



**7NR RETAIL LIMITED**

**10<sup>TH</sup> ANNUAL GENERAL MEETING**

**ANNUAL REPORT 2021-22**

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## COMPANY INFORMATION

<b>Board of Directors</b>	1. Mr. Tarachand Agrawal : Managing Director 2. Mr. Pratapsingh Zala : Non-Executive Director 3. Mr. Avantinath Raval : Non-Executive Director 4. Mr. Pranav Vajani : Independent Director 5. Ms. Ziral Soni : Independent Director 6. Mr. Jitendra Parmar : Independent Director
<b>Audit Committee</b>	1. Ms. Ziral Soni : Chairman 2. Mr. Pranav Vajani : Member 3. Mr. Avantinath Raval : Member
<b>Nomination and Remuneration Committee</b>	1. Mr. Pranav Vajani : Chairman 2. Ms. Ziral Soni : Member 3. Mr. Avantinath Raval : Member
<b>Stakeholders' Relationship Committee</b>	1. Mr. Pranav Vajani : Chairman 2. Mr. Avantinath Raval : Member 3. Mr. Tarachand Agrawal : Member
<b>Key Managerial Personnel</b>	1. Mr. Tarachand Agrawal : Managing Director 2. Mr. Pradeepsingh Shekhawat : Chief Financial Officer 3. Ms. Prachi Chobisa : Company Secretary
<b>Statutory Auditor</b>	M/s. J. S. Maheshwari & Co., Chartered Accountants, Ahmedabad
<b>Secretarial Auditor</b>	M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad
<b>Share Transfer Agent</b>	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu - 600 002
<b>Registered Office</b>	Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol, Ahmedabad - 382 405

## **NOTICE OF THE 10<sup>TH</sup> ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 10<sup>th</sup> Annual General Meeting of the Shareholders of **7NR Retail Limited** will be held on Wednesday, 28<sup>th</sup> September, 2022 at 4:00 P.M. through Video Conferencing (VC) / Other Audio Video Means (OAVM) to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2022 and Statement of Profit and Loss together with the notes forming part thereof and Cash Flow Statement for the financial year ended on that date, and the reports of the Board of Directors ("The Board") and Auditors thereon.
2. To appoint a Director in place of Mr. Avantinath Raval (DIN: 07686783), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT**, Mr. Avantinath Raval (DIN: 07686783), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

3. To appoint M/s. J S Maheshwari & Co., Chartered Accountants, (Firm Registration No. 001318C), as the Statutory Auditor of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, approval of the Members of the Company, be and is hereby accorded for the appointment of M/s. J S Maheshwari & Co., Chartered Accountants, (Firm Registration No. 001318C), as the Statutory Auditor of the Company to hold office for 4 years i.e. FY 2022-23. To 2025-26, from the conclusion of this 10<sup>th</sup> Annual General Meeting till of 14<sup>th</sup> Annual General Meeting of the Company to be held in the year 2026, on such remuneration as may be decided by the any of Directors in consultation with the Statutory Auditor of the Company."

### **SPECIAL BUSINESS:**

4. Appointment of Mr. Jitendra Parmar as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT**, in accordance with the provisions of Section 152 read with other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Jitendra Parmar (DIN: 09699769), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act and whose term of office expires as on this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from 28<sup>st</sup> September, 2022 to till the conclusion of 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027.”

**“RESOLVED FURTHER THAT**, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

5. To contribute to bona fide charitable funds

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **SPECIAL RESOLUTION**:

**“RESOLVED THAT**, in accordance with the provisions of Section 181 read with other applicable provisions of the Companies Act, 2013 (“the Act”), including any modification or re-enactments thereof for the time being in force, and subject to article of the association of the company, the consent of the members of the company be and hereby given to the Board of Directors making contributions or donations to any bona fide Charitable funds or Trusts in India for an amount up to Rs. 1,00,00,000/- (Rs. One Crore only) i.e. exceeding five percent of average net profits of the company during any three immediately preceding financial years.”

**“RESOLVED FURTHER THAT**, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

**Registered Office:**

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

**Place:** Ahmedabad

**Date:** 5<sup>th</sup> September, 2022

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

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

**Sd/-  
Pratapsingh Zala  
Director  
DIN: 03445568**

## NOTES:

1. In view of the continuing COVID-19 pandemic, the 10<sup>th</sup> Annual General Meeting (AGM) will be held on Wednesday, 28<sup>th</sup> September, 2022 at 4:00 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs' (MCA) General Circular no. 14/2020 dated 8<sup>th</sup> April, 2020, MCA General Circular no. 17/2020 dated 13<sup>th</sup> April, 2020, MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, MCA General Circular No. 22/2020 dated 15<sup>th</sup> June, 2020, MCA General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 and SEBI Circulars dated 12<sup>th</sup> May, 2021 and 15<sup>th</sup> January, 2021, Circular No. 02/2022 dated May 05, 2022 and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 10<sup>th</sup> AGM shall be the Registered Office of the Company.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** Members have to attend and participate in the ensuing AGM through VC/OAVM. However, the Body Corporates are entitled to appoint Authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to Email at [info@7nrretailtd.in](mailto:info@7nrretailtd.in) and / or at [info@accuratesecurities.com](mailto:info@accuratesecurities.com), a certified copy of the Board Resolution / authorization letter authorizing their representative to attend and vote on their behalf at AGM through E-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and Company Website i.e. [www.7nrretailtd.in](http://www.7nrretailtd.in) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**9. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

In compliance with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will be available on website of the Stock Exchange, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com), Company Website i.e. [www.7nrretailtd.in](http://www.7nrretailtd.in) and on the website of NSDL at <https://www.evoting.nsdl.com/>. **Annual Report will not be sent in physical form.**

10. Members of the Company holding shares, either in physical form or in Dematerialized form, as on 2<sup>nd</sup> September, 2022 will receive Annual Report for the financial year 2021-22 through electronic mode only.
11. The Register of Members and Share Transfer Books will remain closed from 21<sup>st</sup> September, 2022 to 28<sup>th</sup> September, 2022 (both days inclusive) for the purpose of Annual General Meeting (AGM).
12. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA) at its following address: Cameo Corporate Services Ltd, Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu, 600002 Email id: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)
13. In terms of the provisions of Section 152 of the Act, Mr. Avantinath Raval (DIN: 07686783), Director of the Company, who retires by rotation at this Annual General Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.  
Mr. Avantinath Raval is interested in the Ordinary Resolutions set out at Item No. 2, of the Notice with regard to his re-appointment. The other relatives of Mr. Avantinath Raval being shareholders of the Company may be deemed to be interested in the resolutions set out at Item No 2 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.
14. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA) at its following address Cameo Corporate Services Ltd, Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu – 600 002 Email id: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.

16. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred/ traded only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialize.
18. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
19. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice as per Regulation 26(4) and 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India
20. As the AGM is to be held through VC/ OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on [info@7nrretailtd.in](mailto:info@7nrretailtd.in) and / or at [info@accuratesecurities.com](mailto:info@accuratesecurities.com). The same will be replied / made available by the Company suitably.
21. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
22. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
23. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
24. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
25. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
26. The Company has set 21<sup>st</sup> September, 2022 as the "Cut-off Date" for taking record of the shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing Tenth Annual General Meeting, for both E- Voting.



**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Sunday, 25<sup>th</sup> September, 2022 at 9:00 A.M. and ends on Tuesday, 27<sup>th</sup> September, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 21<sup>st</sup> September, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 21<sup>st</sup> September, 2022.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below: **Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li data-bbox="576 1312 1450 1845">1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li data-bbox="576 1845 1450 1989">2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li data-bbox="576 1989 1450 2094">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home</li></ol>

	<p>page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
------------	------------------

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022 - 2305 8542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to

retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and who's voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csgauravbachani@gmail.com](mailto:csgauravbachani@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@7nrretailtd.in](mailto:info@7nrretailtd.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to ([info@7nrretailtd.in](mailto:info@7nrretailtd.in)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ([info@7nrretailtd.in](mailto:info@7nrretailtd.in)). The same will be replied by the company suitably.

## ANNEXURE TO NOTICE

### **EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013**

#### **Item No. 4:**

Pursuant to provisions of Section 161 of the Companies Act, 2013 and pursuant to the Articles of Association of the Company, the Board of Directors of the Company has appointed Mr. Jitendra Parmar as an Additional Director with effect from 12<sup>th</sup> August, 2022. Mr. Jitendra Parmar is an Independent Director on the Board of the Company.

The Company has received a declaration from Mr. Jitendra Parmar that he meets with criteria of independence as prescribed under Section 149 of the Companies Act, 2013. Mr. Jitendra Parmar possesses appropriate skills, experience and knowledge in the field of Law. Brief resume of Mr. Jitendra Parmar, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairperson of the Board / Committees and shareholding are provided in the annexure to the explanatory statement attached herewith.

In the opinion of the Board, Mr. Jitendra Parmar fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Jitendra Parmar as an Independent Director.

Save and except Mr. Jitendra Parmar and his relatives to the extent their shareholding in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

#### **Item No. 5:**

In accordance with the section 181 of the companies Act, 2013, the company is required to obtain approval of the member before making any contribution to any charitable contribution to any charitable funds beyond certain amount i.e. exceeding five percent of average net profits of the company during any three immediately preceding financial years.

In accordance with the provisions of Section 181 read with other applicable provisions of the Companies Act, 2013 ("the Act"), including any modification or re-enactments thereof for the time being in force, and subject to article of the association of the company, the consent of the members of the company be and hereby given to the Board of Directors making contributions or donations to any bona fide Charitable funds or Trusts in India for an amount up to Rs. 1,00,00,000/- (one Crore) i.e. exceeding five percent of average net profits of the company during any three immediately preceding financial years."

Further, Board of Directors of the Company may contribute or donate to any bona fide charitable funds or Trusts on behalf of the Company if they deem fit in the financial year 2022-23.

The Board of directors recommends passing of the resolution set out in Item No. 5 of the accompanying Notice.

None of other Director, Key Managerial Personnel of the company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution.

**Registered Office:**

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

**Place:** Ahmedabad

**Date:** 5<sup>th</sup> September,2022

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

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

**Sd/-  
Pratapsingh Zala  
Director  
DIN: 03445568**



### ANNEXURE

Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of directors seeking appointment / reappointment as director under Resolution No. 2 and 4 is as under:

<b>Name of the Director</b>	<b>Mr. Avantinath Raval (DIN: 07686783)</b>	<b>Mr. Jitendra Parmar (DIN: 09699769)</b>
Date of Birth	08/01/1987	18/01/1991
Date of first Appointment on the Board	27/12/2021	12/08/2022
Qualifications	Business	Company secretary
Experience/Brief Resume/ Nature of expertise in specific functional areas	5 years of experience in Transportation and business management	Practicing Company Secretary with 6 years' experience.
Terms and Conditions of Appointment along with remuneration sought to be paid	N.A.	Nil
Remuneration last drawn by such person, if any	Nil	Nil
No. of Shares held in the Company as on date	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company/ Disclosure of relationships between directors inter-se	N.A.	N.A.
Number of Meetings of the Board attended during the year	6	N.A.
Directorship / Designated Partner in other Companies / LLPs	1. Proera Logistic Private Limited 2. Numerous Cabs Private Limited	Nil
Chairman/Member of the Committees of Board of other Companies/ Names of listed entities in which the person also holds the directorship and the membership of the Committees of the board	Nil	Nil

## DIRECTOR'S REPORT

To,  
The Members,  
7NR Retail Limited

Your Directors are pleased to present the 10<sup>th</sup> Board's Report on the Business and Operations of the Company together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31<sup>st</sup> March, 2022.

### 1. FINANCIAL RESULTS:

The financial performance of the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 is summarized as below:

Particulars	(Rs. in Lakhs)	
	Financial Year 2021-22	Financial Year 2020-21
Revenue from Operations	2400.32	275.65
Other Income	29.03	22.07
<b>Total Revenue</b>	<b>2429.35</b>	<b>297.72</b>
<b>Total Expenses</b>	<b>2347.84</b>	<b>352.07</b>
<b>Profit / Loss before Depreciation, Exceptional and Extra Ordinary Items and Tax Expenses</b>	<b>81.75</b>	<b>(52.37)</b>
Less: Depreciation / Amortization / Impairment	0.12	0.99
<b>Profit / Loss before Exceptional and Extra Ordinary Items and Tax Expenses</b>	<b>81.63</b>	<b>(53.36)</b>
Add / Less: Exceptional and Extra Ordinary Items	0.00	0.00
<b>Profit / Loss before Tax Expenses</b>	<b>81.63</b>	<b>(53.36)</b>
Less: Tax Expense		
Current Tax	7.49	0.00
Deferred Tax	(2.52)	0.00
<b>Profit / Loss for the Period</b>	<b>76.67</b>	<b>(53.36)</b>

### 2. OPERATIONS:

Total revenue from operations for Financial Year 2021-22 is Rs. 2400.32 Lakhs compared to the total revenue from operations of Rs. 275.65 Lakhs of previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2021-22 of Rs. 81.75 Lakhs as compared to Loss of Rs. 53.36 Lakhs of previous Financial Year. Net Profit after Tax for the Financial Year 2021-22 is Rs. 81.63 Lakhs as against Net Loss of Rs. 53.36 Lakhs of previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

### 3. CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of business during the year under review.

### 4. SUBDIVISION OF EQUITY SHARES:

In the Financial Year 2021-22 Company has Sub Division of existing equity shares from every One equity share of Rs. 10/- each into Ten equity shares of Re. 1/- each.

## **5. DIVIDEND:**

To conserve the resources for future prospect and growth of the Company, your Directors do not recommend any dividend for the Financial Year 2021-22 (Previous year - Nil).

## **6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). During the year under review, there was no unpaid or unclaimed dividend in the "Unpaid Dividend Account" lying for a period of seven years from the date of transfer of such unpaid dividend to the said account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

## **7. TRANSFER TO RESERVES:**

The profit of the Company for the Financial Year ending on 31<sup>st</sup> March, 2022 is transferred to profit and loss account of the Company under Reserves and Surplus.

## **8. ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Returns on March 31, 2022 is available on the Company's website at [www.7nrretailtd.in](http://www.7nrretailtd.in)

## **9. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:**

There are no material changes and commitments, affecting the financial position of the Company.

## **10. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation.

## **11. MEETINGS OF THE BOARD OF DIRECTORS:**

The Directors of the Company met at regular intervals at least once in a quarter with the gap between two meetings not exceeding 120 days to take a view of the Company's policies and strategies apart from the Board Matters.

During the year under the review, the Board of Directors met 13 (Thirteen) times viz. 3<sup>rd</sup> June, 2021, 18<sup>th</sup> June, 2021, 3<sup>rd</sup> July, 2021, 14<sup>th</sup> August, 2021, 31<sup>st</sup> August, 2021, 29<sup>th</sup> October, 2021, 27<sup>th</sup> December, 2021, 8<sup>th</sup> January, 2022, 5<sup>th</sup> February, 2022, 10<sup>th</sup> February, 2022, 19<sup>th</sup> February, 2022, 21<sup>st</sup> February, 2022 and 7<sup>th</sup> March, 2022.

## **12. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134 (3)(c) and Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

- a. In the preparation of the Annual Accounts, for the year ended on 31<sup>st</sup> March, 2022 the applicable accounting standards have been followed and there are no material departure from the same;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the financial year ended on 31<sup>st</sup> March, 2022.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the Annual Accounts on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **13. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The provisions of section 135 of the Companies Act, 2013 is not applicable to your Company as the Company does not fall under the criteria limits mentioned in the said section of the Act.

Hence, the Company has not taken voluntary initiative towards any activity mentioned for Corporate Social Responsibility.

## **14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with rule 8 (2) of the Companies (Accounts) Rules, 2014, is attached as **Annexure - 1**.

## **15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the Company's current working and future outlook as per **Annexure - 2**.

## **16. DISCLOSURES RELATING TO HOLDING / SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURES:**

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

## **17. SECRETARIAL STANDARDS:**

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI). The Company has

devised proper systems to ensure compliance with its provisions and is in compliance with the same.

#### **18. STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD OF DIRECTORS:**

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board / Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of NRC had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the independent directors and the meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

The Board carried out an annual performance evaluation of its own performance and that of its committees and individual directors as per the formal mechanism for such evaluation adopted by the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee.

The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The exercise of performance evaluation

was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

a) For Non-Executive & Independent Directors:

- Knowledge
- Professional Conduct
- Comply Secretarial Standard issued by ICSI Duties
- Role and functions

b) For Executive Directors:

- Performance as leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set investment goal
- Professional conduct and integrity
- Sharing of information with Board.
- Adherence applicable government law

The Directors expressed their satisfaction with the evaluation process.

## **19. DETAILS OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL CONTROL:**

The Company has in place adequate internal financial controls with reference to financial statement across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the financial year, such controls were tested and no reportable material weaknesses in the design or operations were observed. The Statutory Auditors of the Company also test the effectiveness of Internal Financial Controls in accordance with the requisite standards prescribed by ICAI. Their expressed opinion forms part of the Independent Auditor's report.

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

During the year, no reportable material weakness was observed.

## **20. COMMENTS ON AUDITORS'REPORT:**

There were no qualifications, reservations, adverse remarks or disclaimer made by the Auditors in their report on the financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2022. Furthermore, there were no frauds reported by the Auditors of the Company pursuant to the Companies Act, 2013 and the rules made thereunder. Maintenance of cost records as specified under Companies Act, 2013 is not applicable to the Company.

## **21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of loans, investment, guarantees and securities covered under the provisions of section 186 of the Companies Act, 2013 are provided in the financial statement.

## **22. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:**

### **a) Vigil Mechanism / Whistle Blower Policy:**

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

### **b) Business Conduct Policy:**

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

## **23. RESERVES & SURPLUS:**

<b>(Amount in Lakhs)</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
1.	Balance at the beginning of the year	(42.33)
2.	Current Year's Profit	76.67
3.	Utilization of Reserve	0.00
4.	Amount of Securities Premium and other Reserves	0.00
<b>Total</b>		<b>34.34</b>

## **24. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	<b>Foreign exchange earnings and outgo</b>	<b>F.Y. 2021-22</b>	<b>F.Y. 2020-21</b>
a.	Foreign exchange earnings	Nil	Nil
b.	CIF value of imports	Nil	Nil
c.	Expenditure in foreign currency	Nil	Nil

## **25. PARTICULARS OF EMPLOYEES:**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the Employees of the Company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2021-22.

## 26. LOANS FROM DIRECTOR / RELATIVE OF DIRECTOR:

During the year under review, the Company has entered into any materially significant related party transactions which may have potential conflict with the interest of the Company at large. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial statement.

## 27. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Directors and Key Managerial Personnel of the Company are summarized below as on date:

Sr. No.	Name	Designation	DIN
1.	Mr. Tarachand Agrawal <sup>1/9</sup>	Managing Director	00465635
2.	Mr. Pratapsingh Zala <sup>5</sup>	Non-Executive Director	03445568
3.	Mr. Avantinath Raval <sup>1</sup>	Non-Executive Director	07686783
4.	Mr. Pranav Vajani <sup>4</sup>	Independent Director	09213749
5.	Ms. Ziral Soni <sup>6</sup>	Independent Director	09213763
6.	Mr. Jitendra Parmar <sup>8</sup>	Independent Director	09699769
7.	Mr. Pradeepsingh Shekhawat <sup>3</sup>	Chief Financial Officer	GCQPS6071D
8.	Ms. Prachi <sup>7</sup>	Company Secretary	CGJPP9342R
9.	Mr. Gaurav Kimtani <sup>2</sup>	Independent Director	08065665
10.	Ms. Rachanaben Jain <sup>2</sup>	Non-Executive Director	08477349
11.	Mr. Amitkumar Choudhary <sup>4</sup>	Independent Director	08857986
12.	Mr. Vinaybhai Raval <sup>2</sup>	Independent Director	08066628
13.	Mr. Gupta Jaimin Kailash <sup>5</sup>	Whole Time Director	06833388
14.	Mr. Pinal Shah <sup>2</sup>	Managing Director	05197449
15.	Ms. Kiran Prajapati <sup>2</sup>	Company Secretary	AYSPK8912H
16.	Mr. Mittal Shah <sup>3</sup>	Chief Financial Officer	AVRPS6909G

1. Mr. Tarachand Agrawal and Mr. Avantinath Raval were appointed as Executive Director and Non- Executive Director respectively w.e.f. 27<sup>th</sup> December, 2021
2. Mr. Gaurav Kimtani, Ms. Rachanaben Jain, Mr. Vinaybhai Raval, Mr. Pinal Shah and Ms. Kiran Prajapati have been resigned from the post of Independent Director, Non-Executive Director, Independent Director, Managing Director and Company Secretary respectively w.e.f. 27<sup>th</sup> December, 2021
3. Mr. Pradeepsingh Shekhawat was appointed as Chief Financial Officer and Mr. Mittal Shah has resigned from the post of Chief Financial Officer w.e.f. 18<sup>th</sup> June, 2021.
4. Mr. Pranav Vajani was appointed as an Independent Director and Mr. Amitkumar Choudhary has resigned from the post of Independent Director w.e.f. 3<sup>rd</sup> July, 2021
5. Mr. Pratapsingh Zala was appointed as Non-Executive Director and Mr. Jaimin Gupta has resigned from the post of Whole Time Director w.e.f. 8<sup>th</sup> January, 2022
6. Ms. Ziral Soni was appointed as an Independent Director w.e.f. 7<sup>th</sup> March, 2022
7. Ms. Prachi was appointed as a Company Secretary w.e.f. 11<sup>th</sup> April, 2022
8. Mr. Jitendra Parmar was appointed as an Independent Director w.e.f. 12<sup>th</sup> August, 2022
9. Mr. Tarachand Agrawal was appointed as Managing Director of the Company w.e.f. 21<sup>st</sup> February, 2022

Apart from the above changes, there were no other changes in the composition of the Board of Directors of the Company during the Financial Year 2021-22 and till the date of Board's Report.

As per Companies Act, 2013 the Independent Directors are not liable to retire by rotation.

## 28. DECLARATION BY INDEPENDENT DIRECTORS:

Mr. Pranav Vajani, Mr. Jitendra Parmar and Ms. Ziral Soni Independent Directors of the Company has confirmed to the Board that he meets the criteria of Independence as specified



under Section 149 (6) of the Companies Act, 2013 and he qualifies to be an Independent Director. He has also confirmed that he meets the requirement of Independent Director as mentioned under Regulation 16 (1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The confirmation was noted by the Board.

## 29. CORPORATE GOVERNANCE:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - 3**.

## 30. DEPOSITS:

As per Section 73 of the Companies Act, 2013, the Company has neither accepted nor renewed any deposits during the financial year. Hence, the Company has not defaulted in repayment of deposits or payment of interest during the financial year.

## 31. STATUTORY AUDITOR:

M/s. J. S. Maheshwari & Co., Chartered Accountants, Ahmedabad (Firm's Registration No. 001318C), were appointed as the Statutory Auditors of the Company. The Auditor's report for the Financial Year ended 31<sup>st</sup> March, 2022 has been issued with an unmodified opinion, by the Statutory Auditors.

## 32. SECRETARIAL AUDITOR:

The Board appointed M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2022 is annexed herewith marked as **Annexure - 4** to this Report.

## 33. DISCLOSURES

### A. Composition of Audit Committee:

During the year under review, meetings of members of the Audit committee as tabulated below, was held on 3<sup>rd</sup> June, 2021, 14<sup>th</sup> August, 2021, 29<sup>th</sup> October, 2021, 27<sup>th</sup> December, 2021, 10<sup>th</sup> February, 2022 and 7<sup>th</sup> March, 2022 the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Pranav Vajani <sup>1</sup>	Chairman	5	5
Ms. Ziral Pankajkumar Soni <sup>5</sup>	Member	1	1
Mr. Avantinath Raval <sup>2</sup>	Member	3	3
Mr. Gaurav Kimtani <sup>3</sup>	Chairman	4	4
Mr. Vinay Raval <sup>3</sup>	Member	4	4
Mr. Pinal Shah <sup>3</sup>	Member	4	4
Mr. Pratapsingh Zala <sup>4</sup>	Member	2	2

<sup>1</sup>Mr. Pranav Vajani was appointed as Chairman of the Audit Committee w.e.f. 14<sup>th</sup> August, 2021

<sup>2</sup>Mr. Avantinath Raval was appointed as Member of the Audit Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>3</sup>Mr. Gaurav Kimtani, Mr. Vinay Raval and Mr. Pinal Shah had been resigned as Chairman and Member from the Audit Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>4</sup>Mr. Pratapsingh Zala was appointed as Member and has resigned as Member of Audit Committee w.e.f. 10<sup>th</sup> February, 2022 and 7<sup>th</sup> March, 2022 respectively

<sup>5</sup>Ms. Ziral Soni was appointed as Member of the Audit Committee w.e.f. 7<sup>th</sup> March, 2022

During the year all the recommendations made by the Audit Committee were accepted by the Board.

#### B. Composition of Stakeholders' Relationship Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on 3<sup>rd</sup> July, 2021, 27<sup>th</sup> December, 2021 and 7<sup>th</sup> March, 2022 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Pranav Vajani <sup>1</sup>	Chairman	3	3
Ms. Ziral Pankajkumar Soni <sup>4</sup>	Member	1	1
Mr. Avantinath Raval <sup>2</sup>	Member	2	2
Mr. Gaurav Kimtani <sup>3</sup>	Chairman	2	2
Mr. Vinay Raval <sup>3</sup>	Member	2	2
Mr. Pinal Shah <sup>3</sup>	Member	2	2

<sup>1</sup> Mr. Pranav Vajani was appointed as Chairman of the Stakeholder Relationship Committee w.e.f. 3<sup>rd</sup> July, 2021

<sup>2</sup>Mr. Avantinath Raval was appointed as Member of the Stakeholder Relationship Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>3</sup>Mr. Gaurav Kimtani, Mr. Vinay Raval and Mr. Pinal Shah had been resigned as Chairman and Member from the Stakeholder Relationship Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>4</sup>Ms. Ziral Soni was appointed as Member of the Stakeholder Relationship Committee w.e.f. 7<sup>th</sup> March, 2022

#### C. Composition of Nomination and Remuneration Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on, 18<sup>th</sup> June, 2021, 3<sup>rd</sup> July, 2021, 27<sup>th</sup> December, 2021, 8<sup>th</sup> January, 2022, 21<sup>st</sup> February, 2022 and 7<sup>th</sup> March, 2022 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Pranav Vajani <sup>1</sup>	Member	6	6
Ms. Ziral Pankajkumar Soni <sup>5</sup>	Member	1	1
Mr. Avantinath Raval <sup>2</sup>	Chairman	4	4
Mr. Gaurav Kimtani <sup>3</sup>	Chairman	3	3
Mr. Vinay Raval <sup>3</sup>	Member	3	3
Mr. Pinal Shah <sup>3</sup>	Member	3	3
Mr. Pratapsingh Zala <sup>4</sup>	Member	2	2

<sup>1</sup>Mr. Pranav Vajani was appointed as Member of the Nomination and Remuneration Committee w.e.f. 14<sup>th</sup> August, 2021

<sup>2</sup>Mr. Avantinath Raval was appointed as Chairman of the Nomination and Remuneration Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>3</sup>Mr. Gaurav Kimtani, Mr. Vinay Raval and Mr. Pinal Shah had been resigned as Chairman and Member from the Nomination and Remuneration Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>4</sup>Mr. Pratapsingh Zala was appointed as Member and has resigned as Member of Nomination and Remuneration Committee w.e.f. 8<sup>th</sup> January, 2022 and 7<sup>th</sup> March, 2022 respectively

<sup>5</sup>Ms. Ziral Soni was appointed as Member of the Nomination and Remuneration Committee w.e.f. 7<sup>th</sup> March, 2022

#### **D. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has always been committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as confirmed by the Internal Complaints Committee as constituted by the Company.

#### **E. DEMATERIALISATION OF EQUITY SHARES:**

As per direction of the SEBI, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited and the Demat activation number allotted to the Company is ISIN: INE560T01015. Presently shares are held in electronic and physical mode.

#### **F. INDUSTRIAL RELATIONS:**

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review

#### **G. MAINTENANCE OF COST RECORDS:**

The provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are not applicable to the Company and accordingly such accounts and records are not required to be maintained.

#### **H. INSOLVENCY AND BANKRUPTCY CODE:**

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable to the Company.

#### **I. ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Suppliers, Customers and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

**Registered Office:**

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

**Place:** Ahmedabad

**Date:** 5<sup>th</sup> September, 2022

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

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

**Sd/-  
Pratapsingh Zala  
Director  
DIN: 03445568**

## FORM NO. AOC - 2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements s/ transaction	Duration of the contracts/ arrangements s/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
Vaxtex cotfab limited	Related Party Company	Sale of goods	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022	Rs. 4,50,69,000/-	As per note below	As per note below
		Purchase of Goods		Rs. 1,26,28,000 /-		

**Note:** Appropriate approvals have been taken for related party transactions wherever necessary. No amount was paid in advance.

**Registered Office:**

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**By the order of the Board,  
7NR Retail Limited**

**Place :** Ahmedabad  
**Date :** 5<sup>th</sup> September, 2022

**Tarachand Agrawal**  
**Managing Director**  
**DIN: 00465635**

**Pratapsingh Zala**  
**Director**  
**DIN: 03445568**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. Overview of the Global Economy:**

With a staggered global recovery, FY2021-22 witnessed the consumer demand coming back. Although a part of the year was affected by the pandemic, immunization and collective action saw a gradual uptake in the West, which was mirrored in the rest of the world leading to the economies regaining lost ground. Global GDP grew by 5.8% and the economic growth returned on the back of a sustained consumer demand across the board leading to a significant spike in inflation. While the initial pick-up in inflation was led by demand recovery on the previous year's low base, persistent disruptions in the global supply chain network have caused inflationary pressures to be more broad-based, running at multi-decade highs in almost all the major economies. Almost all the central banks are now taking policy measures to taper down the extraordinary liquidity that was pumped in to support the economy during the pandemic and tightening the monetary policy to rein in their runaway inflation. The escalation of the Russia-Ukraine crisis has also had a detrimental effect on the prices of crude oil, gas and other commodities leading to further pressure on the fragile economies.

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

After experiencing a difficult period due to the COVID-19 pandemic, strong macro indicators suggest a rebound, primarily on account of favorable fiscal and monetary policies. Emphasis on improving healthcare has also aided the crisis response. The Indian economy expanded by 8.7% in FY2021-22, rebounding from a 6.6% contraction in FY2020-21, reiterating the country's status as one of the fastest-growing major economies in the world.

The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. RBI estimates the GDP growth rate for FY 2022-23 at 7.2%.

The annual inflation rate in India edged down to 7.04% in May of 2022 from an 8-year high of 7.79% in the previous month. Inflation is expected to remain high for the next few quarters of FY 2022-23 due to higher commodity and fuel prices and negative terms of trade. The RBI has already taken measures to contain inflation by tightening the policy rates. The next few quarters will be critical for India's economy as the Government and the RBI work at balancing the stress on inflation, currency and fiscal deficit.

### **C. Outlook:**

In the last decade, India has been one of the fastest-growing economies, with annual growth rate averaging 6-7%. The increase in GDP can be attributed to a variety of reasons, including favorable demographics, influx of investment capital and technological efficiency and productivity gains.

As per IMF, the economy grew by 8.7% in 2021, recovering from a contraction of 8% in 2020 as the country recovered from the COVID-19 pandemic and lockdown. Growth in 2022 is expected to reach 8.2% according to latest forecasts boosted by a recovery from COVID-19 restrictions. However, new COVID-19 strains and the Ukraine-Russia war remain as major concerns to the projected growth.

If regaining pre-pandemic levels was the biggest challenge for the Indian economy in 2021-22, its biggest challenge in 2022-23 is going to be to return to a high growth trajectory. As the new financial year begins, there is greater uncertainty on this question, not just because of difference in assessment of the economic situation at hand but also due to the ongoing geopolitical crisis which is fuelling a surge in global commodity prices, especially crude oil.

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

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The sector employs around 40 Million workers. The size of India's textile market stood at US\$ 223 Billion in 2021, growing at a CAGR of 10.23% over 2016. Indian textile players have undertaken various initiatives to boost textile sales viz. investment to expand production capacity, using technology to optimize the value chain, leveraging strategic partnerships and strengthen sustainable textiles business. Textile industry has been steadily recovering post pandemic amid increased raw material prices and container shortages.

Under Union Budget 2022-23, the total allocation for the textile sector was 12,382 Crore. Moreover, 10,683 Crore Production-linked Incentive scheme is expected to be a major boost for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel and MMF fabrics.

### **E. Opportunities and Threats:**

#### **Opportunities:**

Going ahead, there could be a positive side for textile business as festival season will start from mid-3rd Quarter till end of March, which majorly includes Diwali, Christmas and Holi. Further from November'22 to March'23 marriages will be in quantum so all these festivals and marriages will increase the demand in textile fabrics.

## **Threats:**

The company is concerned about the various threats that it is exposed to which includes factors such as rising competition in the market both on the domestic & export front, duty free access to competing countries in US & European markets, uncertain business environment including impact of COVID-19 pandemic, fluctuating rupee, cost of raw material and its availability, slowdown in demand & change in fashion trends, possibility of increase in interest rates, etc. Besides this the Company is also exposed to factors such as the change in government policies, duties & taxes, availability of power from the grid, availability of labour etc. The Company tries to mitigate these risks by taking quick actions and proactive initiatives and minimize the impact of these risks to the extent possible. Some of these threats are discussed briefly here and in detail in the respective risk factors.

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

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

## **G. Future Outlook:**

The Company's outlook for the year 2021-22 is to add more products in the product range as per requirement in both Indian and Global market. Due to unexpected effects of Covid-19 Pandemic, the Company will focus on following things:

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

## **H. 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.

## **I. 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 2021-22 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:**

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**Place:** Ahmedabad

**Date:** 5<sup>th</sup> September, 2022

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

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

**Sd/-  
Pratapsingh Zala  
Director  
DIN: 03445568**

**REPORT ON CORPORATE GOVERNANCE**

**1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Your Company believes that Corporate Governance is an ethical business process that is committed to value aimed at enhancing an organization's wealth generating capacity. This is ensuring by taking ethical business decision and conducting business with firm commitment to values, while meeting stakeholder's expectations. Corporate Governance is globally recognized as a key component for superior long term performance of every corporate entity.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to the last. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected Company.

We are committed for maximizing stakeholder value by improving good governance, quality and commitment with a spirit of integrity.

Our Corporate Governance framework ensures that we make timely disclosure and share accurate information regarding our financial and performance, as well as leadership and governance of the Company.

The Company's philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieve the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "SEBI (LODR) Regulations, 2015"), as applicable, is given below.

## 2. BOARD OF DIRECTORS

### (a) Composition

Name of Directors	Category of Directorship in the Company	No. of other Directorship	No. of Committee position in other Companies**		No. of Board Meetings attended during 2021-22
			Member	Chairman	
Mr. Tarachand Agrawal	Managing Director	3	-	-	13
Mr. Pratapsingh Zala	Non-Executive – Non Independent Director	2	-	-	5
Mr. Avantinath Raval	Non-Executive – Non Independent Director	2	-	-	13
Mr. Pranav Vajani	Independent Director	5	2	3	10
Ms. Ziral Soni	Independent Director	3	1	2	-
Mr. Jitendra Parmar	Independent Director	-	-	-	-

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

\*\* For the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

### (b) Information on Board of Directors

None of the directors on the board is a Member of more than ten (10) committees or Chairman of more than five (5) committees across all the companies in which he is a director. None of the Independent Directors serve as an Independent Director in more than seven listed entities provided that any Independent Director who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Necessary disclosures regarding their Directorship/ Membership in other companies have been made by all directors.

### Chart/Matrix setting out the skills/expertise/ competence of the Board of Directors

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

i. Knowledge:

Understand the Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.

ii. Behavioral Skills:

Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

iii. Business Leadership:

Leadership experience including in the areas of Business Strategy, Administration, Decision Making and guiding the Company and its senior management towards its vision and values.

iv. Financial Management skills:

Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes.

v. Sales and Marketing:

Experience in developing strategies to grow sales and market share, build brand awareness and thereby enhance enterprise value.

Name of Director	Knowledge	Behavioral Skills	Business Leadership	Financial Management skills	Sales and Marketing
Mr. Tarachand Agrawal	Yes	Yes	Yes	Yes	Yes
Mr. Pratapsingh Zala	Yes	Yes	Yes	Yes	Yes
Mr. Avantinath Raval	Yes	Yes	Yes	Yes	Yes
Mr. Pranav Vajani	Yes	Yes	Yes	Yes	Yes
Ms. Ziral Soni	Yes	Yes	Yes	Yes	Yes
Mr. Jitendra Parmar	Yes	Yes	Yes	Yes	Yes

**(c) Declaration by the Board**

In terms of Regulation 25(8) of Listing Regulations, each Independent Director has confirmed that he/she meets the criteria of independence in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations and also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Based on the declaration received from each Independent Director under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of Listing Regulations, Board of Directors has confirmed that the Independent Directors fulfill the conditions specified in these sections and regulations and are independent of the management.

#### **(d) Resignation of Independent Director**

1. Mr. Gaurav Kimtani and Mr. Vinaybhai Raval were resigned from the post of Independent Director W.e.f. 27th December, 2021.
2. Mr. Amitkumar Choudhary has resigned from the post of Independent Director W.e.f 3rd July, 2021.

#### **(e) Board Membership Criteria**

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristic, skills and experience required for the Board as a whole and for individual members. Board Members are expected to possess the expertise, skills, and experience to manage and guide a high growth.

#### **(f) Number of meetings of the Board of Directors held and dates on which held**

Thirteen (13) Board Meetings were held during the year 2021- 22. The dates on which the Board meetings were held are: 3rd June, 2021, 18th June, 2021, 3rd July, 2021, 14th August, 2021, 31st August, 2021, 29th October, 2021, 27th December, 2021, 8th January, 2022, 5th February, 2022, 10th February, 2022, 19th February, 2022, 21st February, 2022, 7th March, 2022.

Management Committee formed by Board of Directors to oversee day to day operations of the Company, which consist of Two (2) Non-Executive Directors and One (1) Executive Director subject to supervision and control of the Board of Directors. The Management Committee formed by the Board makes decision within the authority delegated. All decisions/ recommendation of the Committees are placed before the Board for information and/or its approval.

The information as required under Regulation 17 (7) of SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda. As required under Regulation 17 (3) of SEBI (LODR) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Names of the Directors on the Board, their Attendance in the Board Meeting, % of attendance and Attendance in last Annual General Meeting during the year 2021- 22 is given below:

No. of Board Meeting held & attended during 2021-22	Name of Director					
	Mr. Tarachand Agrawal	Mr. Pratapsingh Zala	Mr. Avantinath Raval	Mr. Pranav Vajani	Ms. Ziral Soni	Mr. Jitendra Parmar
03-06-2021	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
18-06-2021	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
03-07-2021	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
14-08-2021	N.A.	N.A.	N.A.	Yes	N.A.	N.A.
31-08-2021	N.A.	N.A.	N.A.	Yes	N.A.	N.A.
29-10-2021	N.A.	N.A.	N.A.	Yes	N.A.	N.A.
27-12-2021	N.A.	N.A.	N.A.	Yes	N.A.	N.A.
08-01-2022	Yes	N.A.	Yes	Yes	N.A.	N.A.
05-02-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
10-02-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
19-02-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
21-02-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
07-03-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
Total attended	6	5	6	10	0	0
% of attendance	100	100	100	100	100	100
Whether attended Last AGM held on 29-09-2021	N.A.	N.A.	N.A.	Yes	N.A.	N.A.

**(h) Disclosure of Relationship between Directors inter se**

There is no relationship between any of the Director of the Company.

**(i) Shareholding of Non-Executive Directors**

Name of Directors	No. of Shares held	% of shareholding
Mr. Pratapsingh Zala	0	0
Mr. Avantinath Raval	0	0
Mr. Pranav Vajani	0	0
Ms. Ziral Soni	0	0
Mr. Jitendra Parmar	0	0

### **(j) Code of Conduct**

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015. A declaration in respect of affirmation on compliance with Code of Conduct, by the Board Members and senior management personnel for the financial year ended on March 31, 2022, duly signed by Managing Director of the Company is attached herewith and forms part of Corporate Governance Report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

### **(k) Disclosures regarding appointment/re-appointment of Directors**

Mr. Avantinath Raval, Director is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. An agenda seeking shareholders' approval for her re-appointment forms part of the Notice of the Annual Report.

The brief resume and other information required to be disclosed under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

### **(l) Familiarization Programme for Independent Director**

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarization programmes have been disclosed on the Company's website.

## **3. AUDIT COMMITTEE**

The Audit Committee serves as the link between the Statutory and internal auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

### **(a) Terms of reference and Powers:**

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the Regulation 18 of SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

With the introduction of SEBI Notification No. SEBI/ LAD-NRO/GN/2021/22 dated 5<sup>th</sup> May, 2021 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner, the role of the Audit Committee has been amended by addition of one new role of Audit Committee i.e. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders. Accordingly, the Company has revised the role of Audit Committee in the meeting of Board of Directors held on 11<sup>th</sup> January, 2022. Besides, other than role of the Audit Committee, there is no change in other matters

including Terms of Reference, the matters which is mandatorily reviewed by the Audit Committee, constitution, etc.

The Committee reviews the information as listed under Regulation 18(3) of SEBI (LODR) Regulations, 2015 read with Schedule II Part C (B) as well as under Section 177 of the Companies Act, 2013 as amended from time to time.

### **(b) Composition**

The Board of Directors of the Company has constituted an Audit Committee. Presently, the Audit Committee comprises qualified and majority independent members of the Board, who have expertise knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

### **(c) Audit Committee Meetings**

Six [6] Audit Committee Meetings were held during the year 2020-21. The dates on which the Audit Committee Meetings were held are: 3<sup>rd</sup> June, 2021, 14<sup>th</sup> August, 2021, 29<sup>th</sup> October, 2021, 27<sup>th</sup> December, 2021, 10<sup>th</sup> February, 2022 and 7<sup>th</sup> March, 2022

The Statutory Auditors, Internal Auditors of the Company and Finance personnel are invited to attend and participate in the meetings of the Audit Committee. The Committee holds discussions with them on various matters including limited review of results, audit plan for the year, matters relating to compliance with accounting standards, auditors' observations and other related matters.

Company Secretary acts as Secretary to the Committee.

Names of the members on the Committee, their Attendance in the Audit Committee Meetings, % of attendance during the year 2021- 22 is given below:

<b>Name</b>	<b>Status</b>	<b>No. of the Committee Meetings entitled</b>	<b>No. of the Committee Meetings attended</b>
Mr. Pranav Vajani <sup>1</sup>	Chairman	5	5
Ms. Ziral Pankajkumar Soni <sup>5</sup>	Member	1	1
Mr. Avantinath Raval <sup>2</sup>	Member	3	3
Mr. Gaurav Kimtani <sup>3</sup>	Chairman	4	4
Mr. Vinay Raval <sup>3</sup>	Member	4	4
Mr. Pinal Shah <sup>3</sup>	Member	4	4
Mr. Pratapsingh Zala <sup>4</sup>	Member	2	2

<sup>1</sup>Mr. Pranav Vajani was appointed as Chairman of the Audit Committee w.e.f. 14<sup>th</sup> August, 2021

<sup>2</sup>Mr. Avantinath Raval was appointed as Member of the Audit Committee w.e.f. 27<sup>th</sup> December, 2021



<sup>3</sup>Mr. Gaurav Kimtani, Mr. Vinay Raval and Mr. Pinal Shah had been resigned as Chairman and Member from the Audit Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>4</sup>Mr. Pratapsingh Zala was appointed as Member and has resigned as Member of Audit Committee w.e.f. 10<sup>th</sup> February, 2022 and 7<sup>th</sup> March, 2022 respectively

<sup>5</sup>Ms. Ziral Soni was appointed as Member of the Audit Committee w.e.f. 7<sup>th</sup> March, 2022

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

##### **(a) Composition**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulation, 2015, Nomination and Remuneration Committee has been constituted by the Board of Directors. Presently the “Nomination and Remuneration Committee” comprises qualified and Independent Directors being a member of the Committee.

##### **(b) Nomination and Remuneration Committee Meeting**

During the year under review, Nomination and Remuneration Committee (“NRC”) Meeting was held on 18<sup>th</sup> June, 2021, 3<sup>rd</sup> July, 2021, 27<sup>th</sup> December, 2021, 8<sup>th</sup> January, 2022, 21<sup>st</sup> February, 2022 and 7<sup>th</sup> March, 2022 where all members were present.

Names of the members on the Committee, their Attendance in the Nomination and Remuneration Meetings during the year 2021- 22 is given below:

<b>Name</b>	<b>Status</b>	<b>No. of the Committee Meeting entitled</b>	<b>No. of Committee Meeting attended</b>
Mr. Pranav Vajani <sup>1</sup>	Member	6	6
Ms. Ziral Pankajkumar Soni <sup>5</sup>	Member	1	1
Mr. Avantinath Raval <sup>2</sup>	Chairman	4	4
Mr. Gaurav Kimtani <sup>3</sup>	Chairman	3	3
Mr. Vinay Raval <sup>3</sup>	Member	3	3
Mr. Pinal Shah <sup>3</sup>	Member	3	3
Mr. Pratapsingh Zala <sup>4</sup>	Member	2	2

<sup>1</sup> Mr. Pranav Vajani was appointed as Chairman of the Stakeholder Relationship Committee w.e.f. 3<sup>rd</sup> July, 2021

<sup>2</sup>Mr. Avantinath Raval was appointed as Member of the Stakeholder Relationship Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>3</sup>Mr. Gaurav Kimtani, Mr. Vinay Raval and Mr. Pinal Shah had been resigned as Chairman and Member from the Stakeholder Relationship Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>4</sup>Ms. Ziral Soni was appointed as Member of the Stakeholder Relationship Committee w.e.f. 7<sup>th</sup> March, 2022.

##### **(c) Terms of reference and Powers of the committee inter alia, includes the following:**

Terms of Reference and role of the NRC cover the matters specified in SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 as amended from time to time, which, inter alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and carrying out evaluation of performance of every Director.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommending and determining remuneration of the Executive Directors as per the Policy.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

**(d) Performance evaluation criteria for directors:**

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, effective participation, and domain knowledge and so on, which are considered by the Committee and/or Board while evaluating the performance of each Director.

The performance evaluation of the Independent Directors was carried out by the entire Board as well as Nomination and Remuneration Committee.

**(e) Salient features of policy on remuneration of directors, key managerial personnel & senior employees:**

The Company has formulated the remuneration policy for its directors, key managerial personnel and Senior Employees keeping in view the following objectives:

- » To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- » To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- » To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

(1) Criteria for Selection of Directors:

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee ("NRC") satisfies itself with regard to the independence nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. NRC ensures that the candidate identified for Appointment / Re- Appointment as an Independent Director is not disqualified for Appointment / Re-Appointment under Section 164 of the Companies Act, 2013.

d. NRC considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

e. Board of Directors takes into consideration the performance evaluation of the Directors and their engagement level.

(2) Criteria for Selection of KMP/Senior Management:

a. NRC ensures that the candidate possesses the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.

b. NRC considers the practice and encourages professionalism and transparent working environment.

c. NRC considers building teams and carrying the team members along for achieving the goals / objectives and corporate mission.

(3) Remuneration:

A. Remuneration to Executive Directors and KMP:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

ii) The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the KMP of the Company.

iii) The remuneration structure to the Executive Directors and KMP shall include the following components:

- Basic Pay
- Perquisites and Allowances
- Stock Options
- Commission (Applicable in case of Executive Directors)
- Retrial benefits

B. Remuneration to Non-Executive Directors:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive and Independent Directors shall also be entitled to remuneration by way of commission in addition to the sitting fees.

C. Remuneration to Senior Employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

## **5. REMUNERATION OF DIRECTORS**

### **(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity**

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

### **(b) Disclosures with respect to remuneration:**

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.;

## **Executive & Whole-Time Directors**

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Managing Director, subject to the approval of Members, if required. The remuneration structure of the Company comprises salary/remuneration, perquisites & Allowances etc. The nature of employment of all Executive and Managing Directors is contractual as per the Company's policy.

The Company has one Managing Director on its Board, who is eligible to draw remuneration as per the Board and Shareholder's approval. However, the Managerial Persons viz. Mr. Tarachand Agrawal ( Date of appointment : 21<sup>st</sup> March, 2022) Managing Director has decided not to draw any remuneration from the Company and accordingly no remuneration including any allowances and/or performance linked Bonus/Commission was paid to the Managerial Persons during financial year 2021-2022.

Mr. Pinal Shah has drawn remuneration 4,28,000/- from the Company for Financial year 2021-22

Mr. Pinal shah was resigned from the post of Managing Director w.e.f. 27<sup>th</sup> December, 2021.

## **Terms of Appointment of Directors**

As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/reappointment are given in Notice of the 10<sup>th</sup> Annual General Meeting. Terms of Appointment of the Managing Director as per the resolutions passed by Board and Shareholders are as under:

### **I. Non-Executive & Independent Directors**

#### **Commission & Sitting fees to Non-executive Directors**

The details of payment of commission and sitting fees paid to Non-Executive & Independent Directors for the FY 2021-22 are as under:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Commission</b>	<b>Sitting Fees</b>
1	Mr. Pranav Vajani	Nil	Nil
2	Ms. Ziral Soni	Nil	15000
3	Mr. Jitendra Parmar	Nil	Nil

The Company also reimburses out of pocket expenses incurred by the Directors, if any, for attending Board & Committee meetings.

### **III. Non-Executive & Non-Independent Director**

#### **1. Mr. Pratapsingh Zala**

Terms of remuneration of Mr. Pratapsingh Zala as approved by the Shareholders are as under:

**Remuneration paid to Mr. Pratapsingh Zala during the year 2021-22: NIL**

**Note:** As per Regulation 17(6)(ca) of the SEBI (LODR) Regulations, 2015, the approval of the members of the Company by way of special resolution, giving details of remuneration, is required every year for payment of annual remuneration to single non-executive Director exceeding 50% (fifty percent) of the total annual remuneration payable to all non-executive Directors of the Company.

## **2. Mr. Avantinath Raval**

Terms of remuneration of Mr. Avantinath Raval as approved by the Shareholders are as under:

**Remuneration paid to Mr. Avantinath Raval during the year 2021-22: NIL**

**Note:** As per Regulation 17(6)(ca) of the SEBI (LODR) Regulations, 2015, the approval of the members of the Company by way of special resolution, giving details of remuneration, is required every year for payment of annual remuneration to single non-executive Director exceeding 50% (fifty percent) of the total annual remuneration payable to all non-executive Directors of the Company.

### **(C) Stock Option**

The Company has not granted any stock options to its Directors.

The Criteria of making payment to Non-Executive Directors is placed on the website of the Company.

## **6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **(a) Composition**

The Company has constituted Stakeholders Relationship Committee. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee specifically looks into issues relating to various aspects of shareholders, *inter alia*, share related matters and redressal of grievances of Security holders. The Committee comprises three [3] directors and committee functions under the Chairmanship of an Independent Director.

### **(b) Stakeholders' Relationship Committee Meetings:**

Two [2] meetings were held during the year 2021-22. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 3<sup>rd</sup> July, 2021, 27<sup>th</sup> December, 2021 and 7<sup>th</sup> March, 2022. Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2021-22 is given below:

<b>Name</b>	<b>Status</b>	<b>No. of the Committee Meeting entitled</b>	<b>No. of Committee Meeting attended</b>
Mr. Pranav Vajani <sup>1</sup>	Chairman	3	3

Ms. Ziral Pankajkumar Soni <sup>4</sup>	Member	1	1
Mr. Avantinath Raval <sup>2</sup>	Member	2	2
Mr. Gaurav Kimtani <sup>3</sup>	Chairman	2	2
Mr. Vinay Raval <sup>3</sup>	Member	2	2
Mr. Pinal Shah <sup>3</sup>	Member	2	2

<sup>1</sup>Mr. Pranav Vajani was appointed as Member of the Nomination and Remuneration Committee w.e.f. 14<sup>th</sup> August, 2021

<sup>2</sup>Mr. Avantinath Raval was appointed as Chairman of the Nomination and Remuneration Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>3</sup>Mr. Gaurav Kimtani, Mr. Vinay Raval and Mr. Pinal Shah had been resigned as Chairman and Member from the Nomination and Remuneration Committee w.e.f. 27<sup>th</sup> December, 2021

<sup>4</sup>Mr. Pratapsingh Zala was appointed as Member and has resigned as Member of Nomination and Remuneration Committee w.e.f. 8<sup>th</sup> January, 2022 and 7<sup>th</sup> March, 2022 respectively

<sup>5</sup>Ms. Ziral Soni was appointed as Member of the Nomination and Remuneration Committee w.e.f. 7<sup>th</sup> March, 2022

### **(c) Terms of reference, Role and Powers**

The Company has adopted terms of reference and role of Stakeholders Relationship Committee as per Section 178 the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

#### **Role of Stakeholders Relationship Committee:**

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### **(d) Other Information**

- To expedite the process of share transfer, transmission, split, consolidation, rematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the powers of approving the same to the Company's RTA namely Bigshare Services Private Limited, Ahmedabad under the supervision and control of the Company Secretary/ Compliance Officer of the Company, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.

#### **• Name, Designation and address of the Company Secretary & Compliance Officer**

Ms. Prachi, Company Secretary & Compliance Officer

7NR Retail Limited

Godown No-1, 234/1+234/2,

FP-69/3, Sadashiv Kanto, B/h Bajaj Process,

Narol Chokdi, Ahmedabad - 382 405

Tel. No.: +91 99240 48888

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

The Company has designated the email id ([investors@7nrretailtd.in](mailto:investors@7nrretailtd.in)) for grievances redressal and registering complaints by investor.

### **Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2021-22.**

#### **Quarter-wise Summary of Investors' Complaints received and resolved**

Quarter Period		Opening	Received	Resolved	Pending
From	To				
01-04-2021	30-06-2021	Nil	Nil	Nil	Nil
01-07-2021	30-09-2021	Nil	Nil	Nil	Nil
01-10-2021	31-12-2021	Nil	Nil	Nil	Nil
01-01-2022	31-03-2022	Nil	Nil	Nil	Nil

#### **(e) Non-receipt/Unclaimed dividends**

The Company has not declared dividend for any financial year till date and also there are Nil unclaimed dividend as on date..

#### **(f) Amount Transferred to IEPF Account**

As per the provision of Section 124(5) and Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

### **7. INFORMATION ABOUT GENERAL BODY MEETINGS:**

#### **(A) Annual General Meeting**

Details of Venue, Date and Time of the Last Three Annual General Meetings are as follows:

Year	Venue	Date	Time
2018-19	B-308, Titanium Heights, Nr. Vodafone House Corporate Road, Prahladnagar, Makarba Ahmedabad-380015	28-09-2019	11:00 A.M.



2019-20	Through Video Conferencing (VC) / Other Audio Video Means (OAVM)	30-09-2020	12:00 P.M.
2020-21	Through Video Conferencing (VC) / Other Audio Video Means (OAVM)	29-09-2021	12:00 P.M.

### **(b) Special Resolution (without postal ballot) passed at the Last Three AGM**

The Company has passed special resolution at 9<sup>th</sup> Annual General Meeting for Approve the reappointment of Mr. Jaimin Kailash Gupta as a Whole time Director.

### **(C) Special Resolution passed through Postal Ballot Resolutions**

The Company has passed following special resolution through Postal Ballot as on 16<sup>th</sup> May, 2019:

1. Remuneration to Mrs. Riddhi Shah (Din: 05197462) As a Non-Executive and Non-Independent Director of the Company.
2. Migration from SME Platform of BSE Limited to Main Board of BSE Limited.

## **8. MEANS OF COMMUNICATION**

### **(a) Financial Results**

The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges and Company website, immediately after the same are taken on record by the Board.

### **(b) Newspapers wherein results normally published**

Results are normally published in Indian Express (English edition) and in Financial Express (Gujarati edition). These are not sent individually to the shareholders.

### **(c) Website, News Releases, Presentation etc.**

The Company's results, annual reports and official news releases are displayed on the Company's website. The said Company's website also containing basic information about the Company includes information about the Company's business, financial information, shareholding pattern, compliance with corporate governance, Company's director, registrar & transfer agent, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc.

The Company had meetings with and made presentations to the institutional investors and analysts during the year and the presentation made to analysts and investors are uploaded on the website of the Company.

### **BSE Listing Center**

BSE Limited has also launched a web based system for corporates to make their periodic submission of compliances online. Your company is also filing the Shareholding Pattern, Financial

Result, Corporate Governance Report and all the intimation/ disclosures through the BSE Listing Center.

### **Processing of investor complaints in SEBI Complaints Redress System (SCORES)**

SEBI has commenced processing of investor complaints in a centralized web based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

### **Price Sensitive Information**

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the Shareholders. The said information is also uploaded on the Company's website.

## **9. OTHER DISCLOSURES:**

### **(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large**

There were no materially significant related party transactions that may have potential conflict with the interests of the Company.

### **(b) Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

Your Company has complied with all the requirements of regulatory authorities. No penalty/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market.

### **(c) Vigil Mechanism/ Whistleblower Policy**

The Company has adopted the Whistleblower Policy and has established the necessary vigil mechanism for stakeholders, including individual employees and their representative bodies and directors to report concerns about illegal or unethical practices, unethical behavior, actual or suspect fraud or violation of Code of Conduct. It also provides adequate safeguard against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee. No person has been denied access to the Chairman of Audit Committee. The said policy is uploaded on the Company's website.

### **(d) Material Subsidiary**

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

### **(e) Basis of Related Party Transaction**

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2021-22.

These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

### **(f) Details of compliance with the mandatory requirements and extent of compliance with non mandatory requirements**

#### **• Compliance with the Corporate Governance Code**

The Company has complied with all the mandatory Corporate Governance requirements as well as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

- The Company has complied with the requirement of corporate governance report mentioned under sub-para (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015.

#### **• Extent of compliance with the non-mandatory requirements and Discretionary Requirements specified in Part E of Schedule II**

- ✓ **Shareholder's Rights:** Quarterly, Half yearly and yearly financial results including summary of significant events are presently not being sent to the shareholders of the Company. However, quarterly financial results are published in the leading newspapers and are also available on the website of the Company.
- ✓ **Modified Opinion(s) in Audit Report:** There is no qualification on Auditor's report on standalone and consolidated financial statement to the shareholder of the Company.
- ✓ **Reporting of Internal Auditor:** The Board has appointed Internal Auditor of the Company. The Internal Auditor of the Company is regularly invited to the Audit Committee meeting and regularly attends the meeting. The Internal Auditors give quarterly presentation on their audit observation to the Audit Committee.

The Company has obtained a Certificate from CS Gaurav Bachani of M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad on compliance of conditions of Corporate Governance requirement as required under Schedule V (E) read with Regulation 34 (3) of SEBI (LODR) Regulations, 2015 and has attached the said certificate with the Boards' Report.

#### **(g) Disclosure of accounting treatment in preparation of Financial Statements**

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing financial statement.

#### **(h) MDA**

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

#### **(i) CEO/CFO Certificate**

In compliance of the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015 the Managing Director and Chief Financial Officer also gives quarterly Certification on financial results while placing the financial results before the Board.

#### **(j) Risk Management Policy**

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

#### **(k) Dividend Distribution Policy**

As per amendment made in Regulation 43A of SEBI (LODR) Regulations, 2015 vide SEBI Notification No. SEBI/ LAD-NRO/GN/2021/22 dated 5<sup>th</sup> May, 2021, top 1000 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. The Board has approved the Dividend Distribution Policy in line with said Regulation which is uploaded on the website of the Company.

#### **(l) Other Policies**

The Company has also formulated policy for Preservation & Archival of documents and a policy for determining materiality of event and information for disclosures as per Listing Regulation, 2015.

Policy on Criteria of making payment to Non-Executive Directors.

The Board approved policy on Criteria of making payment to Non-Executive Directors as per Companies Act, 2013 and made amended from time to time.

Further, MCA vide its circulars dated 18<sup>th</sup> March, 2021 notifies amendment in Section 149(9) and Section 197 including Schedule V of the Companies Act, 2013 which allow the Independent Director to take remuneration in case of Company has no profit or inadequate profit subject to the provisions of Schedule V. Hence, the Company has revised Criteria of making payment to Non-Executive Directors to that extent.

The said policies are available on the website of the Company.

#### **(m) Conflict of Interest**

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

#### **(n) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

#### **(o) Confirmation and Certification**

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from CS Gaurav Bachani of M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

#### **(p) Payment to Statutory Auditors**

During 2021-22, total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the Statutory Auditors i.e. M/s. J. S. Maheshwari & Co., Chartered Accountants, Ahmedabad, as under:

- M/s. J. S. Maheshwari & Co., – ₹ 40,000/-

#### **(q) Sexual Harassment of Women at Workplace**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“Sexual Harassment Act”). Internal Complaints Committee (ICC) has been constituted for the Company’s various sites and workplace in compliance with the provisions of Sexual Harassment Act to redress

complaints received regarding sexual harassment. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment Act.

**(r) SEBI (Prohibition of Insider Trading) Regulations, 2015**

The Company has approved/adopted Code of Conduct for Insider Trading, as per SEBI (Prohibition of Insider Trading) Regulations, 2015 [“SEBI (PIT) Regulations”]

**(s) Availed services of NSDL to update e-mail ids of shareholders to send notice of 17<sup>th</sup> Annual General Meeting in compliance with the concern circulars issued by MCA and SEBI**

In view of the unprecedented outbreak of COVID-19 pandemic, MCA and SEBI vide their Circulars allowed Companies to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Further, the said circulars have also permit to send Annual Report to Shareholders through email only and dispensed with the printing and dispatch of physical copy of annual reports to shareholders.

Accordingly, Notice of AGM along with the Annual Report for FY 2021-22 was being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. In this regard, as a part of Good Corporate Governance, the Company had availed services of Depository viz. National Securities Depository Limited (“NSDL”) to update the e-mail IDs of the shareholders to send Notice of AGM along with the Annual Report for FY 2021-22. By the said services, shareholders can update their email ID directly without approaching their DP, where they maintain their demat account.

**(t)** During the year, the Board has accepted all the recommendations made by various committees including Audit Committee. There have been no instances during the year where recommendations of the any Committee were not accepted by the Board.

**10. GENERAL SHAREHOLDERS’ INFORMATION:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Registered Office	Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol Ahmedabad - 382 405
2	Annual General Meeting	28 <sup>th</sup> September, 2022 at 4:00 P.M. Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to MCA / SEBI Circulars.
3	Financial Year	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
4	Financial Results	
	1 <sup>st</sup> Quarter	45 days from end of Quarter ended 30 <sup>th</sup> June, 2022

	Half Year ended	45 days from end of Quarter ended 30 <sup>th</sup> September, 2022
	Nine Months ended	45 days from end of Quarter ended 31 <sup>st</sup> December, 2022
	Year ended	60 days from end of Year i.e. 31 <sup>st</sup> March, 2023
5	Book Closure Dates	21 <sup>st</sup> September, 2022 to 28 <sup>th</sup> September, 2022 (both days inclusive)
6	Dividend Payment Date	Not Applicable
7	Listing of Shares on Stock Exchanges	<b>BSE Limited</b> The Company has paid the annual listing fees for the financial year 2022-23 to the Stock Exchange viz. BSE Limited, where the equity shares of the Company are listed.
8	Stock Exchange Code	540615
9	Registrar and Share Transfer Agents : Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:	Cameo Corporate Services Limited  Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu – 600 002 Email ID: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>

#### 11. Stock Price Data:

The shares of the Company were traded on the BSE Limited. The information on stock price data, BSE Sensex details are as under:

Month	BSE		
	High	Low	Shares Traded
April, 2021	7.63	5.31	1,613
May, 2021	7.50	5.55	1,657
June, 2021	9.23	6.46	4,473
July, 2021	7.85	6.54	1,704
August, 2021	9.49	6.93	1,564
September, 2021	8.70	7.55	1,187
October, 2021	16.34	8.25	5,584
November, 2021	25.10	12.30	5,063
December, 2021	27.95	15.25	6,394
January, 2022	21.45	16.25	5,334
February, 2022	23.55	15.80	7,032
March, 2022	23.00	1.90	12,081

#### 12. Distribution of Shareholding as on 31<sup>st</sup> March, 2022:

No. of Equity Shares Held	No. of Share Holders	% of Share Holders	No. of Equity Shares Held	% of total Holding
1-100	7554	60.2440	287359	2.7434
101-500	3227	25.7357	846966	8.0859

501-1000	870	6.9383	695336	6.6383
1001-2000	432	3.4452	656651	6.2690
2001-3000	152	1.2122	391417	3.7368
3001-4000	59	0.4705	211685	2.0209
4001-5000	52	0.4147	242833	2.3183
5001-10000	95	0.7576	670657	6.4027
10000- And Above	98	0.7815	6471596	61.7842
<b>Total</b>	<b>12539</b>	<b>100.0000</b>	<b>10474500</b>	<b>100.0000</b>

### 13. Category of Shareholders as on 31<sup>st</sup> March, 2022:

Category	No. of Shares held	% of Shareholding
Promoters(Directors, Relatives & Group Companies)	3226933	30.81
Clearing Member	34224	0.33
Corporate Bodies	183970	1.76
Non Resident Indian	45982	0.44
HUF	188533	1.80
Public	1051688	10.03
<b>Total</b>	<b>4731330</b>	<b>40.4</b>

### 14. Dematerialization of Shares & Liquidity

The Company's shares are in compulsory demat segment and as on 31<sup>st</sup> March, 2022, 104745000 equity shares of the Company, forming 100.00% of the Company's paid-up equity share capital, is in dematerialized form. Company's shares are easily traded on the stock exchange i.e. BSE Main Board.

### 15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The Company has no outstanding GDRs/ADRs/ Warrants/Options or any convertible Instruments as on 31<sup>st</sup> March, 2022.

### 17. Share Transfer System

All the shares related work is being undertaken by our RTA, Cameo Corporate Services Limited, Tamil Nadu. To expedite the process of share transfer, transmission, split, consolidation, rematerialisation and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

In terms of Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2022 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be



issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shares lodged for transfer at the RTA address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. The investors/ shareholders grievances are also taken-up by our RTA.

The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from a Company Secretary in practice for due compliance with the share transfer formalities as required under Clause 40(9) of SEBI (LODR) Regulations, 2015 read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59, dated April 13, 2020.

### **18. Reconciliation of Share Capital Audit Report**

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid-up capital of the Company were placed before the Stakeholders Relationship Committee every quarter and also submitted to the Stock Exchange(s) every quarter.

## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
7NR Retail Limited**

We have examined the compliance of conditions of Corporate Governance by 7NR Retail Limited (the Company), for the financial year ended on 31<sup>st</sup> March, 2022 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI  
PROPREITOR**

ACS: 61110

COP: 22830

FRN: S2020GJ718800

Peer Review Certificate No.: 2126/2022

UDIN: A061110D000806745

Date: 17-08-2022

Place: Ahmedabad

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

To,  
**The Members of  
7NR Retail Limited**

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 7NR Retail Limited having CIN: L52320GJ2012PLC073076 and having registered office at Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol Ahmedabad - 382 405 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Mr. Tarachand Agrawal	00465635	27-12-2021
2	Mr. Pratapsingh Zala	03445568	08-01-2022
3	Mr. Avantinath Raval	07686783	27-12-2021
4	Mr. Pranav Vajani	09213749	03-07-2021
5	Ms. Ziral Soni	09213763	07-03-2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted.

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI  
PROPREITOR**

ACS: 61110

COP: 22830

FRN: S2020GJ718800

Peer Review Certificate No.: 2126/2022

UDIN: A061110D000806690

Date: 17-08-2022

Place: Ahmedabad

## **DECLARATION**

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2022.

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

<b>Sd/-</b>	<b>Sd/</b>
<b>Tarachand Agrawal</b>	<b>Pradeepsingh Shekhawat</b>
<b>Managing Director</b>	<b>CFO</b>

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

**Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations, 2015**

This is to certify that the Company has laid down the rules for Code of Conduct for the members of the Board and senior management, as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the financial year ended on March 31, 2022, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

**Sd/-**

**Tarachand Agrawal**  
**Managing Director**  
**DIN: 00465635**

**E-Form MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **7NR Retail Limited** (hereinafter called the “Company”). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **7NR Retail Limited**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **7NR Retail Limited** (“the Company”) for the Financial Year ended on 31<sup>st</sup> March, 2022, according to the provisions of:-

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period).
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period).
  - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI**  
PROPREITOR  
ACS No.: 61110  
COP No.: 22830  
FRN: S2020GJ718800

Peer Review Certificate No.: 2126/2022  
UDIN: A061110D000457396

**Place:** Ahmedabad  
**Date:** 3<sup>rd</sup> June, 2022

This report is to be read with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this report.

To,  
The Members  
**7NR Retail Limited**  
Ahmedabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI**  
PROPREITOR  
ACS No.: 61110  
COP No.: 22830  
FRN: S2020GJ718800

Peer Review Certificate No.: 2126/2022  
UDIN: A061110D000457396

**Place:** Ahmedabad  
**Date:** 3<sup>rd</sup> June, 2022



## **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, 2022, 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 2022, 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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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.

**For J S Maheshwari & Co**

**Chartered Accountants  
Registration No. 001318C**

**CA Dilip Maliwal**

**Partner**

**M No 148387**

**UDIN : 22148387ALXCNH9037**

**Place - Ahmedabad**

**Date - 05<sup>th</sup> May, 2022**

## **Annexure 'A' to the Independent Auditor's Report**

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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, 2022.

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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 fixed assets:

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 fixed assets 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 half 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. 730.66 lacs as Loans and Advances to parties other than Associate Company and Outstanding of Balance of which is Rs. 616.39 lacs. (Refer Note:5 & 9 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)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount of Loan or Advance in nature of Loan granted during the period</b>	<b>Outstanding Balance as on 31<sup>st</sup> March, 2022</b>
1)	Loan Granted to Promoters	Nil	Nil
2)	Loan Granted to Related Parties excluding Promoters	Nil	Nil

4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

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, 2022 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 no dues of income-tax, goods and service tax, which have not 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 not 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;

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) Not applicable

17. The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18. Yes, The Statutory Auditor has resigned from the company during the year and outgoing auditor has not raised any concerns or objections.

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

**For J S Maheshwari & Co  
Chartered Accountants  
Registration No. 001318C**

**CA Dilip Maliwal  
Partner  
M No 148387  
UDIN : 22148387ALXCNH9037**

**Place - Ahmedabad  
Date - 05<sup>th</sup> May, 2022**

## **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, 2022.

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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, 2022 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 2022, 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 J S Maheshwari & Co**  
**Chartered Accountants**  
**Registration No. 001318C**

**CA Dilip Maliwal**  
**Partner**  
**M No 148387**  
**UDIN : 22148387ALXCNH9037**

**Place - Ahmedabad**  
**Date - 05<sup>th</sup> May, 2022**

**7NR RETAIL LIMITED****Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Ahmedabad 382405****L52320GJ2012PLC073076****Balance Sheet as at 31st March, 2022**

Particulars	Note No.	Rs. In Lakhs	
		As At 31.03.2022	As At 31.03.2021
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
a) Property, Plant & Equipment	2	11.18	109.79
b) Capital Work-in-Progress		-	-
c) Deferred tax assets (net)	3	3.08	0.56
d) Financial Assets:			
(i) Investments		-	-
(ii) Trade Receivable	4	58.30	132.83
(iii) Loans	5	23.44	50.22
e) Other non-current assets		-	-
<b>Total Non-Current Assets</b>		<b>96.00</b>	<b>293.40</b>
<b>2 Current Assets</b>			
a) Inventories	6	715.68	477.35
b) Financial Assets:			
(i) Trade Receivables	7	515.59	15.35
(ii) Cash and cash equivalents	8	24.43	85.00
(iii) Loans	9	707.22	566.17
c) Current Tax Assets ( Net)		7.70	1.63
d) Other Current Assets	10	1.94	4.63
<b>Total Current Assets</b>		<b>1,972.56</b>	<b>1,150.13</b>
<b>Total Assets</b>		<b>2,068.56</b>	<b>1,443.53</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>A Equity</b>			
a) Equity Share Capital	11	1,047.45	1,047.45
b) Other Equity	12	34.34	(42.33)
<b>Total Equity</b>		<b>1,081.79</b>	<b>1,005.12</b>
<b>B Liabilities</b>			
<b>1 Non-current Liabilities</b>			
a) Financial Liabilities:			
(i) Borrowings		-	-
(ii) Trade Payable	13	1.63	402.43
b) Provisions		-	-
c) Deferred Tax Liabilities ( net)		-	-
d) Other Non Current Liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>1.63</b>	<b>402.43</b>
<b>2 Current Liabilities</b>			
a) Financial Liabilities:			
(i) Borrowings	14	144.14	14.86
(ii) Trade Payable	15		
a) Due to MSME		729.63	-
b) Due to Other than MSME		103.07	18.05
(iii) Other Financial Liabilities		-	-
b) Other Current Liabilities		-	-
c) Provisions	16	8.31	3.07
c) Current Tax Liabilities ( Net)		-	-
<b>Total Current Liabilities</b>		<b>985.14</b>	<b>35.98</b>
<b>Total Liabilities</b>		<b>986.77</b>	<b>438.41</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,068.56</b>	<b>1,443.53</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>			
<b>As per our report of even date</b>		<b>For and on behalf of the Board</b>	
<b>For J S Maheshwari &amp; Co</b>			
<b>Chartered Accountants</b>			
<b>Registration No. 001318C</b>		<b>Tarachand Agrawal</b>	<b>Pratapsingh Zala</b>
		<b>Managing Director</b>	<b>Director</b>
		<b>(DIN: 00465635)</b>	<b>(DIN: 03445568)</b>
		<b>Prachi Chobisa</b>	<b>Pradeepsingh Shekhawat</b>
<b>CA Dilip Maliwal</b>		<b>Company secretary</b>	<b>CFO</b>
<b>Partner</b>		<b>CGJPP9342R</b>	<b>(PAN: GCQPS6071D)</b>
<b>M No 148387</b>			
<b>Place - Ahmedabad</b>		<b>Place - Ahmedabad</b>	
<b>Date - 05th May, 2022</b>		<b>Date - 05th May, 2022</b>	
<b>UDIN: 22148387ALXCNH9037</b>			

**7NR RETAIL LIMITED****Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Ahmedabad 382405  
L52320GJ2012PLC073076****Statement of Profit and Loss for the Year ended 31st March,2022**

		Rs. In Lakhs	
Particulars	Note No.	2021-22	2020-21
<b>INCOME</b>			
(I) Revenue from Operations	17	2,400.32	275.65
(II) Other Income	18	29.03	22.07
(III) <b>Total Income (I) + (II)</b>		<b>2,429.35</b>	<b>297.72</b>
<b>EXPENSES</b>			
(IV) Purchase of traded goods		2,487.71	210.73
Changes in inventories of finished goods, work in progress & Stock in Trade	19	(238.33)	58.54
Employee benefits expenses	20	17.87	35.87
Finance Costs	21	3.03	0.28
Depreciation and amortization expenses		13.31	14.48
Other expenses	22	64.13	31.18
<b>Total Expenses (IV)</b>		<b>2,347.72</b>	<b>351.08</b>
(V) Profit before Exceptional Items & Taxes		<b>81.63</b>	<b>(53.36)</b>
(VI) Exceptional Items - (Net)		-	-
(VII) Profit before tax (V)-(VI)		<b>81.63</b>	<b>(53.36)</b>
(VIII) Tax Expenses :			
(1) Current tax		7.49	-
(2) Deferred tax		(2.52)	-
		<b>4.96</b>	-
(IX) <b>Profit for the Period (VII)-(VIII)</b>		<b>76.67</b>	<b>(53.36)</b>
(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)		<b>76.67</b>	<b>(53.36)</b>
(XII) <b>Earning Per Equity Share(Nominal Value per Share:(Rs. 10)</b>	<b>23</b>		
1. Basic		<b>0.07</b>	<b>(0.51)</b>
2. Diluted		<b>0.07</b>	<b>(0.51)</b>

**Significant Accounting Policies**

1

**Notes forming part of the Financial Statements**

As per our report of even date

For and on behalf of the Board

**For J S Maheshwari & Co**  
Chartered Accountants  
Registration No. 001318C

**Tarachand Agrawal**  
Managing Director  
(DIN: 00465635)

**Pratapsingh Zala**  
Director  
(DIN: 03445568)

**CA Dilip Maliwal**  
Partner

M No 148387

Place - Ahmedabad

Date - 05th May, 2022

UDIN: 22148387ALXCNH9037

**Prachi Chobisa**  
Company secretary  
CGJPP9342R

**Pradeepsingh Shekhawa**  
CFO  
(PAN: GCQPS6071D)

Place - Ahmedabad

Date - 05th May, 2022

**7NR RETAIL LIMITED**

**Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Ahmedabad 382405  
L52320GJ2012PLC073076**

**Cash Flow statement for the year ended 31st March 2022**

Particulars	March 31,2022	March 31,2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax as per Statement of Profit and Loss</b>	<b>81.63</b>	<b>(53.36)</b>
<b>Adjusted for:</b>		
Misc Exp to the extent written off		
Loss on sale of asset	1.14	0.94
Finance Cost	3.03	0.28
Interest Income earned	(27.15)	(20.69)
Depreciation	13.31	14.48
<b>Operating Profit before working capital changes</b>	<b>71.96</b>	<b>(58.35)</b>
<b>Adjusted for:</b>		
(Increase)/ Decrease in Trade Receivables	(425.71)	19.48
(Increase)/ Decrease in Loans	(114.27)	(266.72)
(Increase)/ Decrease in Inventories	(238.33)	58.54
Increase/ (Decrease) in Trade Payable	413.85	(2.79)
Increase/ (Decrease) in Other Current Assets	(3.38)	0.02
Increase/ (Decrease) in Provisions	5.24	(8.49)
<b>Cash Generated from Operations</b>	<b>(290.64)</b>	<b>(258.31)</b>
<b>Adjusted for:</b>		
Direct Tax Refund (Net of Payment)	<b>(7.49)</b>	-
<b>Net Cash from Operating activities</b>	<b>(298.13)</b>	<b>(258.31)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	-	-
Sales of Fixed Assets	84.16	0.40
<b>C. Net Cash Flow from Investing Activities</b>	<b>84.16</b>	<b>0.40</b>
<b>Cash Flow from Financing activities:</b>		
Borrowings (Net)	129.28	14.86
Finance Cost	(3.03)	(0.28)
Interest earned	27.15	20.69
<b>Net cash from Financing Activities</b>	<b>153.40</b>	<b>35.27</b>
<b>Net cash from Financing Activities</b>		
<b>Net Increase/(Decrease) in cash</b>	<b>(60.57)</b>	<b>(222.64)</b>
<b>Opening Balance of Cash &amp; Cash equivalents</b>	<b>85.00</b>	<b>307.64</b>
<b>Closing Balance of Cash &amp; Cash equivalents</b>	<b>24.43</b>	<b>85.00</b>

The accompanying notes are an integral part of the financial statements

**As per our report of even date**

**For J S Maheshwari & Co**

**Chartered Accountants**

**Registration No. 001318C**

**CA Dilip Maliwal**

**Partner**

**M No 148387**

**Place - Ahmedabad**

**Date - 05th May, 2022**

**For and on behalf of the Board**

**Tarachand Agrawal**

**Managing Director**

**(DIN: 00465635)**

**Pratapsingh Zala**

**Director**

**(DIN: 03445568)**

**Prachi Chobisa**

**Company secretary**

**CGJPP9342R**

**Pradeepsingh Shekhawat**

**CFO**

**(PAN: GCQPS6071D)**

**Place - Ahmedabad**

**Date - 05th May, 2022**

**7NR RETAIL LIMITED****Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Ahmedabad 382405****L52320GJ2012PLC073076****Statement of Changes in Equity**

For the year ended 31st March, 2022

(Rs. In Lakhs)

**A. Equity Share Capital**

As at 01.04.2020	1,047.45
Movement during the year on account of Bonus shares issued	-
As at 31.03.2021	1,047.45
Movement during the year	-
As at 31.03.2022	1,047.45

**B. Other Equity**

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
<b>Balance as at 1st April,2020</b>	-	<b>11.03</b>	<b>11.03</b>
Profit for the year	-	(53.36)	<b>(53.36)</b>
Other Comprehensive Income for the Year	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	<b>(53.36)</b>	<b>(53.36)</b>
Public Issue exp written off	-	-	-
<b>Balance as at 31st March,2021</b>	-	<b>(42.33)</b>	<b>(42.33)</b>
<b>Balance as at 1st April,2021</b>	-	<b>(42.33)</b>	<b>-42.33</b>
Profit for the year	-	76.67	<b>76.67</b>
Other Comprehensive Income for the Year	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	<b>76.67</b>	<b>76.67</b>
Public Issue exp written off	-	-	-
<b>Balance as at 31st March,2022</b>	-	<b>34.34</b>	<b>34.34</b>

The accompanying notes are an integral part of the financial statements

**As per our report of even date****For J S Maheshwari & Co****Chartered Accountants****Registration No. 001318C****Tarachand Agrawal****Managing Director****(DIN: 00465635)****Pratapsingh Zala****Director****(DIN: 03445568)****CA Dilip Maliwal****Partner****M No 148387****Place - Ahmedabad****Date - 05th May, 2022****Prachi Chobisa****Company secretary****CGJPP9342R****Pradeepsingh Shekhawat****CFO****(PAN: GCQPS6071D)****Place - Ahmedabad****Date - 05th May, 2022**



**7NR RETAIL LIMITED**  
**"2" Property, Plant & Equipment**

Rs In Lakhs

PARTICULARS	Plant & Machinery	Electric Installation & Air Condition	Furniture & Fixtures	Office Building	Computer & Software	Office Equipment	TOTAL TANGIBLE ASSETS	CAPITAL WORK IN PROGRESS
<b>Gross Carrying Amount as at 01st April, 2019</b>	<b>0.15</b>	<b>36.03</b>	<b>77.92</b>	<b>21.72</b>	<b>3.20</b>	<b>0.49</b>	<b>139.51</b>	-
Additions	-	0.39	12.41	-	0.16	-	<b>12.96</b>	-
Disposals	-	-	-	-	-	-	-	-
<b>Gross Carrying Amount as at March 31,2020</b>	<b>0.15</b>	<b>36.42</b>	<b>90.33</b>	<b>21.72</b>	<b>3.36</b>	<b>0.49</b>	<b>152.47</b>	-
Additions	-	-	-	-	-	-	-	-
Disposals/ Deduction	-	-	1.52	-	-	-	<b>1.52</b>	-
<b>Gross Carrying Amount as at March 31,2021</b>	<b>0.15</b>	<b>36.42</b>	<b>88.81</b>	<b>21.72</b>	<b>3.36</b>	<b>0.49</b>	<b>150.95</b>	-
Additions	-	-	<b>2.87</b>	-	-	-	<b>2.87</b>	-
Disposals/ Deduction	-	<b>8.00</b>	<b>58.04</b>	<b>21.00</b>	-	-	<b>87.04</b>	-
<b>Gross Carrying Amount as at March 31,2022</b>	<b>0.15</b>	<b>28.42</b>	<b>33.64</b>	<b>0.72</b>	<b>3.36</b>	<b>0.49</b>	<b>66.78</b>	-
<b>Accumulated Depreciation/ Amortization and Impairment</b>								
<b>Balance as at April 01,2019</b>	<b>0.01</b>	<b>3.74</b>	<b>7.66</b>	<b>0.31</b>	<b>0.58</b>	<b>0.20</b>	<b>12.50</b>	-
Depreciation for the year	0.01	3.86	9.35	0.34	0.59	0.21	<b>14.36</b>	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
<b>Balance as at March 31,2020</b>	<b>0.02</b>	<b>7.60</b>	<b>17.01</b>	<b>0.65</b>	<b>1.17</b>	<b>0.41</b>	<b>26.86</b>	-
Depreciation for the year	0.01	3.89	9.45	0.34	0.59	0.20	<b>14.48</b>	-
Depreciation on Disposals	-	-	0.18	-	-	-	<b>0.18</b>	-
<b>Balance as at March 31,2021</b>	<b>0.03</b>	<b>11.49</b>	<b>26.28</b>	<b>0.99</b>	<b>1.76</b>	<b>0.61</b>	<b>41.16</b>	-
Depreciation for the year	-	2.90	9.47	0.24	0.53	-	<b>13.14</b>	-
Depreciation on Disposals/Adjustment	-	(4.04)	2.11	0.51	-	0.12	<b>(1.30)</b>	-
<b>Balance as at March 31,2022</b>	<b>0.03</b>	<b>18.43</b>	<b>33.64</b>	<b>0.72</b>	<b>2.29</b>	<b>0.49</b>	<b>55.60</b>	-
<b>Net Carrying Amount</b>								
<b>As at March 31,2022</b>	0.12	9.99	-	(0.00)	1.07	-	<b>11.18</b>	-
<b>As at March 31,2021</b>	0.12	24.93	62.53	20.73	1.60	(0.12)	<b>109.79</b>	-
<b>As at March 31,2020</b>	0.13	28.82	73.32	21.07	2.19	0.08	<b>125.61</b>	-
<b>As at March 31,2019</b>	0.14	32.29	70.26	21.41	2.62	0.29	<b>127.01</b>	-

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

		As At 31.03.2022	( Rs In Lakhs) As At 31.03.2021
<b>"3" Deferred Tax Assets</b>			
Opening Balance	0.56		0.56
Add:			
Timing Difference between tax WDV and carrying values of Property, Plant and Equipments	2.52		-
<b>Closing Balance</b>		<b>3.08</b>	<b>0.56</b>
<b>"4" Non Current Financial Assets - Trade Receivable</b>			
<b>Unsecured, considered good</b>			
<b>Unsecured, considered good:</b>			
<b>(i) Undisputed Trade Receivables Considered Good</b>			
Less than 6 months	-		-
6 months to 1 year	-		-
1-2 years	-		132.83
2-3 years	58.30		-
More than 3 years	-		-
<b>(ii) Undisputed Trade Receivables Considered Doubtful</b>			
<b>(iii) Disputed Trade Receivables Considered Good</b>			
<b>(iv) Disputed Trade Receivables Considered Doubtful</b>			
		<b>58.30</b>	<b>132.83</b>
<b>"5" Non Current Loans</b>			
<b>Unsecured, considered good</b>			
<b>i) Inter corporate Loans/Deposit</b>			
<b>ii) Loans/ Advance to Directors/ KMP/ Related parties:</b>			
Promoters			
Directors			
KMPs			
Related Parties			
<b>iii) Security Deposits</b>			
Advance Recoverable in Cash or in Kind	23.44		23.44
Security Deposits	-		26.78
		<b>23.44</b>	<b>50.22</b>
<b>"6" Inventories</b>			
(As taken, valued & certified by the Management)			
(At lower of cost and net realisable value)			
Finished Goods	715.68		477.35
		<b>715.68</b>	<b>477.35</b>
<b>"7" Trade Receivables</b>			
<b>Unsecured, considered good:</b>			
<b>(i) Undisputed Trade Receivables Considered Good</b>			
Less than 6 months	491.88		15.35
6 months to 1 year	23.71		
1-2 years			
2-3 years			
More than 3 years			
<b>(ii) Undisputed Trade Receivables Considered Doubtful</b>			
<b>(iii) Disputed Trade Receivables Considered Good</b>			
<b>(iv) Disputed Trade Receivables Considered Doubtful</b>			
		<b>515.59</b>	<b>15.35</b>
<b>"8" Cash and cash equivalents</b>			
Balances with Bank			
- In Current Accounts	1.06		4.84
Cash on hand	23.37		23.14
In Fixed Deposits	-		57.02
		<b>24.43</b>	<b>85.00</b>
<b>"9" Current Loans</b>			
<b>Unsecured and Considered Good</b>			
<b>i) Security Deposits</b>	-		-
<b>ii) Loans/ Advance to Directors/ KMP/ Related parties:</b>			
Promoters	-		-
Directors	-		-
KMPs	-		-
Related Parties	45.50		-
<b>iii) Others</b>	661.72		566.17
		<b>707.22</b>	<b>566.17</b>
<b>"10" Other Current Assets</b>			
GST Receivable	1.94		4.63
		<b>1.94</b>	<b>4.63</b>
<b>"11" Equity Share Capital</b>			
<b>Authorised</b>	<b>Number of Shares</b>	<b>Amount</b>	<b>Number of Shares</b>
Equity Shares of Rs.1 (Rs. 10) each	11,00,00,000	11,000.00	1,10,00,000
		<b>1,100.00</b>	<b>1,100.00</b>

<b>Issued,Subscribed &amp; Fully paid up</b>				
Equity Shares of Rs.1 (Rs. 10) each, fully paid	10,47,45,000	<b>1,047.45</b>	1,04,74,500	<b>1,047.45</b>

<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	1,04,74,500	1,047.45	1,04,74,500	1,047.45
Adjustment for Subdivision of Equity Shares *	9,42,70,500	-	-	-
Issued During the Year	-	-	-	-
Bonus Issue	-	-	-	-
Balance as at the end of the Year	<b>10,47,45,000</b>	<b>1,047.45</b>	<b>1,04,74,500</b>	<b>1,047.45</b>

\*Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting of the Company held on March 21, 2022, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., March 31, 2022

**(b) Details of Share holding more than 5% Shares:-**

Umang Vijaykumar Trivedi	19,27,442	18.40%	-	-
Agrawal Nikunj	12,99,491	12.41%	-	-
Pinal Kanchanlal Shah	-	-	16,27,290	15.54%
NutanbenJaykishan Patel	-	-	13,69,710	13.08%
Snehal K Shah	-	-	5,29,200	5.05%

**(c) Share holding of Promoter**

Umang Vijaykumar Trivedi	19,27,442	18.40%	-	-
Agrawal Nikunj	12,99,491	12.41%	-	-
Pinal Kanchanlal Shah	-	-	16,27,290	15.54%
NutanbenJaykishan Patel	-	-	13,69,710	13.08%

**(d) Rights, preferences and restrictions attached to shares :-**

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.

**"12" Other Equity**

<b>Particulars</b>	<b>Securities Premium</b>	<b>Revaluation Reserve</b>	<b>Capital Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 1st April,2020</b>	-	-	-	<b>11.03</b>	<b>11.03</b>
Profit for the year	-	-	-	(53.36)	(53.36)
Other Comprehensive Income for the Year	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(53.36)</b>	<b>(53.36)</b>
Public Issue exp written off	-	-	-	-	-
<b>Balance as at 31st March,2021</b>	-	-	-	<b>(42.33)</b>	<b>(42.33)</b>
<b>Balance as at 1st April,2021</b>	-	-	-	<b>(42.33)</b>	<b>(42.33)</b>
Profit for the year	-	-	-	76.67	76.67
Other Comprehensive Income for the Year	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>76.67</b>	<b>76.67</b>
Public Issue exp written off	-	-	-	-	-
<b>Balance as at 31st March,2022</b>	-	-	-	<b>34.34</b>	<b>34.34</b>

**"13" Non Current Financial Liabilities**

i] Due to Micro and Small Enterprises		
ii] Other than due to Micro and Small Enterprises		
Outstanding for: less than 1 year		
1-2 years		
2-3 years	1.63	402.43
More than 3 years		
iii] Disputed dues- MSME		
iv] Disputed dues- Others		
	<b>1.63</b>	<b>402.43</b>

**"14" Current Financial Liabilities - Borrowings**

Overdraft Bank Limit ( Against Fixed Deposit)	-	14.86
Short Term Borrowing	144.14	-
	<b>144.14</b>	<b>14.86</b>

**"15" 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	729.63	-
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	43.82	18.05
1-2 years	59.24	-
2-3 years	-	-
More than 3 years	-	-
iii] Disputed dues- MSME	-	-
iv] Disputed dues- Others	-	-
	<b>832.70</b>	<b>18.05</b>

**"16" Current Provisions**

(i) Current tax provision ( Net)	7.49	
(ii) Provisions for TDS	0.42	0.27
(iii) Provisions for employees benefits	-	2.06
(iv) Other Provisions	0.40	0.74
	<b>8.31</b>	<b>3.07</b>

(Rs In Lakhs)

	As At 31.03.2022	As At 31.03.2021
<b>"17" Revenue from Operations</b>		
a) Sale of Products (Net)	2,400.32	275.65
b) Sale of Services	-	-
c) Other Operating Revenues	-	-
	<u>2,400.32</u>	<u>275.65</u>
<b>"18" Other Income</b>		
a) Interest income	27.15	20.69
b) Balance written off	1.36	0.40
c) Excess Provision written off	-	0.98
d) Profit on sale of Asset	0.52	-
	<u>29.03</u>	<u>22.07</u>
<b>"19" Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods	477.35	535.89
<b>Total-A</b>	<b>477.35</b>	<b>535.89</b>
<b>Stock at the end of the year</b>		
Finished Goods	715.68	477.35
<b>Total-B</b>	<b>715.68</b>	<b>477.35</b>
<b>(Increase) / Decrease in Stocks (A-B)</b>	<b>(238.33)</b>	<b>58.54</b>
<b>"20" Employees Benefits Expenses</b>		
(a) Directors Remuneration	4.28	6.00
(b) Salaries and Bonus	13.43	28.37
(c) Contribution to Provident Fund & other fund	0.16	1.50
(d) Employees Welfare & other Amenties	-	-
	<u>17.87</u>	<u>35.87</u>
<b>"21" Finance Cost</b>		
Interest Expenses	2.87	0.02
Bank & Other Charges	0.16	0.26
	<u>3.03</u>	<u>0.28</u>
<b>"22" Other Expenses</b>	<b>As At 31.03.2022</b>	<b>As At 31.03.2021</b>
Auditors' Remuneration	0.40	0.30
Account Charges	0.80	1.20
Advertisement Exp.	2.45	0.37
Annual Custody Fee	2.78	
Conveyance and Petrol Exp.	0.50	-
Courier & Postage Exp.	-	-
Donation Exp.	30.00	-
Freight Expense	-	-
Housekeeping & Stores Exp	-	2.04
Insurance Exp.	0.02	0.33
Internet Exp.	-	-
Listing Fees	9.07	3.78
Loss on sale of fixed assets	1.66	0.94
Misc Exp	0.11	0.03
Misc Exp to the extent written off	-	-
Office Exp.	0.23	0.21
Power and fuel exp.	0.12	0.99
Legal & Professional Fees	8.53	5.34
Repairs & Maintenance	0.02	-
Rent , Rate & Taxes	7.32	15.13
ROC Exp	0.08	0.07
Stationery Exp.	-	-
Short/ Excess Provision written off	-	-
Software Exps	-	0.30
Travelling Exp.	-	-
Telephone Exp.	0.04	0.15
	<u>64.13</u>	<u>31.18</u>
<b>"23" Earning Per Equity Share</b>		
1.Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	<b>76.67</b>	<b>(53.36)</b>
2. Number of equity shares used as denominator for calculating EPS	10,47,45,000	1,04,74,500
3. Basic and Diluted Earning per Share	0.07	(0.51)
4. Face Value per equity share ( in Rs)	<b>1.00</b>	<b>10.00</b>

"24" **Earning in Foreign Exchange** Nil Nil

"25" **Related Party Disclosures under IND AS 24**  
**Related Parties/Nature of Relationship :**

**Key Managerial Persons**

Pinnal Shah	Managing Director (Resigned :24/12/2021)
Vinay Arjan Raval	Independent Director (Resigned :27/12/2021)
Gaurav Kimtani	Independent Director (Resigned : 27/12/2021)
Sudhir Baraiya	Independent Director (Resigned : 15/03/2021)
Rachanaben Jain	Director (Resigned : 27/12/2021)
Amit Choudhary	Independent Director (Resigned : 03/07/2021)
Kiran Prajapati	Company Secretary (Resigned : 27/12/2021)
Mittal Shah	CFO (resigned as on 18/06/2021)
Tarachand Gangasahay Agrawal	Managing Director (W.e.f. : 27/12/2021)
Pradeepsingh Shekhawat	CFO (W.e.f. : 18/06/2021)
Prachi Chobisa	Company Secretary (W.e.f. 11/04/2022)
Ms. Ziral Pankajkumar Soni	Independent Director
Vortex cotfab limited	Common Director
Vortex Cotfab (Partnership firm)	Relative of Director

(Rs. In Lakhs)

Nature of Transaction	FY 21-22	FY 20-21
<b>Pinnal Shah</b>		
Director Remuneration	4.28	6.00
Outstanding Payable	-	0.46
<b>Kiran Prajapati</b>		
Remuneration	2.68	-
Outstanding Payable	-	-
<b>Ms. Ziral Pankajkumar Soni</b>		
Sitting Fee	0.15	-
<b>Vortex cotfab limited</b>		
Sale of Goods	450.69	-
Purchase of Goods	126.28	-
<b>Vortex Cotfab (Partnership firm)</b>		
Loan and Advances given	45.50	-

"26" **Financial Instruments** (Rs In Lakhs)

Particular	Carrying Value		Fair Value	
	March 31,2022	March 31,2021	March 31,2022	March 31,2021
<b>Financial Assets</b>				
Amortised cost				
Trade receivables	515.59	15.35	515.59	15.35
Cash and cash equivalents	24.43	85.00	24.43	85.00
Loans and Advances ( Current )	707.22	566.17	707.22	566.17
Trade receivables ( Non Current )	58.30	132.83	58.30	132.83
Loans and Advances ( Non Current )	23.44	50.22	23.44	50.22
FVTOCI				
Investment in equity instruments	-	-	-	-
FVTPL				
Investment in equity instruments (Unquoted)	-	-	-	-
<b>Total Assests</b>	<b>1,328.98</b>	<b>849.57</b>	<b>1,328.98</b>	<b>849.57</b>
<b>Financial Liabilities</b>				
Amortised cost				
Long Term Borrowings	-	-	-	-
Non Current Financial Liabilities - Trade payables	1.63	402.43	1.63	402.43
Trade payables	-	-	-	-
Other Financial Liabilities	-	-	-	-
Short Term Borrowings	144.14	14.86	144.14	14.86
<b>Total Liabilities</b>	<b>145.77</b>	<b>417.29</b>	<b>145.77</b>	<b>417.29</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, 2020 was assessed to be insignificant.

iii) The fair values of the unquoted equity shares, if any have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

**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's is exposed to Credit risk in the event of non payment of customers. Credit risk concentration with respect to Trade Receivables is mitigated by the Company's large customer base. Adequate expected credit losses are 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 31,2021). The Company has made allowance of Rs Nil ( Nil as at March 31,2021) against Trade receivable of Rs. 573.89 lacs ( Rs. 148.18 Lacs as at March 31,2021).

**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 :

( Rs in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and Cash equivalents	24.43	85.00
Total	<b>24.43</b>	<b>85.00</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 and March 31, 2021.

Particulars	As at	Less than 1 year	1-2 years	More than 2 years
Borrowings	March 31,2022	144.14	-	-
	March 31,2021	-	14.86	-
Trade Payables	March 31,2022	43.82	59.24	1.63
	March 31,2021	18.05	402.43	-
Other Financial Liabilities	March 31,2022	-	-	-
	March 31,2021	-	-	-

**"28" Capital management**

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

The capital structure is as follows :

( Rs in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Total equity attributable to the equity share holders of the	1,081.79	1,005.12
As percentage of total capital	88.24%	98.54%
Current borrowings	144.14	14.86
Non-current borrowings	-	-
<b>Total borrowings</b>	<b>144.14</b>	<b>14.86</b>
As a percentage of total capital	11.76%	1.46%
<b>Total capital (borrowings and equity)</b>	<b>1,225.93</b>	<b>1,019.98</b>

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

**"29" Trade Payable to MSME**

According to the information available with the Management, on the basis of intimation received from suppliers regarding status of Micro, Small And Medium Enterprise Development Act, 2006, the Company has amount due to Micro and Small enterprise under the said Act as on 31.03.2022 is as under:-

Particulars	March 31, 2022	March 31, 2021
Principal Amount Due	729.63	-
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	-	-

**"30" Events Occurring After Balance - Sheet**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 05th May, 2022 there were no subsequent events to be recognised or reported that are not already disclosed."

**"31" Segment Information**

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

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

**"32" Contingent Liabilities and Commitment**

NIL

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

**"34"** Previous Years Figures have been re-grouped/ re-arranged wherever consider necessary. The disclosure 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

**"35" Compliance with number of layers of companies:** . The Company does not have any Subsidiary Company.

**"36" Registration of charges or satisfaction with Registrar of Companies** – There is no charge created by the Company.

**"37" Relationship with Struck off Companies:** Not Applicable

**"38" Wilful Defaulter :** The Company has not been declared as Wilful Defaulter by any Bank or Financial Institutions or Government or any Government Authority

**"39" Details of Benami Property held :** No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made

**"40" Capital WIP :** Not Applicable

**"41" Intangible assets under development :** Not Applicable



**Ratios:**

<b>Ratios</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>% of Change</b>
Current Ratio	2.00	31.97	<b>(93.74)</b>
Debt Equity Ratio	13.32%	1.48%	<b>811.43</b>
Debt Service coverage ratio	NA	NA	<b>NA</b>
Return on Equity Ratio	7.09%	-5.31%	<b>(233.50)</b>
Inventory Turnover Ratio	3.77	0.53	<b>609.47</b>
Trade Receivables turnover ratio	9.04	3.01	<b>200.15</b>
Trade payables turnover ratio	2.70	14.92	<b>(81.89)</b>
Net capital turnover ratio	2.43	0.25	<b>882.55</b>
Net profit ratio	3.19%	-19.36%	<b>(116.50)</b>
Return on Capital employed	7.83%	-5.28%	<b>(248.19)</b>
Return on investment	7.09%	-5.31%	<b>(233.50)</b>

**Current Ratio** : Decreased primarily due to increase in short term debt and Trade Payable

**Debt Equity Ratio** : Increased due to increase in short term borrowings made by the company

**Debt Service coverage ratio** : NA

**Return on Equity Ratio** : Increase primarily due to higher operating profit having limited impact of tax expense

**Inventory Turnover Ratio** : Increased primarily due to higher input costs of goods sold

**Trade Receivables turnover ratio** : Increased primarily due to efficient extension of credit period

**Trade payables turnover ratio** : Declined as company is working on the best credit terms with Supplier which the company has also been able to pass on to the customers

**Net capital turnover ratio** : Increased primarily due to increase in short term debt and limited increase in trade receivables as compared to increase in Trade payables

**Net profit ratio** : Increased primarily due to decline in Indirect expenses compared to increase in turnover

**Return on Capital employed** : Increased primarily due to higher operating profit

**Return on investment** : Increase primarily due to higher operating profit having limited impact of tax expense

<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>
Current Ratio	Current Assets	Current Liabilities
Debt Equity Ratio	Debt Capital	Shareholder's Equity
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity
Inventory Turnover Ratio	COGS	Average Inventory
Trade Receivables turnover ratio	Net Sales	Average trade receivables
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables
Net capital turnover ratio	Sales	Working capital (CA-CL)
Net profit ratio	Net Profit	Sales
Return on Capital employed	Earnings before interest and tax	Capital Employed
Return on investment	Net Profit	Investment

## **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022**

### **COMPANY INFORMATION / OVERVIEW**

7NR RETAIL LIMITED (“the Company”) is a listed entity incorporated in India. The Registered office of the Company is located at Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Ahmedabad 382405. The Company is engaged in the business of trading of textiles.

The financial statements were authorised for issue in accordance with a resolution of the directors on 05<sup>th</sup> May, 2022.

### **“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

#### **IMPAIRMENT OF ASSESTS**

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

#### **BORROWING COST**

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

#### **INVENTORIES**

Inventories are valued at the lower of cost and net realizable value. Cost incurred in bringing each 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 in 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 substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

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

#### **CASH AND CASH EQUIVALENTS**

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

#### **CASH FLOW STATEMENT**

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

#### **PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**Contingent Liabilities :** Contingent liabilities are not provided for in the books but are disclosed by way of notes in the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or

nonoccurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

### **EARNINGS PER SHARE (EPS)**

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

### **RELATED PARTY TRANSACTIONS**

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

### **SEGMENT REPORTING**

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

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

### **DIVIDEND:**

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

### **EMPLOYEE BENEFITS**

- **Short-term Obligations**

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

- **Post Employee Obligations**

The Company operates the following post-employment schemes:

- defined contribution plans such as provident fund.

- **Gratuity obligations**

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

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

- **Defined contribution plans**

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

## **FOREIGN CURRENCY TRANSACTIONS**

### **Initial Recognition:**

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

### **Subsequent Recognition:**

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

## **FINANCIAL INSTRUMENTS**

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



## **FINANCIAL ASSETS**

### **Initial recognition and measurement**

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

### **Subsequent measurement**

#### **❖ Classification**

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

- **Financial assets at amortised cost**  
Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in the Statement of Profit and Loss.
- **Financial assets at fair value through other comprehensive income (FVTOCI)**  
These assets are subsequently measured at fair value through other comprehensive income (OCI). Changes in fair values are recognized in OCI and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest income calculated using EIR and impairment loss, if any, are recognized in the Statement of Profit and Loss.
- **Financial assets at fair value through profit or loss (FVTPL)**  
These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognized in the Statement of Profit and Loss.

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

### **De-recognition**

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

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

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

## **Impairment of financial assets**

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

## **FINANCIAL LIABILITIES**

### **Initial recognition and measurement**

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

### **Classification and subsequent measurement**

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

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

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

### **De-recognition**

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

### **Offsetting of financial instruments**

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