government Incentives:</b> Tax benefits and production-linked incentives (PLI) schemes can boost profitability.</li> </ul>	<ul style="list-style-type: none"> <li>○ <b>Economic Slowdowns:</b> Recessions or reduced consumer spending affect textile sales.</li> <li>○ <b>Regulatory Challenges:</b> Stringent labor laws and environmental compliance requirements increase operational costs.</li> <li>○ <b>Fast-Changing Fashion Trends:</b> High demand volatility due to rapid shifts in consumer preferences.</li> <li>○ <b>Geopolitical Risks:</b> Trade restrictions, tariffs, and geopolitical tensions impact international supply chains.</li> </ul>
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## **COMPETITION**

We face the competition in our business from other existing traders and manufacturers of same products. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. Our Industry is highly competitive while being unorganized and fragmented. This market is not governed directly by any regulations or any governmental authority. The players in the informal education market are mostly small and unrecognized. We face competition from both organized and unorganized players in the market and more specifically from different players for different sections to which we offer our Products.

## **SALES & MARKETING**

Our success lies in the strength of our relationship with our customers. Our Board of Directors, through their vast experience and good rapport with customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into their other additional needs and requirements. Our Company has good marketing network and good customer base for business of textiles. We have already well-established market and the Company has very good reputation among its customers and suppliers. Further the Company is into B2B segment, products are sold through a network of commission agents, brokers and distributors. The Company has a long association with these intermediaries. These intermediaries in turn sell the products to retailers & direct consumers.

## **INSURANCE**

Our Company has taken following policies:

	<b>Name of the Policy</b>	<b>Policy No.</b>	<b>Insurance Company</b>	<b>Coverage Amount</b>	<b>Expiry Date</b>
R18112437943	Car policy	160222423090017419	Reliance General Insurance	36,38,196	21/11/2025



*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable.*

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*In addition to what has been specified in this Letter of Offer, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “**Government and Other Approvals**” beginning on page no 142 of this Letter of Offer.*

### **A. BUSSINES RELATED LAWS**

- **The Textiles Committee Act, 1963**

The Textiles Committee Act, 1963, is a pivotal piece of legislation in India that aims to ensure the quality of textiles and textile machinery. Enacted on December 3, 1963, the Act establishes a statutory body known as the Textiles Committee, which comprises members from various sectors of the textile industry, including government representatives. The primary objective of the committee is to promote quality control and standardization within the textile sector. Among its key functions are ensuring that textiles and machinery meet specified quality standards for both domestic use and export, conducting research and development to enhance the industry, establishing standard specifications for textiles, providing training in quality control techniques, and facilitating the export of textiles.

The Act grants the committee significant powers, including the authority to impose a cess on textiles produced in India to fund its activities and to prohibit the export or sale of substandard products. Financial provisions within the Act allow for government grants to support the committee's operations and establish a Textile Fund for managing resources effectively. The committee can also appoint officers for inspections to ensure compliance with quality standards, with fees levied for these services. Furthermore, the Act outlines legal frameworks for prosecuting violations of its regulations. Overall, the Textiles Committee Act plays a crucial role in enhancing the competitiveness of Indian textiles in global markets by ensuring adherence to quality standards, supporting technological advancements through research initiatives, and promoting sustainable practices by regulating environmental impacts associated with textile production.

- **Gujarat Textile Policy 2024**

The Gujarat Textile Policy 2024 is a strategic initiative aimed at strengthening the state's textile industry, which plays a key role in India's overall textile production. The policy focuses on promoting investments, particularly in Micro, Small, and Medium Enterprises (MSMEs), by offering a range of financial incentives. It provides capital subsidies to encourage investment in eligible activities such as garment manufacturing, technical textiles, weaving, knitting, dyeing, and processing. Additionally, it offers interest subsidies on loans to reduce the financial burden on businesses and support their growth.

The policy also emphasizes workforce development by providing payroll assistance to employers for hiring workers, with special incentives for female employees. Training assistance is extended to self-help groups to enhance skill development in the sector. To promote sustainability and reduce operational costs, the policy includes power tariff subsidies for industries using renewable energy or electricity from distribution companies.

Beyond financial support, the Gujarat Textile Policy 2024 encourages quality certification processes and energy conservation practices to improve efficiency and competitiveness. It aims to boost innovation and modernization across the textile value chain while fostering economic opportunities for businesses and workers alike. By addressing key challenges and providing targeted support, this policy seeks to maintain Gujarat's leadership in textile production and contribute to the sustainable growth of the industry over its operative period.

- **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

- **The Bureau of Indian Standards Act, 2016 (“BIS Act”) and Bureau of Indian Standards Rules, 2018 and amendments thereto**

The BIS Act and rules made thereunder establishes, publishes, and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems, and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer’s compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

- **The Legal Metrology Act, 2009 (“Legal Metrology Act”) and Legal Metrology (Packaged Commodities) Rules, 2011**

The LM Act has replaced the Standards of Weights and Measures Act 1976 and the Standards of Weight & Measurement (Enforcement) Act 1985. It seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing with instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any noncompliance or violation under the LM Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

- **Sale of Goods Act, 1930**

The Sale of Goods Act, 1930 (the “Sale of Goods Act”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

## **B. CORPORATE AND COMMERCIAL LAWS**

- **The Companies Act, 2013**

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entities as companies. The Act provides regulatory and compliance mechanisms regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

- **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “prohibit anti-competitive agreements, abuse of dominant positions by enterprises” and regulate “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

- **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of contract and effects of breach of a contract. The Act consists of limiting factors subject to which a contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which a promise made by the parties to a contract shall be legally binding on them.

- **The Consumer Protection Act, 2019**

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressed forums set up under the Act.

- **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the Cheque which is punishable with imprisonment as well as fine.

- **The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

- **Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.



- **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

- **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014.

The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. As on date, till date, total 427 sections are notified by Ministry of Corporate Affairs. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

- **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, and implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties.

The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

## **C. LAWS RELATING TO LABOUR AND EMPLOYMENT**

- **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees’ and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them.

The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Employees’ Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

- **Employees’ Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to the Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Linked Insurance Fund Account.”

- **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

- **Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”)**

The “CLPR Act” seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

## **D. TAX RELATED LAWS**

- **The Income Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

- **The Goods and Services Tax Act, 2017**

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer.

Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India – Arun Jaitley. This Act has been made applicable with effect from 1st July 2017. With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits. The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

- **The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976**

The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 is a legislation that aims to impose a tax on professions, trades, callings, and employments in the state of Gujarat. The Act extends to the whole of Gujarat and is applicable to all persons engaged in any profession, trade, calling, or employment. The tax is levied on the gross income of such persons, and the rate of tax varies based on the class of persons and the type of profession. The Act also provides for the deduction of tax by employers from the salaries of their employees and for the payment of tax by employers on behalf of their employees. Additionally, the Act empowers the State Government to specify the class of persons other than those mentioned in Schedule I to whom entry 10 in that Schedule shall apply, and it provides for the assignment of tax collections to village panchayats. The Act has been amended several times to enhance its provisions and ensure better compliance.

## **E. INTELLECTUAL PROPERTY LAWS**

India has certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 trademark protection under the Trade Marks Act, 1999, and design protection under the Designs Act, 2000.

- **The Trademarks Act, 1999**

The Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

## **F. OTHER APPLICABLE LAWS**

- **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stakeholders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180 days.

- **Municipality Laws**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

- **Approvals from Local Authorities**

Approvals from Local Authorities Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

- **Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder**

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability in the form of payment of damages by way of compensation on a body corporate for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, (“DoIT”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediary Rules”) requiring intermediaries and publishers receiving, storing, transmitting, or providing any service with respect to electronic messages or any other information to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules further requires the intermediaries to provide for a grievance redressal mechanism and appoint a nodal officer and a resident grievance officer.

## HISTORY AND CERTAIN CORPORATE MATTERS

7NR Retail Limited was incorporated as “**7NR Retail Private Limited**” (Corporate Identification Number U52320GJ2012PTC073076) under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 21, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Registration No. 073076. The Company was converted into a Public Limited Company and Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company was issued on March 22, 2017 by the Registrar of Companies, Ahmedabad, Gujarat and consequently the name of our Company was changed to “**7NR Retail Limited**”. The Equity Shares of the Company were listed and admitted to dealing on the SME Platform of BSE on July 18, 2017 and pursuant to migration from SME to Main Board, the Equity Shares of the Company got listed and admitted to dealing on the Main Board of BSE on August 28, 2019. For further details of our Company, please refer to the chapter titled “**General Information**” on page no. 39 of this Letter of Offer.

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.

Our Company mainly deals in the business of wholesale and retail trading of various fabrics like 100% Cotton – Lycra and Non-Lycra, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen, ready-made garments, shirting and all other related textile products.

For further details of our Company, please refer to the chapter titled “**General Information**” and “**Our Business**” on page nos. 39 and 69 respectively of this Letter of Offer.

### REGISTERED OFFICE\*:

The Registered Office of the Company is presently situated at Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405.

The Registered office of our Company has been changed from time to time since incorporation, details of which are given hereunder:

Date of Change of Registered office	Registered Office	
On Incorporation	9/G, Vardan Exclusive, Nr. Lakhudi Talav, Navrangpura, Ahmedabad - 380009, Gujarat, India	
	Changed from	Changed to
August 13, 2016	9/G, Vardan Exclusive, Nr. Lakhudi Talav, Navrangpura, Ahmedabad - 380009, Gujarat, India.	Relief Road-4, Business Center, Gheekata, Pathhar Kuva, Relief Road, Ahmedabad, Gujarat, india, 380001.
February 01, 2017	Relief Road-4, Business Center, Gheekata, Pathhar Kuva, Relief Road, Ahmedabad, Gujarat, india, 380001.	B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad, Gujarat, India, 380015.
July 02, 2018	B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad, Gujarat, India, 380015.	B-308 Titanium Heights, Nr. Vodafone House, Corporate Road Prahladnagar, Makarba, Ahmedabad, Gujarat, India.
January 15, 2022	B-308 Titanium Heights, Nr. Vodafone House, Corporate Road Prahladnagar, Makarba, Ahmedabad, Gujarat, India.	Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

### 1. Change of Name:

The name of the Company has changed from “7NR Retail Private Limited” to “7NR Retail Limited” pursuant to conversion into Public Limited Company and vide fresh certificate of incorporation dated March 22, 2017.

### 2. Authorized Share Capital:

The following changes have been made in the Memorandum of Association of our Company since its inception:

Date of Amendment	Particulars
On Incorporation	Authorised Share Capital of the Company is Rs. 10,00,000/- divided into 1,00,000 equity shares having face value of Rs. 10.00/- each.
March 01, 2015	Increase in authorised share capital from Rs. 10,00,000/- divided into 1,00,000 equity shares having face value of Rs. 10.00/- each to Rs. 3,00,00,000/- divided into 30,00,000 equity shares having face value of Rs. 10.00/- each.
February 17, 2017	Increase in authorised share capital from Rs. 3,00,00,000/- divided into 30,00,000 equity shares having face value of Rs. 10.00/- each to Rs. 7,00,00,000/- divided into 70,00,000 equity shares having face value of Rs. 10.00/- each.
September 07, 2018	Increase in authorised share capital from Rs. 7,00,00,000/- divided into 70,00,000 equity shares having face value of Rs. 10.00/- each to Rs. 11,00,00,000/- divided into 1,10,00,000 equity shares having face value of Rs. 10.00/- each.
March 21, 2022	Sub-division of Equity Shares of the Company:  Sub-division of existing 1 (One) equity shares having face value of Rs. 10.00/- each into new 10 (Ten) equity shares having face value of Re. 1.00/-  Authorised Share Capital is Rs. 11,00,00,000/- divided into 11,00,00,000 equity shares having face value of Re. 1.00/- each.
March 21, 2022	Increase in authorised share capital from Rs. 11,00,00,000/- divided into 11,00,00,000 equity shares having face value of Re. 1.00/- each to Rs. 26,00,00,000/- divided into 26,00,00,000 equity shares having face value of Re. 1.00/- each.
November 15, 2022	Increase in authorised share capital from Rs. 26,00,00,000/- divided into 26,00,00,000 equity shares having face value of Re. 1.00/- each to Rs. 28,00,68,000/- divided into 28,00,68,000 equity shares having face value of Re. 1.00/- each.
December 15, 2023	Consolidation of Equity Shares of the Company:  Consolidation of existing 10 (Ten) equity shares having face value of Re. 1.00/- each into new 1 (One) equity shares having face value of Rs. 10.00/- each.  Authorised Share Capital of the Company is Rs. 28,00,68,000 divided into 2,80,06,800 equity shares having face value of Rs. 10.00/- each.

### 3. Object Clause:

Clause III (Object Clause) of the Memorandum of Association of the Company, be and is hereby altered by inserting Clause 2, 3, 4 and 5 under Part-A of Clause III, after the existing sub-clause 1 with the consent of shareholders in the Extra-Ordinary General Meeting of the Company held on 21<sup>st</sup> March, 2022 on the recommendation of Board of Directors.

- To carry on the business of manufacturing, buying, selling, trading, assembling, repairing, exchanging, altering, importing, exporting, letting on hire, distributing or dealing in all kinds of furniture and fixtures made from steel, brass, wood, fiber glass, plastics or any other material, fittings, handicrafts, wooden products, ply wood, teak wood or teak boards whether for domestic, office, industrial, agricultural use or any other purpose.

3. To carry on the business as manufacturers, exporters, importers, traders, buyers, sellers, dealers and distributors of domestic electrical and audio-visual appliances, like air conditioners, refrigerator, radio, television, electrical fans, electrical fittings, music system including music players, computer operated music system, mixers, grinders, oven, electrical cooking range, flour machinery, cloth, dish washing machines and any other electronic appliances.
4. To carry on the business as goldsmiths, silver smiths, jewellers, enamellers, electroplates, gem and diamond merchants and of manufacturing, buying, selling, trading, dealing, producing, acquiring, assembling, repairing, exchanging, altering, importing, exporting, letting on hire, distributing or dealing in all kinds of clocks, watches, jewellery, cutlery, metals (including refined and smelted metals), bullions, bronze, gold ornaments, silver utensils, silver shields, diamond, precious stones, paintings, manuscripts, antiques and objects of art along with their components and accessories.
5. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere.

## MAJOR EVENTS

The major events of the Company since its inception in the particular year are as under:

Financial Year	Events
2012	Incorporation of the Company in the name and style of “7NR Retail Private Limited”.
2017	Converted into Public Limited Company “7NR Retail Limited” vide fresh certificate of incorporation dated March 22, 2017.
2017	Listing of Equity shares of the Company on BSE SME platform w.e.f. July 18, 2017.
2019	Listing of Equity shares of the Company on Capital Market Segment (Main Board) of BSE Limited pursuant to Migration from BSE SME to BSE Main Board w.e.f. August 28, 2019.

## Holding/ Subsidiary/ Associate Company and Joint Venture of the Company

Our Company does not have any Holding/ Subsidiary/ Associate Company and Joint Venture.

## Raising of capital in form of Equity

For details of increase in Equity share capital of our Company, please refer section “**Capital Structure**” on page no. 43 of this Letter of Offer.

## Injunction and restraining order

Our Company is not under any injunction or restraining order, as on date of filing of this Letter of Offer.

## Managerial Competence

For Managerial Competence, please refer to the section “**Our management**” on page no. 86 of this Letter of Offer.

## Acquisitions/ Amalgamations/ Mergers/ Revaluation of assets

There is no acquisition/ amalgamations/ mergers/ revaluation of assets in relation to our Company.

## Total number of Shareholders of our Company

As on the date of filing of this Letter of Offer, the total number of Equity shareholders are 37674. For more details on the shareholding, please see the section titled “**Capital Structure**” at page no. 43 of this Letter of Offer.



## **Main Object as set out in the Memorandum of Association of the Company**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To carry on the business as buyers, sellers, importers, exporters and dealers of silk, art silk, synthetic, woolen and cotton fabrics and other fibrous products including dressing and furnishing materials, uniforms, readymade garments, carpets and carpet backing, blankets padding knitted goods, woven bags, hosiery gloves, yarn and sewing thread and, packing, grading, crimping, twisting, texturing, bleaching dyeing, printing, mercerizing or otherwise processing yarn, cloth, carpets, blankets and other textile goods, whether made from cotton, jute, wool, silk, art silk, synthetic and other fibers or blends thereof. And deal in any commodities, substances, articles, merchandise, goods, and things whether solid or liquid or gaseous as an Agent, commission agent, forwarding agent, clearing agent, Distributors, warehousemen, licensees, merchants, traders, sales organizers, representative of manufacturers of such commodities, substances, articles, merchandise, goods, and things and for that purpose to buy, to sell exchange and market, pledge, distribute, install, service, maintain or otherwise deal in commodities, substances, articles, merchandise, goods, and things and to carry on agency business.
2. To carry on the business of manufacturing, buying, selling, trading, assembling, repairing, exchanging, altering, importing, exporting, letting on hire, distributing or dealing in all kinds of furniture and fixtures made from steel, brass, wood, fiber glass, plastics or any other material, fittings, handicrafts, wooden products, ply wood, teak wood or teak boards whether for domestic, office, industrial, agricultural use or any other purpose.
3. To carry on the business as manufacturers, exporters, importers, traders, buyers, sellers, dealers and distributors of domestic electrical and audio-visual appliances, like air conditioners, refrigerator, radio, television, electrical fans, electrical fittings, music system including music players, computer operated music system, mixers, grinders, oven, electrical cooking range, flour machinery, cloth, dish washing machines and any other electronic appliances.
4. To carry on the business as goldsmiths, silver smiths, jewellers, enamellers, electroplates, gem and diamond merchants and of manufacturing, buying, selling, trading, dealing, producing, acquiring, assembling, repairing, exchanging, altering, importing, exporting, letting on hire, distributing or dealing in all kinds of clocks, watches, jewellery, cutlery, metals (including refined and smelted metals), bullions, bronze, gold ornaments, silver utensils, silver shields, diamond, precious stones, paintings, manuscripts, antiques and objects of art along with their components and accessories.
5. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere.

## **Shareholders' Agreements**

Our Company has not entered into any shareholders agreement as on the date of filing this Letter of Offer.

## **Other Agreements**

Our Company has not entered into any agreement as on the date of filing this Letter of Offer.

## **Strategic Partners**

Our Company is not having any strategic partner as on the date of filing this Letter of Offer.

## **Financial Partners**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Letter of Offer.

• **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 6 (Six) Directors, which consists of 2 (Two) Executive Director and 4 (Four) Non - Executive and Independent Directors.

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

Name of the Director	Designation	DIN	Other Directorship
Mr. Chetan Kumar Ojha	Managing Director	09706197	• Stitched Textiles Limited
Mr. Avantinath Anilkumar Raval	Non - Executive & Non - Independent Director and Chairman	07686783	• Drastic Education Private Limited
Mr. Pranav Manoj Vajani	Non - Executive and Independent Director	09213749	• Vaxtex Cotfab Limited • Darjeeling Ropeway Co Limited • Shyamkamal Investments Limited
Ms. Hiral Vinodbhai Patel	Non - Executive and Independent Director	09719512	• Starlineps Enterprises Limited • Easy Pay Limited • Hemo Organic Limited • Madhav Infra Projects Limited

**FAMILY RELATIONSHIP BETWEEN OUR DIRECTORS**

None of the Directors are related to each other.

• **Promoter and Promoter Group\*\*\***

The following are Promoter and Member of Promoter Group as on date of this Letter of Offer:

**A. Individual Promoters:**


1. Mr. Umang Vijaykumar Trivedi
2. Mr. Agrawal Nikunj

**B. Individual Members of Promoter Group: Nil**

**C. Non-Individual Promoters/ Members of Promoter Group: Nil**

\*\*\*Mr. Nikunj Agrawal, Promoter of the Company had applied for Reclassification from Promoter Category to Public Category vide Application No. 192222 dated January 13, 2024 and the said application is under process. Further, Outgoing Promoter has no nexus with the Company and he is not controlling the affairs and Board Structure of the Company.

The brief details of Promoters is as follows:

	Mr. Umang Trivedi, aged 35 years is Promoter of our Company. He has degree in Bachelor's of Business Administration (BBA).
	He is active and enthusiastic in business activities. He has experience of more than 3 years in our industry. He is playing a vital role in branding of our textile business.
<b>Date of Birth</b>	13 <sup>th</sup> November, 1989
<b>Address</b>	Naroda, 1, Chitrakut Plotting, Ahmedabad 382330, Gujarat, India
<b>Qualification</b>	Bachelor in Business Administration (BBA)
<b>Experience</b>	He has experience of more than 3 years in our industry.
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	AKWPT0024B
<b>Voter Identification Card Number</b>	WOF0550046
<b>Driving License Number</b>	GJ18 20080023597
<b>Passport Number</b>	M6372449
<b>Aadhaar Number</b>	2315 5317 1993
<b>No. of Equity Shares held in [% of Shareholding]</b>	28,13,091 Equity Shares representing 10.04 % of the Paid-up Equity Share Capital

#### **PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY**

Except as disclosed herein and as stated in the section titled **“Financial Statements”** on page no. 94 of this Letter of Offer, there has been no amount paid or benefits granted by our Company to our Promoters or any of the members of the Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Letter of Offer.

#### **OTHER CONFIRMATIONS**

No material guarantees have been given to third parties by our Promoter(s) with respect to Equity Shares of our Company.

Our Promoter(s) have not been declared as wilful defaulter by the Reserve Bank of India (RBI) or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Promoter(s) have not been debarred or prohibited from accessing or operating in Capital Market under any order or direction passed by SEBI or any other regulatory or Governmental authority. Our Promoter(s) are not and have never been a Promoter, Director or Person in control of any other Company which is debarred or prohibited from accessing or operating in Capital Market under any order or direction passed by SEBI or any other regulatory or Governmental authority.

None of the Promoter Group Companies have made any public issue in the preceding three years. None of Promoter Group Companies fall under the definition of a Sick Company within the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended or have been declared insolvent or bankrupt under the provisions of the Insolvency and Bankruptcy Code, 2016, as amended or have any insolvency or bankruptcy proceedings initiated against any of them and is not under winding up.

For details on litigations and disputes pending against the Promoter(s), please refer to the section titled **“Outstanding Litigations and Material Development”** on page no. 139 of the Letter of Offer.

**DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN/ WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGES, DURING HIS/ HER TENURE.**

None of our Directors is or was a Director of any Company listed on any Stock Exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Letter of Offer, during the term of his/her directorship in such Company.

**DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHICH HAVE BEEN/ WERE DELISTED FROM THE STOCK EXCHANGE(S), DURING HIS/ HER TENURE.**

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 his/ her directorship in such Company.

## CORPORATE GOVERNANCE

### ➤ Audit Committee

Our Company has formed the Audit Committee as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's Equity shares on BSE Limited ('BSE').

The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Hiral Vinodbhai Patel	Chairperson	Non - Executive and Independent Director
Mr. Avantinath Anilkumar Raval	Member	Non - Executive and Non - Independent Director
Mr. Pranav Manoj Vajani	Member	Non - Executive and Independent Director

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The Committee shall meet at least 4 (Four) times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of at least one Independent Director at each meeting.
- C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:
- Recommendation for appointment, remuneration and terms of appointment of Internal and Statutory Auditors of the Company;
  - Review and monitoring of the Auditors' independence and performance, an effectiveness of the Audit process;
  - Review and examination of the, the quarterly, half yearly and yearly financial statements and report of the Auditors' thereon;
  - Overview of the Company's financial reporting process and the disclosure of its Financial Information to ensure that financial information is correct, sufficient and credible;
  - Reviewing, with the management, financial statements before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications in the audit report.
  - Approval or any subsequent modification of transaction of the Company with the related parties;
  - Scrutiny of Inter corporate loans and investments;
  - Valuation of the undertakings or assets of the Company, wherever it is necessary;
  - Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- xii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xiii. To recommend and review the functioning of the vigil mechanism/ Whistle Blower mechanism;
- xiv. To recommend the appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- xv. To obtain outside legal or other professional advice wherever required;
- xvi. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

➤ **Stakeholders Relationship Committee**

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's Equity shares on BSE Limited ('BSE').

The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Avantinath Anilkumar Raval	Chairman	Non - Executive and Non - Independent Director
Mr. Pranav Manoj Vajani	Member	Non - Executive and Independent Director
Mr. Chetan Kumar Ojha	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. **Meetings:** The Stakeholders Relationship Committee shall meet at least once a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be minimum 2 (Two) members, out of which at least 1 (One) shall be an Independent Director.
- C. **Scope and Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - i. To ensure effective and efficient system for transfer, transmission, dematerialization, re-materialization, splitting and consolidation of shares and other securities;
  - ii. To ensure effective and efficient system for time attendance and resolution to the grievances of all securities holders of the Company and resolve all the grievances of securities holders of the Company;
  - iii. To monitoring the transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by the Company;
  - iv. To issue of duplicate/ split/ consolidated share and other securities certificates;
  - v. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers; and
  - vi. To attend to any other responsibility as may be entrusted by the Board within the terms of Reference.

➤ **Nomination and Remuneration Committee**

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's Equity shares on BSE Limited ('BSE').

The Nomination and Remuneration Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Hiral Vinodbhai Patel	Chairperson	Non - Executive and Independent Director
Mr. Avantinath Anilkumar Raval	Member	Non - Executive and Non - Independent Director
Mr. Pranav Manoj Vajani	Member	Non - Executive and Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

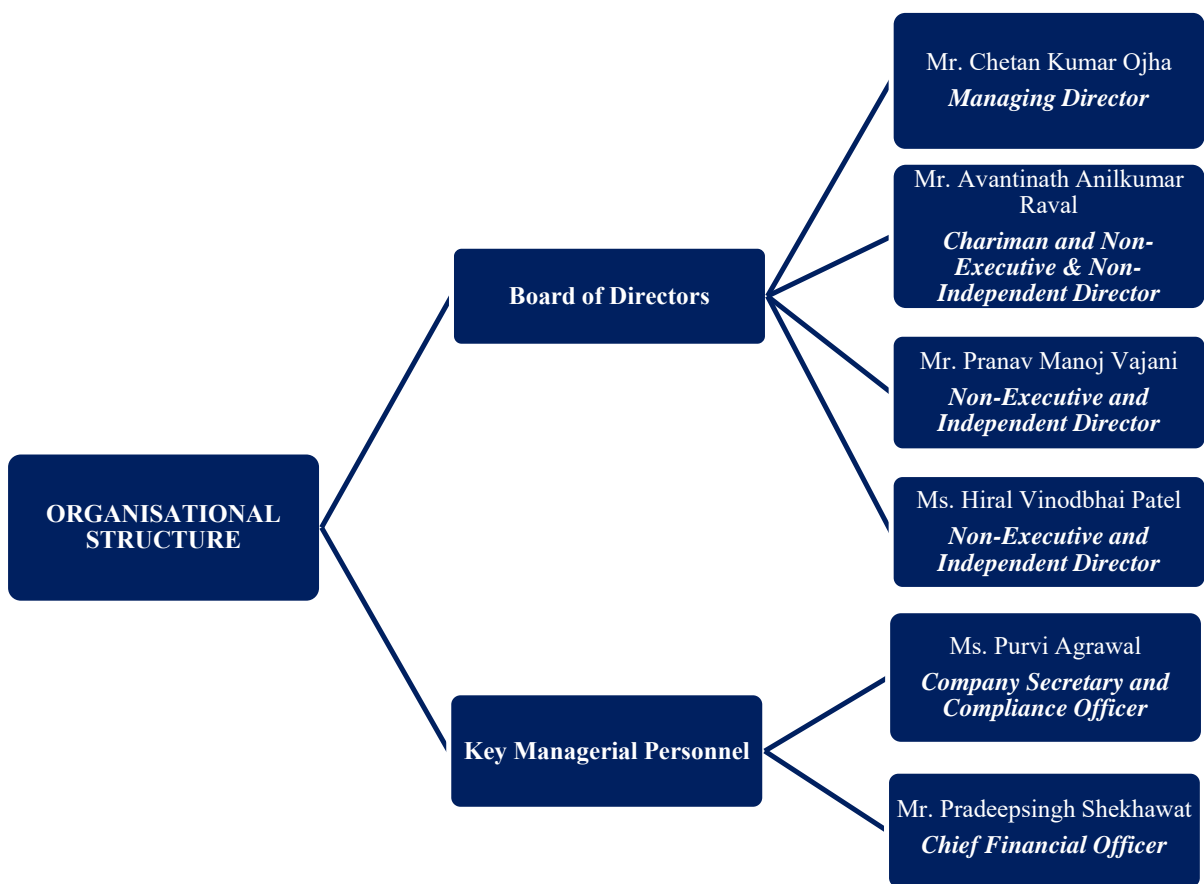
- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the Annual General Meeting, to answer the shareholders' queries; however, it shall be up to the Chairperson to decide who shall answer the queries.
- C. Scope and Terms of Reference:**
  - i. To ensure formal and transparent procedures for the selection and appointment of new directors and succession plans;
  - ii. To identify and lay down the criteria and procedures for appointment of senior management and in accordance with the criteria laid down, recommend to the Board their appointment and removal;
  - iii. To formulate the criteria and policies for determining the qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for Directors, KMPs and other employees;
  - iv. To recommend to the Board, the appointment and remuneration for Managing/ Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors and other KMP(s) from time to time;
  - v. To implement supervise and administer any share or stock option scheme of the Company;
  - vi. To formulate and implement the policies for evaluation of the performance of the Members of the Board and other KMP(s); and
  - vii. To attend to any other responsibility as may be trusted by the Board within the terms of reference.

#### Composition of Board of Directors

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No.	Name of the Director	Designation	DIN
1.	Mr. Chetan Kumar Ojha	Managing Director	09706197
2.	Mr. Avantinath Anilkumar Raval	Non - Executive & Non - Independent Director and Chairman	07686783
3.	Mr. Pranav Manoj Vajani	Non - Executive and Independent Director	09213749
4.	Ms. Hiral Vinodbhai Patel	Non - Executive and Independent Director	09719512

## ORGANIZATIONAL STRUCTURE



### Details of Key Managerial Personnels (KMPs)

Following are the Key Managerial Personnels (KMPS) of our Company as on the date of this Letter of Offer:

Sr. No.	Name of Person	Designation
1.	Mr. Chetan Kumar Ojha C/o 7NR Retail Limited Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405 Contact No.: +91-6357214201	Managing Director
2.	Ms. Purvi Agrawal C/o 7NR Retail Limited Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/H Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405 Contact No.: +91-6357214201	Company Secretary & Compliance Officer (CS)
3.	Mr. Pradeepsingh Shekhawat C/o 7NR Retail Limited Godown No-1, 234/1234/2, FP-69/3, Sadashiv Kanto, B/H Bajaj Process, Narol Chokdi, Narol, Ahmedabad, Gujarat, India, 382405 Contact No.: +91-6357214201	Chief Financial Officer (CFO)

### BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL(S) (KMPS)

Our Company does not have any bonus or profit-sharing plan for our Key Managerial Personnel(s) (KMPs).



## DIVIDEND POLICY

The declaration and payment of final dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into finance our fund requirements for our business activities.

The Board of Directors of your Company has approved and adopted the Dividend Distribution Policy of the Company on voluntary basis as per SEBI (LODR) Regulations, 2015. The Dividend Distribution Policy is available on the website of the Company and our Company has not declared any Dividend in the last three financial years.

Dividends are payable within thirty days of approval by the Equity Shareholders at the Annual General Meeting of our Company and in case of interim dividend within thirty days of declaration by the Board of Directors. When dividend is declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “Record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

**SECTION VII - FINANCIAL INFORMATION**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	The Standalone Unaudited Financial Results along with Limited Review Report for the Quarter and Nine Months ended on 31 <sup>st</sup> December, 2024.	95-97
2.	The Audited Financial Statements along with Independent Auditor's Report for the year ended on 31 <sup>st</sup> March, 2024.	98-131

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**The Standalone Unaudited Financial Results along with Limited Review Report for the Quarter and Nine Months ended on 31st December, 2024.**

**Aniket Goyal & Associates**  
Chartered Accountants

**Independent Auditor's Review Report on Quarterly & Year to date Unaudited Standalone Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To,  
The Board of Directors,  
7NR RETAIL LIMITED,**

1. We have reviewed the accompanying statement of standalone unaudited financial results of **7NR RETAIL LIMITED ("the company")** for the Quarter and Nine Months Period ended **31<sup>st</sup> December 2024** ("the statement") attached herewith, being submitted by the Company pursuant to the requirement of regulations 33 of SEBI (Listing Obligations and Disclosures Requirements, 2015 ("the Regulation"), as amended.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review. This statement, which is responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition & measurement principle laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under section 133 of companies act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our Responsibility is to issue a report on the Statement based on our review.
3. 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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**# A-402, Aaryabhumi, Jodhpur Char Rasta, Opp. M.G Party Plot, Satellite, Ahmedabad -380015.  
Mob. No.- +918003182550 , aniketandgoyal7@gmail.com**

**Aniket Goyal & Associates**  
**Chartered Accountants**

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4. 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.

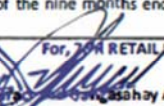

**For, Aniket Goyal & Associates**  
**Chartered Accountants**  
**FRN: 022331C**



**Date: 5<sup>th</sup> February, 2025**  
**Place: Ahmedabad**

**CA Aniket Goyal**  
**Proprietor**  
**Mem. No. 423707**  
**UDIN: 25423707BMLMAH7158**



<p align="center"><b>7NR RETAIL LIMITED</b>  REGD. OFFICE :-Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Baja] Process,  NarolChokdi, Narol Ahmedabad - 382 405  CIN: L52320GJ2012PLC073076</p> <p>Email: info@7nrretailtd.in <span style="float: right;">website: www.7nrretailtd.in</span></p> <p align="center"><b>UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2024</b></p> <p align="right">( ₹ In Lakhs except for earning per share data)</p>						
Sr. No.	Particulars	Quarter Ended			Nine Months Ended	
		31-12-2024	30-09-2024	31-12-2023	31-12-2024	31-12-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	50.01	200.00	190.49	654.73	1,061.67
2	Other income	(14.43)	(63.64)	(3.07)	(34.71)	3.38
3	<b>Total Income (1+2)</b>	<b>35.58</b>	<b>136.36</b>	<b>187.42</b>	<b>620.02</b>	<b>1,065.05</b>
4	<b>Expenses</b>					
	a. Cost of material consumed	-	-	-	-	-
	b. Purchase of stock-in-trade	1,497.68	-	237.37	2,276.00	730.52
	c. Change in inventories of finished goods, work-in-process and stock-in-trade	(1,447.66)	172.22	(12.09)	(1,570.08)	388.28
	d. Employees benefits expense	2.92	3.20	0.39	9.51	0.87
	e. Finance costs	1.17	1.26	1.60	3.77	4.84
	f. Depreciation and amortisation expense	(35.47)	6.77	6.85	(21.93)	20.53
	h. Other Expenses	(0.48)	4.80	0.50	7.86	7.18
	<b>Total Expenses</b>	<b>18.16</b>	<b>188.25</b>	<b>234.62</b>	<b>705.13</b>	<b>1,152.22</b>
5	<b>Profit before Exceptional Items and Extraordinary Items and Tax (3-4)</b>	<b>17.42</b>	<b>(51.89)</b>	<b>(47.20)</b>	<b>(85.11)</b>	<b>(87.17)</b>
6	Exceptional Items	-	-	-	-	-
7	<b>Profit Before Tax (5-6)</b>	<b>17.42</b>	<b>(51.89)</b>	<b>(47.20)</b>	<b>(85.11)</b>	<b>(87.17)</b>
	Current Tax	7.12	-	-	7.12	1.21
	Deferred Tax	-	5.12	-	5.12	0.03
8	<b>Total Tax Expenses</b>	<b>7.12</b>	<b>5.12</b>	<b>-</b>	<b>12.24</b>	<b>1.24</b>
9	<b>Profit for the period from Continuing Operation (7-8)</b>	<b>10.30</b>	<b>(57.01)</b>	<b>(47.20)</b>	<b>(97.35)</b>	<b>(88.41)</b>
10	Profit from Discontinuing operations before tax	-	-	-	-	-
11	Tax expense of discontinuing operations	-	-	-	-	-
12	<b>Profit from Discontinuing operations (after tax) (10-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13	Share of Profit (loss) of associates and joint venture accounted for using equity method.	-	-	-	-	-
14	<b>Profit for the period (9-12)</b>	<b>10.30</b>	<b>(57.01)</b>	<b>(47.20)</b>	<b>(97.35)</b>	<b>(88.41)</b>
15	Other comprehensive income net of taxes	-	-	-	-	-
16	<b>Total comprehensive income net of taxes (14+15)</b>	<b>10.30</b>	<b>(57.01)</b>	<b>(47.20)</b>	<b>(97.35)</b>	<b>(88.41)</b>
17	<b>Details of equity share capital</b>					
	Paid-up equity share capital	2,800.68	2,800.68	2,800.68	2,800.68	2,800.68
	Other Equity	-	-	-	-	69.65
	<b>Face value of equity share capital (Refer Note 6)</b>	<b>10.00</b>	<b>10.00</b>	<b>1.00</b>	<b>10.00</b>	<b>1.00</b>
18	<b>Earnings Per Share (EPS)</b>					
	a) Basic	0.037	(0.204)	(0.017)	(0.348)	(0.032)
	b) Diluted	0.037	(0.204)	(0.017)	(0.348)	(0.032)
<b>Notes:</b>						
1	The above unaudited financial statement for quarter ended 31st December, 2024 has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 5th February 2025 and Statutory Auditors of the Company have carried out Limited Review of the same.					
2	The financial results have been prepared in accordance with India Accounting Standards (Ind AS) prescribed under Section 133 of The Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. These financial results have been prepared in accordance with the recognition and other accounting principles accepted in India.					
3	Ind AS 108 relating to segment wise reporting is Not Applicable as the Company operates in one primary segment, i.e., "Trading in Textiles."					
4	Figures for the previous year / quarter have been re-grouped / re-arranged, wherever necessary.					
5	There are no associates, subsidiaries, joint ventures of the company and hence consolidated results are not applicable.					
6	The figures for the quarter ended 31st December, 2024 are the balancing figure between the un-audited figures of the nine months ended 31st December 2024 and unaudited figures for the quarter ended 30th June 2024 and 30th September 2024.					
Place: AHMEDABAD Date: 05/02/2025		<p align="right">For, 7NR RETAIL LIMITED    Anil Ashay Agrawal  Managing Director  DIN: 00465635</p> 				

**The Audited Financial Statements along with Independent Auditor's Report for the year ended on 31<sup>st</sup> March, 2024.**

**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, 2024, 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 2024, 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, 2020 ("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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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.

- 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.

- iv) A] The Management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

B] the management has represented, that, to the best of their knowledge and belief, no funds have been received by the company from any person(s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

C] Based on such audit procedures, nothing has come to our notice that has caused them to believe that the representations under sub-clause (A) and (B) contain any material mis-statement.

- v) The Company has not declared or paid dividend during the year.

- vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

For, Aniket Goyal & Associates  
Chartered Accountants  
FRN: 022331C

CA Aniket Goyal  
Proprietor  
Mem. No. 423707  
Place - Ahmedabad  
Date - 08/05/2024  
UDIN:- 24423707BKEZLB4496



### **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, 2024.

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:

1. In respect of the Company's Property, Plant & Equipment:

a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets as required by the Act.

(B) The company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant & Equipment of the Company were physically verified in full by the management during the half year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on the examination, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

d) The Company has neither revalued its Property, Plant & Equipment nor Intangible Assets.

e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. In respect of Inventory and Working Capital

a) The inventory has been physically verified by the management during the year ended. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

b) During any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

3. Details of Investments, any guarantee, security, advances or loans given

a) According to information and explanation given to us, the company has granted loan to various Parties.

A) The Company has not granted any loans or advances and guarantees or security to associates;

B) During the year the Company has granted Rs. 977.80 lacs as Loans and Advances to parties other than Associate Company and Outstanding of Balance of which is Rs. 977.80 lacs. (Refer Note: 7 of Standalone Financial Statements)

b) The terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

c) In respect of loans and advances in the nature of loans, schedule of repayment of principal and payment of interest has not been stipulated.

d) As the repayment terms has not been stipulated all the Loans are repayable on demand hence there is no instances of overdue.

e) No loans are fallen due during the year.

f) The Company has granted Loans as mentioned in point 3 (a) [B]. 100% loans are repayable on demand and without specifying any terms or period of repayment.

(Amount Rs. In Lakhs)

Sr. No.	Particulars	Amount of Loan or Advance in nature of Loan granted during the period	Outstanding Balance as on 31 <sup>st</sup> March, 2024
1)	Loan Granted to Promoters	0	0
2)	Loan Granted to Related Parties excluding Promoters	0	45.50

4. In our opinion and according to information and explanation given to us, the company has granted loans and made investments which is in compliance with the provision of section 185 and 186 of the Companies Act, 2013.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.



7. In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the company examined by us, there are dues of income-tax amounting to Rs. 92,75,762/- which have been disputed. However, there are no dues of Goods and Services tax which have been deposited on account of any dispute.

8. No, As per the information and explanation given to us by the company the company has not made any transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. Default in repayment of Borrowing:

a) According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company does not hold any debentures.

b) The Company is not declared wilful defaulter by any bank or financial institutions or any other lender

c) The Company has not taken any term loan hence this clause is not applicable.

d) No, The fund raised on short term basis are not have been utilized for long term purposes.

e) No, The Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company.

f) No, The Company has not raised loans during the year on the pledge of securities held in its company.

10. a) In our opinion and according to the information and explanations given to us, the Company has not applied for any term loan. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made any preferential allotment through right issue.

11. a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or

employees has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

c) During the period there were no whistle-blower complaints received by us.

12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

14. a) Yes, The Company has an internal audit system commensurate with the size and nature of its business;

b) We have not been provided with Internal Audit Reports.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16.

a) According to the information and explanations given to us and based on our examination of the records of the company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

b) According to the information and explanations given to us the company has not conducted any Non-banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India

d) As represented by the management, the Group does not have Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

17. The company has incurred cash losses of Rs. 82.87 lacs in the financial year however there was no such cash losses in the immediately preceding financial year.

18. No, The Statutory Auditor has not resigned from the company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, in our opinion no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall



due within a period of one year from the balance sheet date;

20. Provisions of section 135 of the companies Act not applicable to company

**21. Qualifications or Adverse auditor remarks in other Group Companies :**

Consolidated Financial Statements are not applicable to the Company hence this clause is not applicable

**For, Aniket Goyal & Associates**

**Chartered Accountants**

**FRN: 022331C**

**CA Aniket Goyal**

**Proprietor**

**Mem. No. 423707**

**Place - Ahmedabad**

**Date - 08/05/2024**

**UDIN:- 24423707BKEZLB4496**

## **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, 2024.

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### **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, 2024 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 2024, 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, Aniket Goyal & Associates**

**Chartered Accountants**  
**FRN: 022331C**

**CA Aniket Goyal**  
**Proprietor**  
**Mem. No. 423707**  
**Place - Ahmedabad**  
**Date - 08/05/2024**  
**UDIN:- 24423707BKEZLB4496**

7NR RETAIL LIMITED						
Address: Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol chokdi, Narol, Ahmedabad - 382405						
CIN: L52320GJ2012PLC073076						
Balance Sheet as at 31st March, 2024						
	Particulars	Note No.		As At 31.03.2024 Rs. In Lakhs		As At 31.03.2023 Rs. In Lakhs
I	<b>ASSETS</b>					
1	<b>Non-current Assets</b>					
	a) Property, Plant & Equipment	2	60.83		87.94	
	b) Capital Work-in-Progress		-		-	
	c) Deferred tax assets (net)	3	5.12		0.56	
	d) Financial Assets:					
	(i) Investments		-		-	
	(ii) Trade Receivable		-		-	
	(iii) Loans		-		-	
	e) Other non-current assets		-		-	
	<b>Total Non-Current Assets</b>			65.96		88.50
2	<b>Current Assets</b>					
	a) Inventories	18	326.26		874.53	
	b) Financial Assets:					
	(i) Investments	4	164.19		56.22	
	(ii) Trade Receivables	5	2,183.82		2,541.32	
	(iii) Cash and cash equivalents	6	13.78		52.62	
	(iv) Loans	7	977.80		959.43	
	c) Current Tax Assets ( Net)		9.30		14.42	
	d) Other Current Assets	8	590.41		276.87	
	<b>Total Current Assets</b>			4,265.55		4,775.41
	<b>Total Assets</b>			4,331.50		4,863.91
II	<b>EQUITY &amp; LIABILITIES</b>					
A	<b>Equity</b>					
	a) Equity Share Capital	9	2,800.68		2,800.68	
	b) Other Equity	10	69.95		181.39	
	<b>Total Equity</b>			2,870.63		2,982.07
B	<b>Liabilities</b>					
1	<b>Non-current Liabilities</b>					
	a) Financial Liabilities:	11				
	(i) Borrowings		511.55		202.38	
	(ii) Trade Payable					
	a) Due to MSME		-		-	
	b) Due to Other than MSME		-		-	
	b) Provisions		-		-	
	c) Deferred Tax Liabilities ( net)		-		-	
	d) Other Non Current Liabilities		-		-	
	<b>Total Non-Current Liabilities</b>			511.55		202.38
2	<b>Current Liabilities</b>					
	a) Financial Liabilities:					
	(i) Borrowings	12	15.19		13.85	
	(ii) Trade Payable	13				
	a) Due to MSME		-		-	
	b) Due to Other than MSME		746.69		1,471.88	
	(iii) Other Financial Liabilities		-		-	
	b) Other Current Liabilities	14	187.45		184.33	
	c) Provisions	15	-		9.41	
	c) Current Tax Liabilities ( Net)		-		-	
	<b>Total Current Liabilities</b>			949.33		1,679.46
	<b>Total Liabilities</b>			1,460.88		1,881.85
	<b>Total Equity &amp; Liabilities</b>			4,331.50		4,863.91
Significant Accounting Policies						
Notes forming part of the Financial Statements						
As per our report of even date For, Aniket Goyal & Associates Chartered Accountants FRN: 022331C			For and on behalf of the Board 7NR Retail Limited			
			Tarachand Agrawal Managing Director (DIN: 00465635)		Avantinath Anilkumar Raval Director (DIN: 07686783)	
CA Aniket Goyal Proprietor Mem. No. 423707 Place - Ahmedabad Date - 08/05/2024 UDIN: 24423707BKEZLB4496			Pradeepsingh Shekhawat CFO (PAN: GCQPS6071D)			
			Place - Ahmedabad Date - 08/05/2024			

7NR RETAIL LIMITED			
Address: Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol chokdi, Narol Ahmedabad 382405			
CIN: L52320GJ2012PLC073076			
Statement of Profit and Loss for the Year ended 31st March, 2024			
Rs. In Lakhs			
Particulars	Note No.	2023-24	2022-23
<b>INCOME</b>			
(I) Revenue from Operations	16	1,162.16	4,768.06
(II) Other Income	17	58.54	65.66
(III) Total Income (I) + (II)		1,220.71	4,833.72
<b>EXPENSES</b>			
(IV) Purchase of traded goods		693.69	4,816.94
Changes in inventories of finished goods, work in progress & Stock in Trade	18	548.28	(158.86)
Employee benefits expenses	19	7.98	6.55
Finance Costs	20	13.32	4.64
Depreciation and amortization expenses	2	27.42	20.83
Other expenses	21	46.02	109.31
Total Expenses (IV)		1,336.71	4,799.41
(V) Profit before Exceptional Items & Taxes		(116.00)	34.31
(VI) Exceptional Items - (Net)		-	-
(VII) Profit before tax (V)-(VI)		(116.00)	34.31
(VIII) Tax Expenses :			
(1) Current tax		-	7.83
(2) Deferred tax		(4.56)	2.52
		(111.44)	10.35
(IX) Profit for the Period (VII)-(VIII)		(111.44)	23.96
(X) 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)		(111.44)	23.96
(XII) Earning Per Equity Share(Nominal Value per Share:(Rs. 10)	22		
1. Basic		(0.040)	0.009
2. Diluted		(0.040)	0.009
3. Adjusted EPS (Basic/Diluted)		(0.398)	0.101
Significant Accounting Policies			
Notes forming part of the Financial Statements			
As per our report of even date			
For, Aniket Goyal & Associates		For and on behalf of the Board 7NR Retail Limited	
Chartered Accountants FRN: 022331C		Tarachand Agrawal Managing Director (DIN: 00465635)	Avantinath Anilkumar Raval Director (DIN: 07686783)
CA Aniket Goyal Proprietor Mem. No. 423707 Place - Ahmedabad Date - 08/05/2024 UDIN: 24423707BKEZLB4496		Pradeepsingh Shekhawat CFO (PAN: GCQPS6071D)	
		Place - Ahmedabad Date - 08/05/2024	



7NR RETAIL LIMITED			
Address: Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Ahmedabad 382405			
CIN: L52320GJ2012PLC073076			
Cash Flow statement for the year ended 31st March 2024			
	Particulars	2023-24	2022-23
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax as per Statement of Profit and Loss	(116.00)	34.31
	Adjusted for:		
	Misc Exp to the extent written off	-	-
	Loss on sale of asset	-	-
	Finance Cost	13.32	4.64
	Interest Income earned	(58.54)	(43.46)
	Depreciation	27.42	20.83
	Operating Profit before working capital changes	(133.80)	16.32
	Adjusted for:		
	(Increase)/ Decrease in Trade Receivables	357.51	(1,967.43)
	(Increase)/ Decrease in Loans	(18.41)	(228.77)
	(Increase)/ Decrease in Inventories	548.28	(158.85)
	Increase/ (Decrease) in Trade Payable	(725.19)	637.55
	Increase/ (Decrease) in Other Current Assets	(313.55)	(281.65)
	Increase/ (Decrease) in Provisions	(6.29)	185.44
	Cash Generated from Operations	(291.45)	(1,797.39)
	Adjusted for:		
	Direct Tax Refund (Net of Payment)	5.12	(7.83)
	Net Cash from Operating activities	286.33	(1,805.22)
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant & Equipment	(0.32)	(97.58)
	Sales of Fixed Assets	-	-
	Increase in Investments	(107.98)	(56.22)
	Other non operating Income	58.54	43.46
	Net Cash Flow from Investing Activities	(49.75)	(110.35)
C.	<b>Net Cash Flow from Financing Activities</b>		
	Cash Flow from Financing activities:		
	Issue of Share Capital	-	1,876.32
	Borrowings (Net)	310.51	72.09
	Finance Cost	(13.27)	(4.64)
	Net cash from Financing Activities	297.24	1,943.77
	Net Increase/(Decrease) in cash	(38.85)	28.20
	Opening Balance of Cash & Cash equivalents	52.63	24.43
	Closing Balance of Cash & Cash equivalents	13.78	52.62
The accompanying notes are an integral part of the financial statements			
As per our report of even date For, Aniket Goyal & Associates Chartered Accountants FRN: 022331C		For and on behalf of the Board	
		Tarachand Agrawal Managing Director (DIN: 00465635)	Avantinath Anilkumar Raval Director (DIN: 07686783)
CA Aniket Goyal Proprietor Mem. No. 423707 Place - Ahmedabad Date - 08/05/2024 UDIN: 24423707BKEZLB4496		Pradeepsingh Shekhawat CFO (PAN: GCQPS6071D)	
		Place - Ahmedabad Date - 08/05/2024	

<p align="center"><b>7NR RETAIL LIMITED</b>  Address: Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol chokdi, Narol Ahmedabad 382405  CIN: L52320GJ2012PLC073076</p>			
<p><b>Statement of Changes in Equity</b>  For the year ended 31st March, 2024</p>			
			(Rs. In Lakhs)
<b>A. Equity Share Capital</b>			
As at 31.03.2022			1,047.45
Changes in equity share capital during the Previous year			1,753.23
As at 31.03.2023			2,800.68
Changes in equity share capital during the current year			-
As at 31.03.2024			2,800.68
<b>B. Other Equity</b>			
Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April,2022	-	34.34	34.34
Profit for the year	-	23.96	23.96
Addition during the year	589.87		
Bonus Shares issued	(466.78)		
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	123.09	23.96	147.04
Public Issue exp written off	-	-	-
Balance as at 31st March,2023	123.09	58.30	181.38
Balance as at 1st April,2023	123.09	58.30	181.38
Profit for the year	-	(111.44)	(111.44)
Addition during the year	0.00	-	-
Bonus Shares issued	0.00	-	-
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	-	-111.44	(111.44)
Public Issue exp written off	-	-	-
Balance as at 31st March,2024	123.09	-53.14	69.94
The accompanying notes are an integral part of the financial statements			
As per our report of even date		For and on behalf of the Board	
For, Aniket Goyal & Associates		7NR Retail Limited	
Chartered Accountants			
FRN: 022331C			
		Tarachand Agrawal	Avantinath Anilkumar Raval
		Managing Director	Director
		(DIN: 00465635)	(DIN: 07686783)
CA Aniket Goyal		Pradeepsingh Shekhawat	
Proprietor		CFO	
Mem. No. 423707		(PAN: GCQPS6071D)	
Place - Ahmedabad		Place - Ahmedabad	
Date - 08/05/2024		Date - 08/05/2024	
UDIN: 24423707BKEZLB4496			

2	PARTICULARS	Plant & Machinery	Electric Installation & Air Condition	Furniture & Fixtures	Office Building	Motor Vehicle	Computer & Software	Office Equipment	TOTAL TANGIBLE ASSETS	CAPITAL WORK IN PROGRESS
	Gross Carrying Amount as at March 31,2022	0.15	28.42	33.64	0.72	-	3.36	0.49	66.78	-
	Additions	0.33	-	1.37	-	95.89	-	-	97.58	-
	Disposals/ Deduction	-	-	-	-	-	-	-	-	-
	Gross Carrying Amount as at March 31,2023	0.48	28.42	35.01	0.72	95.89	3.36	0.49	164.36	-
	Additions	-	-	-	-	-	0.82	-	0.32	-
	Disposals/ Deduction	-	-	-	-	-	-	-	-	-
	Gross Carrying Amount as at March 31,2024	0.48	28.42	35.01	0.72	95.89	3.68	0.49	164.69	-
	<b>Accumulated Depreciation/ Amortization and Impairment</b>									
	Balance as at March 31,2022	0.03	18.43	33.64	0.72	-	2.29	0.49	55.60	-
	Depreciation for the year	0.01	3.04	0.30	-	16.95	0.53	-	20.83	-
	Depreciation on Disposals	-	-	-	-	-	-	-	-	-
	Balance as at March 31,2023	0.04	21.47	33.94	0.72	16.95	2.82	0.49	76.43	-
	Depreciation for the year	0.02	2.91	0.30	-	28.79	0.40	-	27.42	-
	Depreciation on Disposals	-	-	-	-	-	-	-	-	-
	Balance as at March 31,2024	0.06	24.38	34.25	0.72	40.73	3.22	0.49	103.85	-
	<b>Net Carrying Amount</b>									
	As at March 31,2024	0.42	4.04	0.76	(0.00)	55.16	0.46	-	60.83	-
	As at March 31,2023	0.44	6.95	1.06	(0.00)	78.94	0.54	-	87.94	-
	Note: The Company has elected to continue with the carrying value for all of its property, plant & equipment as recognized in the financial statements at 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.									

As At  
31.03.2024

As At  
31.03.2023

3	<b>Deferred Tax Assets (Liabilities)</b>				
	Opening Balance	0.56		3.08	
	Fair value gain/(loss)	-		-4.35	
	Timing Difference between tax WDV and carrying values of Property, Plant and Equipments	4.56		1.83	
	Closing Balance	5.12		0.56	
4	<b>Current Investments</b>				
	<b>A. Equity Instruments</b>				
	<b>Fair Value through Profit and Loss</b>				
	Quoted	10.19		56.22	
	Unquoted	154.00		-	
		164.19		56.22	
5	<b>Trade Receivables</b>				
	<b>Unsecured, considered good:</b>				
	(i) Undisputed Trade Receivables Considered Good				
	Less than 6 months	526.77		1,362.12	
	6 months to 1 year	482.62		368.32	
	1-2 years	1,162.52		777.27	
	2-3 years	9.90		33.61	
	More than 3 years	-		-	
	(ii) Undisputed Trade Receivables Considered Doubtful	-		-	
	(iii) Disputed Trade Receivables Considered Good	-		-	
	(iv) Disputed Trade Receivables Considered Doubtful	-		-	
	(ii) Others	-		-	
		2,183.82		2,541.32	
6	<b>Cash and cash equivalents</b>				
	Balances with Bank				
	- In Current Accounts	7.04		20.53	
	Cash on hand	6.78		32.09	
	In Fixed Deposits	-		-	
		13.78		52.62	
7	<b>Current Loans</b>				
	<b>Unsecured, considered good</b>				
	Advances recoverable in cash or in kind for value to be received				
	Advance to staff	-		-	
	Others	977.80		959.43	
		977.80		959.43	
8	<b>Other Current Assets</b>				
	Advance paid to Suppliers	590.19		263	
	Prepaid expenses	0.22		-	
	GST Receivable	-		14.18	
		590.41		276.87	
9	<b>Equity Share Capital</b>				
	<b>Authorised</b>	<b>Number of Shares</b>	<b>Amount</b>	<b>Number of Shares</b>	<b>Amount</b>
	Equity Shares of Rs. 1 each (Rs.10 each w.e.f. 05.01.2024)	2,80,06,800	2,800.68	28,00,68,000	2,800.68
	<b>Issued, Subscribed &amp; Fully paid up</b>				
	Equity Shares of Rs. 1 each (Rs.10 each w.e.f. 05.01.2024) fully paid	2,80,06,800	2,800.68	28,00,68,000	2,800.68
	<b>(a) Reconciliation of Number of Shares</b>	<b>Number of Shares</b>	<b>Amount</b>	<b>Number of Shares</b>	<b>Amount</b>
	Balance as at the beginning of the Year	28,00,68,000	2,800.68	10,47,45,000	1,047.45
	Issued During the Year	-	-	12,86,45,000	1,286.45
	Bonus Issue	-	-	4,66,78,000	466.78
	Adjustment due to consolidation of shares**	(28,20,41,200)	-	-	-
	Balance as at the end of the Year	2,80,06,800	2,800.68	28,00,68,000	2,800.68
	**The face value of equity shares has changed to Rs. 10 each w.e.f. 05.01.2024 on account of consolidation of shares (without induction of any further capital).				
	<b>(b) Details of Share holding more than 5% Shares:-</b>	<b>Number of Shares</b>	<b>% of total Shares</b>	<b>Number of Shares</b>	<b>% of total Shares</b>
	Umang Vijaykumar Trivedi	28,13,092	10.04%	4,62,50,608	16.52%
	Agrawal Nikunj	2,56,022	0.91%	2,28,42,280	8.16%
	Pinal Kanchanlal Shah	-	-	-	-
	Nutanben Jaykishan Patel	-	-	-	-
	Snehal K Shah	-	-	-	-
	Vax Fashion Private Limited	-	-	1,43,40,000	5.12%
	<b>(c) Share holding of Promoter</b>	<b>Number of Shares</b>	<b>% of total Shares</b>	<b>Number of Shares</b>	<b>% of total Shares</b>
	Umang Vijaykumar Trivedi	28,13,092	10.04%	4,62,50,608	16.52%
	Agrawal Nikunj	2,56,022	0.91%	2,28,42,280	8.16%
	% Change during the year : During the current year Promoter's share holding is decreased by 13.71%				
	<b>(d) Rights, preferences and restrictions attached to shares :-</b>				
	The Company has only one class of equity shares having par value of ₹ 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.				



10	Other Equity				
	Particulars	Securities Premium	Revaluation Reserve	Capital Reserve	Retained Earnings
	Balance as at 1st April,2022	-	-	-	34.34
	Profit for the year	-	-	-	28.96
	Addition during the year	509.87	-	-	-
	Bonus Shares issued	-466.78	-	-	-
	Other Comprehensive Income for the Year	-	-	-	-
	Public Issue exp written off	-	-	-	-
	Balance as at 31st March,2023	123.09	-	-	58.30
	Balance as at 1st April,2023	123.09	-	-	58.30
	Profit for the year	-	-	-	-111.44
	Addition during the year	-	-	-	-
	Bonus Shares issued	-	-	-	-
	Other Comprehensive Income for the Year	-	-	-	-
	Public Issue exp written off	-	-	-	-
	Balance as at 31st March,2024	123.09	-	-	(53.14)
			As At 31.03.2024		As At 31.03.2023
11	Non Current Financial Liabilities				
	i) Borrowings:				
	Secured Loans:				
	Vehicle Loan from Bank (Secured by hypothecation over vehicle)	48.05		58.24	
	Unsecured Loans:				
	Other Borrowings	468.50		144.14	
			511.55		202.38
	ii) Trade Payable				
	a) Due to MSME	-		-	
	b) Due to Other than MSME	-		-	
	Outstanding for: less than 1 year	-		-	
	1-2 years	-		-	
	2-3 years	-		-	
	More than 3 years	-		-	
			-		-
12	Current Financial Liabilities - Borrowings				
	Overdraft Bank Limit ( Against Fixed Deposit)	-		-	
	Current Maturity of Long Term Borrowings	15.19		18.85	
	Short Term Borrowing	-		-	
			15.19		18.85
13	Current Liabilities - Trade Payables				
	Unsecured, repayable on Demand:				
	Trade Payable/ Sundry Creditors				
	i) Due to Micro and Small Enterprises				
	Outstanding for: less than 1 year	-		-	
	1-2 years	-		-	
	2-3 years	-		-	
	More than 3 years	-		-	
	ii) Other than due to Micro and Small Enterprises				
	Outstanding for: less than 1 year	590.94		1,192.42	
	1-2 years	105.47		281.17	
	2-3 years	50.29		48.29	
	More than 3 years	-		-	
	iii) Disputed dues- MSME	-		-	
	iv) Disputed dues- Others	-		-	
			746.69		1,471.88
14	Other Current Liabilities				
	Government dues	1.92		12.98	
	Advance from Customers	185.53		171.40	
			187.45		184.33
15	Current Provisions				
	(i) Current tax provision ( Net)	-		6.66	
	(ii) Statutory Dues	-		1.65	
	(iii) Other Provisions	-		1.10	
			-		9.41



	As At 31.03.2024	As At 31.03.2023
16	<b>Revenue from Operations</b>	
a) Sale of Products (Net)	1,162.16	4,764.54
b) Sale of Services	-	3.52
c) Other Operating Revenues	-	-
	<u>1,162.16</u>	<u>4,768.06</u>
17	<b>Other Income</b>	
a) Interest income	57.84	43.46
b) Balance written off	0.00	-
c) Notional Profit	-5.70	21.93
d) Dividend & Other Income	0.23	0.23
e) Profit on sale of Asset	6.18	0.04
	<u>58.54</u>	<u>65.66</u>
18	<b>Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade</b>	
Stock at the beginning of the year		
Finished Goods	874.53	715.68
Total-A	874.53	715.68
Stock at the end of the year		
Finished Goods	326.26	874.53
Total-B	<u>326.26</u>	<u>874.53</u>
(Increase) / Decrease in Stocks (A-B)	<u>548.28</u>	<u>(158.86)</u>
Note: Stock is valued at Cost or NRV which ever is lower as per Ind AS 2		
19	<b>Employees Benefits Expenses</b>	
(a) Directors Remuneration	0.72	-
(b) Salaries and Bonus	7.26	6.55
(c) Contribution to Provident Fund & other fund	-	-
(d) Employees Welfare & other Amenities	-	-
	<u>7.98</u>	<u>6.55</u>
20	<b>Finance Cost</b>	
Interest Expenses	13.11	4.64
Bank & Other Charges	0.21	-
	<u>13.32</u>	<u>4.64</u>
	As At 31.03.2024	As At 31.03.2023
21	<b>Other Expenses</b>	
Auditors' Remuneration	0.20	0.70
Account Charges	-	-
Advertisement Exp.	0.30	21.53
Annual Custody Fee	0.75	0.60
Courier & Postage Exp.	-	0.25
Donation Exp.	-	-
Freight Expense	7.33	3.29
Insurance Exp.	0.50	-
Issuer Fees	2.18	-
Listing Fees	-	3.00
Loss on sale of fixed assets	-	-
Misc Exp.	-	-
Office Exp.	0.17	0.11
Other Expenses	5.66	6.37
Power and fuel exp.	-	-
Legal & Professional Fees	7.41	49.00
Repairs & Maintenance	0.78	0.02
Rent , Rate & Taxes	-	-
Stationery Exp.	-	0.34
Hotel & Boarding Exp.	-	19.25
Travelling Exp.	20.75	4.85
Telephone Exp.	-	-
	<u>46.02</u>	<u>109.31</u>

22

<b>Earning Per Equity Share</b>		
1. Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(111.44)	23.96
2. Number of equity shares used as denominator for calculating EPS	28,00,68,000	28,00,68,000
3. Basic and Diluted Earning per Share	(0.04)	0.01
4. Face Value per equity share (in Rs)**	10.00	1.00

\*\* The face value of equity shares has changed to Rs. 10 each w.e.f. 05.01.2024 on account of consolidation of shares (without induction of any further capital).

23

<b>Earning in Foreign Exchange</b>	Nil	Nil
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24

<b>Related Party Disclosures under IND AS 24</b>																																																																																																		
Related Parties/Nature of Relationship :																																																																																																		
<div><div><b>Key Managerial Persons</b></div><div><table><tr><td>Tarachand Gangasahay Agrawal</td><td>Managing Director</td></tr><tr><td>Pradeep Singh Shekhawat</td><td>CFO</td></tr><tr><td>Prachi Chobisa</td><td>Company Secretary</td></tr><tr><td>Ms. Ziral Pankajkumar Soni</td><td>Independent Director</td></tr><tr><td>Vortex Cotfab (Partnership firm)</td><td>Director is partner</td></tr><tr><td>Dhruvi Kapadia</td><td>Company Secretary &amp; Compliance officer</td></tr><tr><td>Brand Cluster LLP</td><td>Relative of Director</td></tr><tr><td>AESHA SAFI</td><td>Company Secretary</td></tr><tr><td>JITENDRA PRADIPBHAI PARMAR</td><td>Independent Director</td></tr><tr><td>AVANTINATH ANILKUMAR RAVAL</td><td>Director, Chairperson</td></tr><tr><td>PRANAV MANOJ VAJANI</td><td>Independent Director</td></tr><tr><td>Nikunj Agrawal</td><td>Promoter</td></tr></table></div></div>			Tarachand Gangasahay Agrawal	Managing Director	Pradeep Singh Shekhawat	CFO	Prachi Chobisa	Company Secretary	Ms. Ziral Pankajkumar Soni	Independent Director	Vortex Cotfab (Partnership firm)	Director is partner	Dhruvi Kapadia	Company Secretary & Compliance officer	Brand Cluster LLP	Relative of Director	AESHA SAFI	Company Secretary	JITENDRA PRADIPBHAI PARMAR	Independent Director	AVANTINATH ANILKUMAR RAVAL	Director, Chairperson	PRANAV MANOJ VAJANI	Independent Director	Nikunj Agrawal	Promoter																																																																								
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Nature of Transaction	FY 23-24	FY 22-23																																																																																																
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25

<b>Financial Instruments</b>		(Rs In Lakhs)			
	Particular	Carrying Value		Fair Value	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	<b>Financial Assets</b>				
	Amortised cost				
	Trade receivables	2,183.82	2,541.32	2,183.82	2,541.32
	Cash and cash equivalents	13.78	82.62	13.78	82.62
	Loans and Advances (Current)	977.80	959.43	977.80	959.43
	FVTOCI				
	Investment in equity instruments	-	-	-	-
	FVTPL				
	Investment in equity instruments	164.19	56.22	164.19	56.22
	<b>Total Assets</b>	<b>3,339.58</b>	<b>3,609.59</b>	<b>3,339.58</b>	<b>3,609.59</b>
	<b>Financial Liabilities</b>				
	Amortised cost				
	Long Term Borrowings	511.55	202.38	511.55	202.38
	Non Current Financial Liabilities - Trade payables	-	-	-	-
	Trade payables	746.69	1,471.88	746.69	1,471.88
	Other Financial Liabilities	-	-	-	-
	Short Term Borrowings	15.19	13.85	15.19	13.85
	<b>Total Liabilities</b>	<b>1,273.43</b>	<b>1,688.11</b>	<b>1,273.43</b>	<b>1,688.11</b>

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, 2024 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.

## 26 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 risk with related parties of the Company. The Company 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 recognised 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, 2024). The Company has made allowance of Rs Nil (Nil as at March 31, 2024) against Trade receivable of Rs. 2183.82 lacs (Rs. 2183.82 Lacs as at March 31, 2024).

### 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 :



Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and Cash equivalents	13.78	52.62
Total	13.78	52.62

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023.

Particulars	As at	Less than 1 year	1-2 years	More than 2 years
Borrowings	March 31, 2024	15.19	-	-
	March 31, 2023	13.65	-	-
Trade Payables	March 31, 2024	590.94	-	-
	March 31, 2023	1,192.42	-	-
Other Financial Liabilities	March 31, 2024	-	-	-
	March 31, 2023	-	-	-

27 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 :

Particulars	March 31, 2024	March 31, 2023
Total equity attributable to the equity share holders of the company	2,870.63	2,982.07
As a percentage of total capital	84.50%	93.24%
Current borrowings	15.19	13.65
Non-current borrowings	511.55	202.38
Total borrowings	526.74	216.23
As a percentage of total capital	15.50%	6.76%
Total capital (borrowings and equity)	3,397.36	3,198.30

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

28 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 31.03.2024 is as under:-

Particulars	31-03-2024	31-03-2023
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	-	-

29 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 8th May, 2024 there were no subsequent events to be recognised or reported that are not already disclosed."

30 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.

31 Contingent Liabilities and Commitment

There are dues of income-tax amounting to Rs. 92,75,762/- which have been disputed.

32 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.

- 33 Previous Years Figures have been re-grouped/ re-arranged wherever consider necessary. The disclosure requirement 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
- 34 Compliance with number of layers of companies: . The Company does not have any Subsidiary Company.
- 35 Registration of charges or satisfaction with Registrar of Companies ~ There is no charge created by the Company.
- 36 Relationship with Struck off Companies: Not Applicable
- 37 Wilful Defaulter : The Company has not been declared as Wilful Defaulter by any Bank or Financial Institutions or Government or any Government Authority
- 38 Details of Benami Property held : No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- 39 Capital WIP : Not Applicable
- 40 Intangible assets under development : Not Applicable

41 Ratios:

Ratios	Current Reporting Period	Previous reporting period	% of Change	Note
Current Ratio	4.49	2.82	59%	A-1
Debt Equity Ratio	0.18	0.07	153%	A-2
Debt Service coverage ratio	(0.13)	3.23	-104%	A-3
Return on Equity Ratio	-3.74%	0.80%	-565%	A-4
Inventory Turnover Ratio	2.07	5.86	-65%	A-5
Trade Receivables turnover ratio	0.49	3.13	-84%	A-6
Trade payables turnover ratio	0.63	3.16	-80%	A-7
Net capital turnover ratio	0.35	1.56	-78%	A-8
Net profit ratio	-9.59%	0.50%	-2008%	A-4
Return on Capital employed	-3.21%	1.31%	-346%	
Return on investment	-3.74%	0.80%	-565%	

Note : A Reasons for Variations:

- Current Ratio : The variation in ratio as compared to the previous year is primarily because the current liabilities have reduced at a higher rate as compared to the current assets.
- Debt Equity Ratio : The variation in ratio as compared to the previous year is primarily because of 2 reasons :-
  - The company has suffered a loss in the current year, hence, decreasing the equity base.
  - The company has further increased its borrowings, leading to a higher debt base.
- Debt Service Coverage Ratio : The Adverse variation in Debit service coverage ratio is primarily because of 2 factors :-
  - The company has suffered a loss in the current year, hence, decreasing the earnings available for debt service.
  - The company has further increased its borrowings, leading to a higher debt base.
- Return on Equity Ratio, Net Profit Ratio, Return on Capital employed, & Return on investment : The adverse variance is primarily due to the fact that the company has suffered a loss in the current year.
- Inventory Turnover Ratio : The variation in ratio as compared to the previous year is primarily because the Cost of Goods Sold has reduced at a higher rate as compared to the Average Inventory.
- Trade Receivables Turnover Ratio : The variation in ratio as compared to the previous year is primarily because the Credit Sales have reduced at a higher rate as compared to the Average Trade Receivables there is decrease in the turnover during the period.
- Trade Payables Turnover Ratio : The variation in ratio as compared to the previous year is primarily because the Credit Purchases have reduced at a higher rate as compared to the Average Trade Payables.
- Net capital turnover ratio : The variation in ratio as compared to the previous year is primarily because the Net Sales have reduced at a higher rate as compared to the Working capital and there is decrease in the turnover during the period.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

### 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, and 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 8<sup>th</sup> May, 2024.

### "1" SIGNIFICANT ACCOUNTING POLICES:

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 provide for over the reassessed useful life

Assets Class	Useful Life
Plant & Machinery	15 years
Electric Installation & Air Condition	10 years
Furniture & Fixtures	10 years
Motor Vehicle	10 years

#### **IMPAIRMENT OF NON – FINANCIAL ASSESTS**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **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 products 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 values 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 substantively 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.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the

#### **Earnings per share**

##### **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

##### **Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares



## CAPITALISATION STATEMENT

The following table sets forth our capitalization as at 31<sup>st</sup> March, 2024, on the basis of Audited Financial Statements:

(Rs. in Lakhs)		
Particulars	Pre-Issue as at 31/03/2024	As adjusted for the Issue <sup>*</sup>
<b>Debt:</b>		
Current Borrowings (A)	15.19	[●]
Non-Current Borrowings (including Current Maturity) (B)	511.55	[●]
<b>Total Debt (C = A + B)</b>	<b>526.74</b>	<b>[●]</b>
<b>Equity:</b>		
Equity Share capital (D)	2800.68	[●]
Other Equity (E)	69.94	[●]**
<b>Total Equity (F=D+E)</b>	<b>2870.62</b>	<b>[●]</b>
<b>Non-Current Borrowings (including current maturity)/ Total Equity (B/ F)</b>	<b>0.18</b>	<b>[●]</b>
<b>Total Debt/ Total Equity (C/ F)</b>	<b>0.18</b>	<b>[●]</b>

<sup>\*</sup>Assuming full subscription of the Issue and to be updated at the time of finalization of Letter of Offer

<sup>\*\*</sup>Not adjusted for Issue related expenses

<sup>\*\*\*</sup>The figures for the respective financial statements line items under “As adjusted for the Issue” column have been derived after considering the impact due to proposed rights issue of Equity Shares.

Annexure 'II' to Board's ReportMANAGEMENT DISCUSSION AND ANALYSIS REPORT**A. Overview of the Global Economy:**

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024-25 is, however, below the historical (2000-19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down. For advanced economies, the growth slowdown projected for 2023 remains significant: from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.

Global headline inflation is set to fall from an annual average of 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, broadly as projected in April, but above pre-pandemic (2017-19) levels of about 3.5 percent. About threequarters of the world's economies are expected to see lower annual average headline inflation in 2023. Monetary policy tightening is expected to gradually dampen inflation, but a central driver of the disinflation projected for 2023 is declining international commodity prices. Differences in the pace of disinflation across countries reflect such factors as different exposures to movements in commodity prices and currencies and different degrees of economic overheating. The forecast for 2023 is revised down by 0.2 percentage point, largely on account of subdued inflation in China. The forecast for 2024 has been revised upward by 0.3 percentage point, with the upgrade reflecting higher-than-expected core inflation.

**B. Overview of the Indian Economy:**

This year began with the anticipation that runaway inflation, aggressive policy rate hikes, and high commodity prices might topple a few major economies into recession in 2023. We are halfway past 2023 and, while the world is still in the woods, the probability of a recession this year has trimmed. Labor markets in several advanced countries remain tight, while the largest economy, the United States, is seeing a rebound in consumer confidence and spending. Risk spreads are declining on both sides of the Atlantic after the recent banking crisis in the United States.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.



India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023- 24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world.

Explaining the economic outlook factoring global rudiments, the slow down in global growth and economic output coupled with increased uncertainty is likely to dampen global trade growth. Strong domestic demand amidst high commodity prices will raise India's total import bill and contribute to unfavourable developments in the current account balance. These may be exacerbated by plateauing export growth on account of slackening global demand. Should the current account deficit widen further, the currency may come under depreciation pressure. Also, entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterised by low growth in FY24.

### **C. Indian Textile Industry:**

In the fiscal year 2023-24, exports amounted to \$34.4 billion, marking a decline of over \$1 billion (3%) compared to the previous fiscal year. Additionally, exports saw a significant drop of 16.3% compared to the fiscal year 2021-22, when the country reported exports worth \$41 billion, the TOI report stated.

Within the textile sector, the segment encompassing cotton yarn, fabrics, made-ups, and handloom products witnessed a notable year-on-year increase in exports by \$740 million in 2023-24 over the previous year, attributed to a surge in cotton yarn exports. According to data from the Niryat portal of the Union Ministry of Commerce and Industry, North America led total textile exports at \$11 billion, followed by Europe at \$10 billion, and West Asia and North African countries at \$4 billion.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

#### **D. Outlook:**

During the reporting period, We must focus more on offering new products meeting customer retail price points. We experienced an increase in sales volume, leading to a rise in revenue from this segment. The steady demand for quality yarn products in the domestic market contributed to our success. Further geographic presence will be increased, and new markets will be explored.

#### **E. Industry structure and development:**

The domestic apparel & textile industry in India contributes approx. 2.3 % to the country's GDP, 13% to industrial production and 12% to exports. India has a 4% share of the global trade in textiles and apparel.

India is one of the largest producers of cotton and jute in the world. India is also the 2<sup>nd</sup> largest producer of silk in the world and 95% of the world's hand-woven fabric comes from India. Total textile exports are expected to reach \$65 Bn by FY26 and is expected to grow at 10% CAGR from 2019-20 to reach \$190 Bn by 2025-26.

The textiles and apparel industry in India is the 2<sup>nd</sup> largest employer in the country providing direct employment to 45 Mn people and 100 Mn people in allied industries.

India has also become the second-largest manufacturer of PPE in the world. More than 600 companies in India are certified to produce PPEs today, whose global market worth is expected to be over \$92.5 Bn by 2025, up from \$52.7 Bn in 2019.

#### **F. Opportunities and Threats:**

##### **Opportunities:**

- Favourable government initiatives such as the National Technical Textiles Mission (NTTM), 100% FDI in the sector, SAMARTH- Scheme for Capacity Building in the Textile Sector, etc. for the development of the textile industry.
- 'China plus one' diversification policy will benefit Indian manufacturers. As global retailers are looking for an alternate supply base, India has greater appeal as an attractive option for manufacturing and exports of textiles and apparels.
- The growth of the technical textile market will create lucrative opportunities.
- The rapid growth of the retail sector and E-commerce will boost the growth of the textile and apparel industry.
- Rising disposable income will stimulate domestic demand.
- The growing popularity of 'fast fashion' products will contribute to the growth of the textile and apparel industry.
- Established relationship with various brands, customers and employees.



#### **Threats:**

- **Market Competition:** The domestic trading market for yarn is highly competitive, with several players vying for market share. We continuously monitor competitor activities and adjust our strategies to maintain a competitive edge.
- **Raw Material Costs:** Fluctuations in raw material prices can impact our profitability. We actively manage our procurement process and explore alternative suppliers to mitigate the risk of sudden price increases.
- **Regulatory Changes:** Changes in trade policies, tariffs, or regulations related to the yarn industry can affect our export operations. We closely monitor such developments and adapt our business practices accordingly.
- **Economic Factors:** Economic conditions, both domestically and internationally, can impact the demand for yarn products. We assess economic trends and adjust our production and pricing strategies to optimize performance.

#### **G. Segment-wise or Product-wise performance:**

The Company is operating in only one segment i.e. trading in retail products. Therefore, there is no requirement of Segment wise reporting.

#### **H. Future Outlook:**

Looking ahead, We will focus on the following strategies to sustain growth and capitalize on emerging opportunities:

- Technological advancements
- Sustainability and eco-friendly practices
- Global trade and geopolitical factors
- Online Expansion
- Premiumisation and access to global brands
- Further Growth of Private Brands
- Focus on analytics

#### **I. Risks and concerns:**

Management recognizes the following principal risks that may influence decisions made by investors given their significant impact on business conditions as stated in the securities report, and among matters pertaining to accounting status, consolidated companies' financial status and business performance, as well as cash flows. Our risk management system addresses the increasingly complex risks that we face in our day-to-day operations. The risk management system conducts risk analysis of economic and social changes and implements preventive measures that are best suit for the Company.



**J. Internal control systems and their adequacy:**

The company has implemented proper system for safeguarding the operations/business of the company, through which the assets are verified and frauds, errors are reduced and accounts, information connected to it are maintained such, so as to timely completion of the statements.

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. The company has internal audit and verification at regular intervals.

The requirement of having internal auditor compulsory by statute in case of listed and other classes of companies as prescribed shall further strengthen the internal control measures of company.

**H. Discussion on financial performance with respect to operational performance:**

The financial performance of the Company for the Financial Year 2023-24 is described in the Directors' Report of the Company.

**I. Material developments in Human Resources / Industrial Relations front including number of people employed:**

The cordial employer - employee relationship also continued during the year under the review. The Company has continued to give special attention to human resources.

**J. Caution Statement:**

Statements made in the Management Discussion and Analysis describing the various parts may be "forward looking statement" within the meaning of applicable securities laws and regulations. The actual results may differ from those expectations depending upon the economic conditions, changes in Govt. Regulations and amendments in tax laws and other internal and external factors.

**Registered Office:**

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

**By the Order of the Board of  
7NR Retail Limited**

**Place: Ahmedabad  
Date: 5<sup>th</sup> August, 2024**

**Sd/-  
Avantinath Raval  
Director  
DIN: 07686783**

**Sd/-  
Tarachand Agrawal  
Managing Director  
DIN: 00465635**

## MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE Limited ('BSE'). The Rights Equity Shares will be listed on the Stock Exchange pursuant to this Issue. For further details, please see "*Terms of the Issue*" on page no. 150 of this Letter of Offer. We have received In-principle approval for the Rights Equity Shares to be issued on the Stock Exchange, from BSE Limited ('BSE') vide letter dated [•]. Our Company will also make application to BSE Limited ('BSE') to obtain the trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

**For the purpose of this section, unless otherwise specified:**

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case maybe;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity shares, for the year, the month, or the week, as the case may be; and
4. In case of two days with the same high/ low/ closing price, the date with higher volume has been considered.

### Stock Market Data of the Equity Shares

- a) The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE Limited ('BSE') during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded:

Year	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)	Average price for the year (Rs.)
2022	17.65	23.55	0.81	0.86	35,87,67,266	1,54,057	71,08,33,993	0.86
2023	0.88	1.04	0.44	0.63	38,23,79,491	1,76,745	24,95,22,052	0.63
2024	0.64	10.17	0.63	4.97	9,43,35,364	88,783	20,24,67,515	4.97

- b) Monthly high and low prices for the six months preceding the date of filing this Letter of Offer with BSE Limited ('BSE'):

Month	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)	Average price for the month (Rs.)
February, 2025	4.60	4.94	3.97	4.11	5,62,174	2,710	24,66,055	4.11
January, 2025	5.00	5.32	4.47	4.62	6,09,500	3,656	29,54,254	4.62
December, 2024	6.67	6.67	4.83	4.97	13,09,061	4,555	73,82,694	4.97
November, 2024	5.63	6.55	5.02	6.54	8,30,110	3,850	47,63,050	6.54
October, 2024	5.83	6.09	4.96	5.48	10,13,045	4,560	55,63,156	5.48
September, 2024	7.10	7.15	5.62	5.83	10,49,225	5,299	65,67,600	5.83

- c) **Total number of days of trading during the preceding six months:** Total Number of days traded during 01/09/2024 to 28/02/2025 on BSE Limited are 127 days.
- d) **Market price of Equity shares immediately after the date on which the resolution of the Board of Directors approving the Issue:** The closing market price of the Equity Shares of the Company on BSE Limited ('BSE'), as on 31<sup>st</sup> March, 2025 (being a day immediately after the date on which resolution of Board of Directors was passed for approving Rights issue) was Rs. [•].

The Issue Price is Rs. [•] per Rights Equity Share and has been arrived at by our Company prior to the determination of the Record Date [•]

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company is involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions pending before various authorities. Except as disclosed below, there is 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; and (v) other litigation involving our Company, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) or is otherwise material in terms of the Materiality Policy. For the purpose of (v) above, as per the materiality policy in accordance with our Company's 'Policy on determination of materiality of events' framed in accordance with Regulation 30 of the SEBI Listing Regulations, the materiality threshold considered for disclosure of pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position if the aggregate monetary claim made by or against the Relevant Parties, in any pending civil litigation proceeding exceeds the lower of the following: (a) two percent of turnover, as per the last Audited Financial Statements of the listed entity; (b) two percent of net worth, as per the last Audited Financial Statements of the listed entity, except in case the arithmetic value of the net worth is negative; (c) five percent of the average of absolute value of profit or loss after tax, as per the last three Audited Financial Statements of the listed entity shall be considered material and will be disclosed in the Offer Documents. 2% of turnover as per the Audited Financial Statements amounts to ₹ [●] lakhs. Accordingly, all outstanding civil litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation proceeding is in excess of ₹ [●] lakhs shall be considered material for the purposes of disclosure in this section of this Draft Letter of Offer ("Materiality Threshold").

## A. LITIGATION INVOLVING THE COMPANY

## Litigations involving our Company

- **Material criminal proceedings filed against our Company**

<b>1.</b>	
<b>Case No</b>	WP (Criminal) /1489/2021
<b>Complainant</b>	Siddhav Mohan Nachane And Anr, Ulhas Rasam
<b>Accused</b>	1) Union Of India And Ors. 2) The State Of Maharashtra, 3) Securities And Exchange Board Of India (Sebi), 4) National Stock Exchange Of India Ltd. (Nse), 5) Bse Ltd., 6) Agro Phos (India) Limited, 7) Mauria Udyog Limited, 8) 7NR Retails Limited, 9) Darjeeling Ropeway Company Ltd., 10) Zerodha, 11) Godaddy India Web Services Pvt. Ltd., 12) Smart Technology Through Mr. Saurabh Tyagi, 13) Kiri Infotech Pvt. Ltd. Through Mr. Aniket Goyal, 14) K G Digital Solution Through Mrs. Avani Hemal Bavishi
<b>Court/Authority</b>	Bombay High Court (Appellate Side)
<b>Case Details</b>	The Company has not receive any Petition Copy.
<b>Case Status</b>	Pending
<b>Amount Involved</b>	[●]
<b>Next Date</b>	28 <sup>th</sup> April, 2025
<b>Case Stage</b>	DUE ADMISSION - 1

<b>2.</b>	
<b>Case No</b>	WP (Criminal) /1344/2021
<b>Complainant</b>	1) Sonali Sachin Patil And Ors, 2) Sonali Katyare, 3) Dattatraya Baliram Survase, 4) Amod Goel, 5) Husnapari Yashin Nadaf, 6) Chandrakant Dilip Desai
<b>Accused</b>	1) Union Of India And Ors, 2) The State Of Maharashtra 3) Securities And Exchange Board Of India (Sebi), 4) National Stock Exchange Of India Ltd (Nse), 5) Bse Ltd, 6) Agro Phos (India ) Ltd., 7) Mauria Udyog Limited, 8) 7nr Retail Limited, 9) Darjeeling Ropeway Company Ltd., 10) Zebrotha, 11) Godaddy India Web Serivces Pvt Ltd, 12) Smart Technology, 13) Kiri Infotech Pvt Ltd., 14) K.G. Digital Solution
<b>Court/Authority</b>	Bombay High Court (Appellate Side)
<b>Case Details</b>	The Company has not received any Petition Copy.

<b>Case Status</b>	Pending
<b>Amount Involved</b>	N/A
<b>Next Date</b>	28 <sup>th</sup> April, 2025
<b>Case Stage</b>	DUE ADMISSION - 1

<b>3.</b>	
<b>Case No</b>	WP (Criminal) /1561/2021
<b>Complainant</b>	1) Subhash Bhimrao Bhopi And Anr, 2) Sachin Gopalrao Gokhale
<b>Accused</b>	1) Union Of India And Ors, 2) The State Of Maharashtra 3) Securities And Exchange Board Of India (SEBI), 4) National Stock Exchange Of India Ltd (NSE), 5) BSE Ltd, 6) Agro Phos (India ) Ltd., 7) Mauria Udyog Limited, 8) 7nr Retail Limited, 9) Darjeeling Ropeway Company Ltd., 10) Zebrodha, 11) Godaddy India Web Serivces Pvt Ltd, 12) Smart Technology, 13) Kiri Infotech Pvt Ltd., 14) K.G. Digital Solution.
<b>Court/Authority</b>	Bombay High Court (Appellate Side)
<b>Case Details</b>	The Company has not received any Petition Copy.
<b>Case Status</b>	Pending
<b>Amount Involved</b>	N/A
<b>Next Date</b>	28 <sup>th</sup> April, 2025
<b>Case Stage</b>	DUE ADMISSION - 1

Nil

- Proceedings involving material violations of statutory regulations by our Company***

(a) The Company had been imposed a fine of Rs.3,71,700/- on 30<sup>th</sup> September, 2020 for not submitting Corporate Governance Report U/s 17(1) of SEBI (LODR) Regulations, 2015, for the quarter ended 30<sup>th</sup> September, 2020. The Company had duly made the payment on [●].

- Economic offences where proceedings have been initiated against our Company***

Nil

- Other proceedings involving our Company and our Subsidiaries which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company and our Subsidiaries.***

Nil

***Legal Proceedings involving our Company***

- Material civil proceedings filed against our Company***

<b>1.</b>	
<b>Case No</b>	S.C.C./423/2022
<b>Petitioner</b>	M/s. Gini and Jony Limited.
<b>Respondent</b>	1) 7 NR Retail Ltd., 2) Tarachand Gangasahay Agrawal, 3) Pratapsingh Bhoorsingh Zala, 4) Avantinath Anilkumar Raval, 5) Pranav Manoj Vajani, 6) Ziral Pankajkumar Soni, 7) Jitendra Pradipbhai Parmar, 8) Pradeepsingh Shekhawat, 9) Prachi, 10) Pinal Kanchanlal Shah.
<b>Court/Authority</b>	4-Civil Judge Junior Division, Daman
<b>Case Details</b>	Company has not received any Petition Copy.
<b>Case Status</b>	Pending
<b>Amount Involved</b>	Unknown
<b>Next Date</b>	3 <sup>rd</sup> April, 2025
<b>Case Stage</b>	Argument On Exh____(Ready)

- ***Material civil proceedings filed by our Company:***

Nil

- ***Material Income Tax Proceedings***

(a) For the Assessment Year 2018-19, a demand was raised against the Company under Section 147 of The Income Tax Act 1961. The demand, dated 20th March 2024, amounted to Rs.3,34,371, which includes an outstanding demand of Rs.3,11,257 and accrued interest of Rs. 23,114. This demand was issued with reference number 2023201837005809745C. As of now, the matter remains pending.

(b) For the Assessment Year 2019-20, two separate demands were raised against the Company. The first demand, under Section 147 of The Income Tax Act 1961, was issued on 30th March 2024 for an amount of Rs.18,31,979, with demand reference number 2023201937006260420C. Aggrieved by this demand, the assessee filed an appeal to the Joint Commissioner (Appeals) on 26th June 2023, with Acknowledgement No. 179531830180424 and Appeal No. 298669100260623. This appeal pertains to several show-cause notices issued against the assessee for alleged unaccounted cash, numerous units of real-estate groups, and voluminous physical documents discovered during a search and seizure by the Department. The assessee had previously responded, arguing that an addition of Rs. 11,00,500 should be removed from the demand, supported by all required documents. This matter is still pending.

The second demand for the same assessment year, under Section 115(O) of The Income Tax Act 1961, was also raised on 30th March 2024 for Rs.1,19,138, with demand reference number 2023201937006260416C. This matter, too, remains pending.

(C) For the Assessment Year 2022-23, a demand was raised against the Company under Section 154 of The Income Tax Act 1961, dated 8th August 2023, this demand amounted to Rs.10,045, comprising an outstanding demand of Rs. 8,740 and accrued interest of Rs.1,305, with demand reference number 2023202237183151485C. The matter is still pending as of now.

- ***Material TDS outstanding***

- A demand was raised against the company for the financial year 2013-14 for an amount involving Rs.1,290.
- A demand was raised against the company for the financial year 2015-16 for an amount involving Rs.13,900.
- A demand was raised against the company for the financial year 2017-18 for an amount involving Rs.9,760.
- A demand was raised against the company for the financial year 2019-20 for an amount involving Rs.910.
- A demand was raised against the company for the financial year 2020-21 for an amount involving Rs.1,890.
- A demand was raised against the company for the financial year 2021-22 for an amount involving Rs.62,140.

- ***Material Indirect Tax Proceedings***

(a) On 3rd February 2025, a demand was raised against the Company with Demand ID ZD240225004892O, pertaining to material indirect tax proceedings. The demand amounts to Rs.48,28,392, comprising Rs.24,14,196 under Central Tax and an equal amount of Rs.24,14,196 under State/UT Tax, with no Integrated Tax involved. This demand was issued vide Order No. WS04/45/AC/BPP/24-25, dated 13th January 2025, by the Assistant Commissioner, Ghatak (Ahmedabad), for the financial year 2017-18. The demand alleges that the Company availed or passed on fake or fraudulent Input Tax Credit (ITC) from a fake or non-existent firm, under Section 74 of the GST Act, 2017. As of now, the matter remains pending.

- ***Material civil proceedings filed against our Subsidiaries:***

Nil.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Letter of Offer) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Letter of Offer.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business

For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled '**Key Industries Regulations and Policies**' on page no. 74 of this Letter of Offer.

### A. APPROVALS FOR THE ISSUE

#### Corporate Approvals

1. The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on 29<sup>th</sup> March, 2025 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the issue details such as price, number of shares, ratio etc. has been finalized and approved by the Board of Directors in their meeting held on [●].
2. Our Company has received an in-principle approval from BSE dated [●] for Equity Shares issued pursuant to the Rights Issue.
3. Our Company's ISIN is "INE413X01035".

### B. APPROVALS/ LICENSES/ PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS:

SL NO.	Name of Registration	Registration No	Applicable Law	Issuing Authority	Date of Issue	Validity
1.	Certificate of Incorporation as '7NR Retail Private Limited'	U52320GJ2012PTC073076	Companies Act, 1956	Registrar of Companies, Gujarat, Dadra and Nagar Havelli	21 <sup>st</sup> December, 2012	Perpetual
2.	Fresh Certificate of Incorporation as '7NR Retails Limited'	U52320GJ2012PLC073076	Companies Act, 2013	Registrar of Companies, Ahmedabad	22 <sup>nd</sup> March, 2017	Perpetual


### C. TAXATION RELATED APPROVALS:

SL NO.	Name of Registration	Registration No.	Applicable Law	Issuing Authority	Date of Issue	Validity
1.	Permanent Account Number (PAN)	AAACZ6298A	Income Tax Act, 1961	Income Tax Department, Government of India	August 07, 2018	Perpetual

2.	TAN (Tax Deduction Account Number)	AHMN05496B	Income Tax Act 1961	Income Tax Department, Government of India	Not Traceable	Perpetual
3.	Registration under Goods & Service Tax (GST)	24AAACZ6298 A1ZB	Good and Service Tax Act, 2017	Central Board of Indirect Taxes and Customs	July 01, 2017	Perpetual

#### **D. INTELLECTUAL PROPERTY RIGHTS:**

- **Trademark:**

SL NO.	Trademark Type	Class	Registration No.	Application / Registration No. & Date	Valid up to	Status
1.		35*	3527495	21/12/2017	18/04/2027	Registered

**Note:** \* [CLASS: 35] RETAIL AND WHOLESALE TRADING OF READY-MADE GARMENTS AND OTHER TEXTILE PRODUCTS.

**Authority for this Issue**

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on 29<sup>th</sup> March, 2025 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the issue details such as price, number of shares, ratio etc. has been finalized and approved by the Board of Directors in their meeting held on [•].

Our Board in consultation with the Rights Issue Committee in its meeting held on [•] has approved the issue of [•] fully paid-up Equity Shares to the Eligible Equity Shareholders on Rights Issue basis having face value of Rs. 10.00/- each at Rs. [•] per Equity Share (including share premium of Rs. [•] per share), in the ratio of [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares as held by Eligible Equity Shareholders on the Record Date i.e. [•]. The Issue Price of Rs. [•] per Equity Share has been arrived at prior to determination of the Record Date i.e. [•].

This Letter of Offer has been approved by our Board pursuant to their resolution dated [•].

Our Company have received “In-Principle Approval” from BSE Limited vide its letter dated [•], in accordance with Regulation 28(1) of the SEBI Listing Regulations for the Rights Equity Shares to be allotted in this Issue. Our Company will make application to BSE Limited to obtain its listing and trading approvals 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*” on page no. 150 of the Letter of Offer.

**Association of our Directors with Securities Market**

We confirm that none of our Director(s), Promoter(s) or Promoter Group are associated with the Securities Market in any manner except for trading on day to day basis for the purpose of investment.

**Prohibition by SEBI and other Governmental Authorities**

Our Company, our Promoter, our Directors 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 Letter of Offer.

Neither our Promoters, nor any of our Director(s) or persons in control of our Company were or are a Promoter, Director or person in control of any other Company which is debarred from accessing the Capital Market under any order or directions made by the SEBI or any Securities Market Regulator in any other jurisdiction or any other authority/ court. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

None of our Directors or Promoter is associated with the Securities Market in any manner.

Neither our Promoters 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**

Neither our Company, nor our Promoter, and Directors have 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. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

**Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoter 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 incorporated under the Indian Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited ('BSE'). Our Company undertakes to make an application to BSE Limited ('BSE') for listing of the Rights Equity Shares to be issued pursuant to this 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 Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the website of stock exchange(s); 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 Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

### **Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations, 2018**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, 2018 to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, 2018, our Company undertakes to make an application to the Stock Exchange and has received the "In-Principle Approval" vide its letter dated [•], for Rights Equity Shares to be issued pursuant to this Issue. BSE Limited ('BSE') is the Designated Stock Exchange for this Issue.

### **Disclaimer clause of SEBI**

This Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakhs, however this Letter of Offer will be filed with SEBI for information and dissemination purpose.

### **Disclaimer from our Company and our Directors**

Our Company accept no responsibility for statements made otherwise in the Letter of Offer or in any advertisement or other material issued by our Company or by any other person at the instance of our Company anyone placing reliance on any other source of information would be doing so at his/ her own risk.

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

### **Disclaimer in respect of Jurisdiction**

This Letter of Offer has been prepared under the provisions of Indian law 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.

### **Disclaimer clause of BSE**

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

BSE Limited (“the Exchange”) has given, vide its letter reference no. [●] dated [●] permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this 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:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- (ii) Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- (iii) 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 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 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.

#### **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is BSE Limited (‘BSE’).

#### **Listing**

Our Company will apply to BSE Limited for final approval of listing and trading of the Rights Equity Shares subsequent to its 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.

#### **Selling Restrictions**

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE’s shall be issued to eligible equity shareholders as on the Record date i.e. [●].**

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this Letter of Offer will be dispatched to the eligible equity shareholders as on the Record date i.e. [●].**

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons in to whose possession this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and serve such restrictions. Our Company is making this Issue on a rights basis to the Eligible Public Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with BSE and will be submitted to SEBI for information and dissemination.



Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this 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 LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE 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, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR IN TO THE UNITED STATES AT ANYTIME.

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, 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 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 in fringe 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 Regulation S 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, HONG KONG, 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 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 THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR IN TO ANY OTHER JURISDICTION AT ANYTIME.

## **Consents**

Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Legal Advisors to the Issue, Statutory Auditor of the Company, Bankers to the Company, Registrar to the Company & the Issue and the Bankers to the Issue to include their names in this Letter of Offer and to act in their respective capacities.

## **Expert Opinion**

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

## **Performance vis-a-vis objects – Public/ Rights Issue of our Company**

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer.

## **Performance vis-a-vis objects–last issue of listed Subsidiaries or Associates**

As of the date of this Letter of Offer, our Company does not have any Subsidiary or Associate Company.

## **Stock Market data of the Equity shares**

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchange, please refer to the chapter titled “**Market Price Information**” on page no. 138 of this Letter of Offer.

## **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 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 Letter of Offer has been filed with BSE and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with BSE.

As on the date of this Letter of Offer, there were no outstanding Investor complaints. As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 15 (Fifteen) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

## **Mechanism for redressal of Investor grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI LODR 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. **Cameo Corporate Services Limited is our Registrar and Share Transfer Agent.** 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.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-issue or post-issue related matter. All grievances relating to the ASBA 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 Equity Shares applied for, amount blocked (in case of ASBA 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). For details on the ASBA process, see “*Terms of the Issue*” on page no. 150 of this Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Investor Grievances arising out of this Issue Investors may contact the Registrar to the Issue at:

**REGISTRAR TO THE ISSUE**

**CAMEO CORPORATE SERVICES LIMITED**

Subramanian Building, No. 1 Club House Road, Chennai - 600 002, Tamil Nadu

**Tel:** +91-4440020700

**Email:** [rights@cameoindia.com](mailto:rights@cameoindia.com)

**Investor Grievance Email id:** [investor@cameoindia.com](mailto:investor@cameoindia.com)

**Website:** <https://cameoindia.com/>

**Contact Person:** Ms. K. Sreepriya

**SEBI Registration No:** INR000003753

**CIN:** U67120TN1998PLC041613

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. Purvi Agrawal is a Company Secretary and Compliance Officer of the Company.

## 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 facility.*

*This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in 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 of our Company, the provisions of the Companies Act, 2013, the FEMA along with 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 Agreement entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.*

**IMPORTANT:****1. Dispatch and Availability of Issue Materials**

In accordance with the SEBI ICDR Regulations, SEBI circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 (“**SEBI Rights Issue Circulars**”), our Company will send, only through email, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material to the email addresses of all the Eligible Equity Shareholders who have provided their email address to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email addresses to our Company. In case email address of any Eligible Equity Shareholder is not available, our Company will make reasonable efforts to dispatch the Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form only to the Indian address, if provided, of such Eligible Equity Shareholder.

Shareholders can 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 Equity Shares under applicable laws) on the websites of:

- (i) Our Company at <https://www.7nrretailtd.in>;
- (ii) The Registrar to the Issue at <https://cameoindia.com>;
- (iii) The Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (i.e., <https://cameoindia.com>) by entering their DP ID and Client ID or Folio Number (in case of 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>).

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders.

**Please note that neither our Company nor the Registrar to the Issue 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 Exchange. 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).

## **2. Facilities for Application in this Issue:**

In accordance with Regulation 76 of the SEBI ICDR Regulations, 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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 (Collectively hereafter referred to as “**SEBI Rights Issue Circulars**”) and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “**ASBA Circulars**”), all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 our Company will make use of advertisements etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.



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 the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue on the 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, refer ***“Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders”*** on page no. 166 of this Letter of Offer.

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, 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.

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). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, refer ***“Grounds for Technical Rejection”*** on page no. 159 of this Letter of Offer. Our Company, the Registrar to the Issue 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, refer ***“Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process”*** on page no. 154 of this Letter of Offer.

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

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://cameoindia.com> and link of the same would also be available on the website of our Company at <https://www.7nrretailtd.in> Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein. 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.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar to the Issue or our Company at least two working days prior to the Issue closing date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***Terms of the Issue - “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on page nos. 156 and 175 respectively of this Letter of Offer.***

#### ***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&intmId=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 to the Issue 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.

#### ***Self-Certified Syndicate Banks***

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details, on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

#### ***Acceptance of this Issue***

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB or using the optional mechanism are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the ***“Application on Plain Paper under ASBA process”*** on page no. 154 of this Letter of Offer.

***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.
- h) Ensure that your PAN is linked with Aadhar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

***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 to the Issue, 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.
- e) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

***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 to the Issue and Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing 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.

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 Shareholders 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. 10.00/- 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) Authorization 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 understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”).*

*I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States.”*

*“I/ we understand the offering to which this application 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 said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.”*

*“I/ We will not offer, sell or otherwise transfer any of the 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 investors 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 Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulations or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.”*

*“I/We acknowledge that the Company, their 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 an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investors. The plain paper Application form at will be available on the website of the Registrar to the Issue at <https://cameoindia.com>.

Our Company and the Registrar to the Issue shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholder's 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 i.e. [•] and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue or our Company in the manner provided on the website of the Registrar to the Issue at <https://cameoindia.com> at least two working days prior to the Issue Closing Date i.e. [•], to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date i.e. [•]. They may also communicate with the Registrar with the help of the helpline number at +91-44-40020710/0706/0741 and their email address at [rights@cameoindia.com](mailto:rights@cameoindia.com).

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 to the Issue, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, i.e. [•], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***Section Terms of the Issue - "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on page nos. 156 and 175 respectively of this Letter of Offer.***

***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date i.e. [•] 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 along with 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 i.e. [•].
- 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 i.e. [•].
- c. The Eligible Equity Shareholders can access the Application Form from:
  - the website of the Registrar to the Issue at <https://cameoindia.com>;
  - our Company at <https://www.7nrretailtd.in/>; and
  - the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

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



The Eligible Equity Shareholders shall who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar to the Issue or our Company at least two working days prior to the Issue Closing Date i.e. [•], may apply in this Issue during the Issue Period, on or before the Issue Closing Date i.e. [•]. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN and Client Master List, for verification of their application. Further, such resident Eligible Equity Shareholder can:

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

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. [•] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, refer “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page no. 175 of this Letter of Offer.

#### ***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*” on page no. 174 of this Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements in full or part, cannot apply for additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.**

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation/ Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation/ Off Market Renunciation, please refer to the heading titled “*Procedure for Application through the ASBA process*” on page no. 153 of this Letter of Offer.

#### ***General instructions for Investors***

- (a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. [•], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in *Section Terms of the Issue - “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* and “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page nos. 156 and 175 respectively of this Letter of Offer.

- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility.
- (f) 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 the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the “***Application on Plain Paper under ASBA process***” page no. 154 of this Letter of Offer.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (j) Applications should be 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, please note that on the Issue Closing Date i.e. [•], Applications through ASBA process will be uploaded until 5.00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- (k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (m) 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 Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (o) 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 Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (p) 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.
- (q) All communication in connection with Application for the Rights Equity Shares, including any change in address 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 numbers/ DP ID and Client ID

and Application Form number, as applicable. In case of any change in address 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.

- (r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

***Do's:***

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) 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.
- (d) Investors should provide correct DP ID and client ID/ folio number 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. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

***Don'ts:***

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to the Registrar, Escrow Collection Banks (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 or our Company.

- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) 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).
- (j) 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.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor 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 Investor to subscribe to their Rights Entitlements.
- (p) 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.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Applicants holding physical shares not submitting the documents.
- (s) Application from investors who do not hold Rights Entitlement (REs) as on issue closing date in the demat account from which application is submitted.
- (t) Applications supported by amounts blocked from a third-party bank account.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE I.E. [•]. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION

FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number 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. Hence, Investors 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 Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/ or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email 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 Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor 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 Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

#### ***Applications by non-resident Shareholders***

Payment from third party bank accounts.

#### ***Multiple Applications***

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "***Investment by Mutual Funds***" on page no. 164 of this Letter of Offer.

In cases where multiple Applications are submitted including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "***Capital Structure***" on page no. 43 of this Letter of Offer.

No separate Application Forms for Rights Equity Shares in physical and/ or dematerialized form should be made. If such Application Forms are made, the Application Forms for Rights Equity Shares in physical form the Equity Shares will be treated as multiple Application Forms and is liable to be rejected.

#### ***Authority for the Issue***

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on 29<sup>th</sup> March, 2025 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. Further, the issue details such as price, number of shares, ratio etc. has been finalized and approved by the Board of Directors in their meeting held on [•].

Our Board in consultation with the Rights Issue Committee in its meeting held on [•] has approved the issue upto [•] Equity Shares to the Eligible Equity Shareholders on Right Issue basis having face value of Rs. [•] each at Rs. [•] per Equity Share (including share premium of Rs. [•] per equity share), in the ratio of [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares as held by Eligible Equity Shareholders on the Record Date i.e. [•]. The Issue Price of [•] per Equity Share has been arrived at prior to determination of the Record Date i.e. [•].



Our Company has received “In-principle approval” from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for the Rights Equity Shares to be allotted in the Issue pursuant to letter dated [•]. Our Company will make application to BSE Limited to obtain its listing and 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*” on page no. 150 of the Letter of Offer.

**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 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 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 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/ centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e. any investment which would result in the investors 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.

## 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 and also from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

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.

**NRI can make application in Rights Issue only through ASBA mode. In addition, NRI who is applying in the Rights Issue shall provide their Indian Postal Address to our Company on [info@7nrretailtd.in](mailto:info@7nrretailtd.in) or to RTA on <https://cameoindia.com> through email or through any mode through courier/ registered post. The details of Indian Postal Address should be supported with Utility Bill, Aadhar Card, Bank Statement revealing the Indian Address prior to closing of Rights Issue i.e. [●].**

## 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.

## Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 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 Exchange and the Application Money is not blocked with the SCSB 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" on page no. 174 of this Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and 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**

An investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no investors applying through ASBA 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. 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 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 investors within a period 15 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.

### **Rights Entitlements**

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form at <https://cameoindia.com>. The link for the same shall also be available on the website of our Company at <https://www.7nrretailtd.in>. Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to communicate with the Registrar to the Issue in the manner provided on their website i.e. <https://cameoindia.com>. They may also communicate with the Registrar to the Issue with the help of the helpline number at +91-44-40020710/ 0706/ 0741 and their email address is [rights@cameoindia.com](mailto:rights@cameoindia.com).

Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. [●].

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE's shall be issued to eligible equity shareholders as on the Record date i.e. [●].**

**In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatch to the eligible equity shareholders as on the Record date i.e. [●].**

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an email address 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.

The Letter of Offer will be provided, only through email, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their email 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 a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar to the Issue and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights 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 the Letter of Offer will be filed with the Stock Exchange and submitted with SEBI for information and dissemination. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the 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 legal requirements applicable in such jurisdiction. Receipt of the 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 in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the 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 the 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 Rights Equity Shares or the Rights Entitlements, distribute or send the 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. If the 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 the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

#### ***CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS***

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 i.e. [●], 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 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) 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 (e) credit of the Rights Entitlements returned/ reversed/ failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings. Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two working days prior to the Issue Closing Date 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 the Company or the Registrar account is active to facilitate the aforementioned transfer.



## ***RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT***

### **Renouncees**

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, 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 Exchange or through an off-market transfer.

### ***Applications by Overseas Corporate Bodies***

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

### ***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 Exchange (**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/ Investors.***

#### **a) 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 Exchange 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 Exchange under ISIN [•] subject to requisite approvals. Prior to the Issue Opening Date, [•] our Company will obtain the approval from the Stock Exchange 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 Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Share. To clarify further, fractional entitlements are not eligible for trading.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [•] to [•] (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.

#### **b) 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 i.e. [•] 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 ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agree 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' 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 for 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 against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

#### **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:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

*Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their email address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, 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 a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at [rights@cameoindia.com](mailto:rights@cameoindia.com).*

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non - Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

#### ***BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE***

The Rights Equity Shares are being offered for subscription for cash 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 i.e. [●]. decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

#### **PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE**

##### ***Face Value***

Each Rights Equity Share will have the face value of Rs. 10.00/-. Per share.

### ***Issue Price***

Each Rights Equity Share is being offered at a price of Rs. [●] per Rights Equity Share, payable in full on Application, in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations. The Board of Directors at its meeting held on [●] has determined and approved the Issue Price.

### ***Rights Entitlement Ratio***

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share for every [●] Fully Paid-Up Equity Shares held on the Record Date i.e. [●]. The Board of Directors at its meeting held on [●] has determined and approved the Rights Entitlement Ratio.

### ***Rights of instrument holder***

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

### ***Terms of Payment***

Full amount of Rs. [●] per Equity Share shall be payable on Application.

### ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Shares for every [●] Fully Paid-up Equity Shares held by the eligible equity shareholders of our Company on the Record Date i.e. [●]. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

### ***Ranking***

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

### ***Mode of payment of dividend***

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

### ***Listing and trading of the Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approval, 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 BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approval 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: INE413X01035. 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 approval, 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 of intimation from the Stock Exchange, 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 the subscription by our Promoters and Promoter Group, see “*Capital Structure*” on page no. 43 of this Letter of Offer.

#### **Compliance with SEBI (ICDR) Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### ***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;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; 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. To clarify further, fractional entitlements are not eligible for trading.

##### ***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 joint holders 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 joint holders (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. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

**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 market lot of Rights Entitlements shall be One Equity Share.

### ***New Financial Instruments***

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

### ***Restrictions on transfer and transmission of shares and on their consolidation/ splitting***

There are no restrictions on transfer and transmission and on their consolidation/ splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

### ***Notices***

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email 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 a request in this regard.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All statutory notices, required by applicable laws, to the Eligible Equity Shareholders required to be given by our Company shall be published in one (1) English language national daily newspaper with wide circulation, one (1) Hindi language national daily newspaper with wide circulation and one (1) Gujarati (Regional) daily newspaper with wide circulation at the place where our Registered Office is situated.

### ***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 [rights@cameoindia.com](mailto:rights@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 approval.

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 Exchange. 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 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 [rights@cameoindia.com](mailto:rights@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” ON PAGE NO. 174 OF THIS LETTER OF OFFER**

### **Underwriting**

The Issue is not underwritten.

### **Issue Schedule**

Last date for credit of Rights entitlements	[•]
Issue opening date	[•]
Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlements <sup>#</sup>	[•]
Issue Closing Date <sup>*</sup>	[•]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of Credit (on or about)	[•]
Date of Listing (on or about)	[•]

<sup>#</sup>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.

<sup>\*</sup>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.

<sup>\*\*</sup>Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date *i.e.*, [•], 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.*, [•], 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, *i.e.*, [•].

### ***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.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

### ***ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS***

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights 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 unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date i.e. [•] In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date i.e. [•]

The letter of allotment or refund order would be sent by permitted mode i.e. email, registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

**Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner.**

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e., [•], have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. [•], the Registrar shall reject the application and will refund the application amount.

***PAYMENT OF REFUND***

**Mode of making refunds**

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

***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 centers 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 centers 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 Investors bank receiving the credit would be borne by the Investors.

For all other Investors, 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 Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

## **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## **Printing of Bank Particulars on Refund Orders**

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

## **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 or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) 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, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/ REVERSED/ FAILED.**

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.

***INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE 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 Rights 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.



- vi) 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.
- vii) 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.
- viii) Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure

**Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in Section Terms of the Issue - "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form" on page nos. 156 and 175 respectively of this Letter of Offer.**

### **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 ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten 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 up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

### **UTILISATION OF ISSUE PROCEEDS**

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- (a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 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.

- (e) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (j) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

### **Minimum subscription**

In accordance with Regulation 86 of the SEBI ICDR Regulations, for this Issue the minimum subscription which is required to be achieved is of at least 90% of the Issue. Our Company does not fall under the exemption to Regulation 86(1) which has been inserted by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue closing date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are "officers in defaults" shall pay interest at 15% per annum for the delayed period.

### **Withdrawal of the Issue**

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within 2 (Two) working days of the Issue Closing Date i.e. [•] or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1(One) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **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. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" on page no. 25 of this Letter of Offer.

2. All enquiries in connection with the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP 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 to the Registrar at the following address:

**Email id:** [rights@cameoindia.com](mailto:rights@cameoindia.com)

**Registered Address:** Subramanian Building, No. 1 Club House Road, Chennai - 600 002, Tamil Nadu

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Investors helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at <https://cameoindia.com> Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is at +91-44-40020700/ 0706/ 0741.
4. The Shareholders can visit following links for the below-mentioned purposes:
- Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: <https://cameoindia.com>.
  - Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar at [rights@cameoindia.com](mailto:rights@cameoindia.com) or our Company at [info@7nrretailltd.in](mailto:info@7nrretailltd.in).
  - Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [rights@cameoindia.com](mailto:rights@cameoindia.com).
  - Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: [rights@cameoindia.com](mailto:rights@cameoindia.com).

This Issue will remain open for a minimum [•] 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).

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.

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 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.

**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available at the registered office of the Company from the date of this Letter of Offer until the Issue Closing Date.

**A. MATERIAL CONTRACTS**

1. Registrar Agreement dated [•] entered into between our Company and the Registrar to the Issue.
2. Escrow Agreement dated [•] amongst our Company, the Registrar to the Issue and the Bankers to the Issue.
3. Tripartite Agreement dated 18<sup>th</sup> April, 2019 between our Company, NSDL and the Registrar to the Company.
4. Tripartite Agreement dated 20<sup>th</sup> April, 2017 between our Company, CSDL and the Registrar to the Company.

**B. DOCUMENTS FOR INSPECTION**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated 21<sup>st</sup> December, 2012 and Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company dated 22<sup>nd</sup> March, 2017.
3. Resolution of the Board of Directors dated 29<sup>th</sup> March, 2025 in relation to the Issue and Resolution of the Board of Directors dated [•] approving issue details like price, number of shares and ratio etc.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Legal Advisors to the Issue, Statutory Auditor of the Company, Bankers to the Company, Registrar to the Company & the Issue and the Bankers to the Issue to include their names in this Letter of Offer and to act in their respective capacities.
5. Annual Reports of the Company for the year ended on March 31, 2024, 2023, 2022, 2021 & 2020 and Unaudited Financial Results along with Limited Review Report for the quarter and nine months ended on 31<sup>st</sup> December, 2024.
6. Statement of Tax Benefits dated 29<sup>th</sup> March, 2025 from the Statutory Auditor included in this Letter of Offer.
7. In-principle approval dated [•] issued by BSE Limited.

Any of the contracts or documents mentioned in this 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, 2013 and other relevant statutes.



## SECTION XI - DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue and 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 Letter of Offer are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY**

**Sd/-**

Chetan Kumar Ojha  
(Managing Director)  
DIN: 09706197

**Sd/-**

Avantinath Anilkumar Raval  
(Non - Executive & Non - Independent Director and Chairman)  
DIN: 07686783

**Sd/-**

Pranav Manoj Vajani  
(Non - Executive and Independent Director)  
DIN: 09213749

**Sd/-**

Hiral Vinodbhai Patel  
(Non - Executive and Independent Director )  
DIN: 09719512

### **SIGNED BY THE KEY MANAGERIAL PERSONNEL(S) OF THE COMPANY**

**Sd/-**

Purvi Agrawal  
(Company Secretary and Compliance Officer)

**Sd/-**

Pradeepsingh Shekhawat  
(Chief Financial Officer)

**Date: [•]**

**Place: Ahmedabad**