

**DRAFT LETTER OF OFFER****“This document is important and requires your immediate attention”**

This Draft Letter of Offer (‘DL’O’) is being sent to you as the Public Shareholder (as defined below) of **7NR RETAIL LIMITED**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer (as defined below) or the Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares of the Target Company, please hand over this Draft Letter of Offer and the accompanying form of acceptance cum acknowledgement to the member of the stock exchange through whom the said sale was effected.

**OPEN OFFER BY**

Name of the Acquirers	Address	Contact Number	Email Address
Trivedi Umang Vijaykumar (“Acquirer 1”)	Naroda, 1, Chitrakut Plotting, Ahmedabad – 382330, Gujarat, India	+91- 9722123456	<a href="mailto:aahanaair@gmail.com">aahanaair@gmail.com</a>
Agrawal Nikunj Maheshlal (“Acquirer 2”)	4, Ghiya Park, Sahjanand Road, Akota, Vadodara – 390020, Gujarat, India	+91-9016838368	<a href="mailto:liverpool.ho@gmail.com">liverpool.ho@gmail.com</a>

**There is no person acting in concert with the Acquirers for the purpose of this Open Offer.**

**FOR THE ATTENTION OF PUBLIC SHAREHOLDERS OF 7NR RETAIL LIMITED**

**Corporate Identification Number:** L52320GJ2012PLC073076

**Registered Office:** B-308 Titanium Heights, Near Vodafone House, Corporate Road Prahladnagar, Makarba, Ahmedabad – 380015, Gujarat, India

**Contact Details:** +91 79-48901492;

**Website:** [www.7nrretailtd.in](http://www.7nrretailtd.in) ; **Email Address:** [info@7nrretailtd.in](mailto:info@7nrretailtd.in) , [cs@7nrretailtd.in](mailto:cs@7nrretailtd.in)

**Open Offer for acquisition of up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) fully paid-up equity shares of face value of ₹10.00/- (Rupees Ten Only) each (‘Equity Shares’) of 7NR Retail Limited (‘7NR’ or ‘Target Company’), representing 26.00% of the equity and voting share capital of the Target Company (‘Open Offer’), at an offer price of ₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share, by the Acquirers in accordance with Regulation 3 (1) and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto, (‘SEBI (SAST) Regulations’).**

**Please Note:**

- This Open Offer is being made by the Acquirers, in pursuance of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, for substantial acquisition of Equity Shares and voting rights capital accompanied with change in control and management of the Target Company;
- As on the date of this Draft Letter of Offer, no other statutory approvals are required to acquire the Equity Shares that are validly tendered pursuant to this Open Offer. In case, any statutory approval(s) is/are subjected to being required at a later date, this Open Offer shall be subject to receipt of such approval(s); and necessary applications for such approvals shall be made. For more details regarding the statutory and other approvals for this Open Offer, please refer to the Paragraph 6.8 titled as ‘Statutory approvals and conditions of the Open Offer’ on page number 16 of this Draft Letter of Offer;
- If there is any upward revision in the Offer Price (term defined below) and/ or the Offer Size (term defined below) at any time up to one (1) working day prior to commencement of the Tendering Period i.e., Monday 27 September, 2021, in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement (term defined below) had appeared. If the Open Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, the same would be communicated within Two (2) Working Days by an announcement in the same newspapers in which the Detailed Public Statement had appeared;
- This is not a competitive offer as per Regulation 20 of the SEBI (SAST) Regulations;**
- If there is a competitive offer, then the Open Offer under all subsisting bids shall open and close on the same date;**
- This Open Offer is not subject to a minimum level of acceptance by the Public Shareholders (term defined below) of the Target Company and is not a conditional offer under Regulation 19 of the SEBI (SAST) Regulations;
- Public Shareholders, who have accepted this Open Offer by tendering the requisite documents in terms of the Letter of Offer (term defined below), shall not be entitled to withdraw such acceptance during the Tendering Period (term defined below);
- The procedure for acceptance is set out in Paragraph 7 titled as ‘Procedure for Acceptance and Settlement of the Offer’ at page 16 of this Draft Letter of Offer;
- The Public Announcement, the Detailed Public Statement, and the Draft Letter of Offer would also be available on Securities and Exchange Board of India at website at [www.sebi.gov.in](http://www.sebi.gov.in);

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Teaming together to create value



**MANAGER TO THE OFFER**  
**CAPITALSQUARE ADVISORS PRIVATE LIMITED**  
**Sebi Registration Number:** INM000012219  
208, 2nd Floor, AARPEE Center, MIDC Road No 11,  
CTS 70, Andheri (E), Mumbai 400093, Maharashtra, India  
**Phone No:** +91 98742 83532 +91-22-66849999;  
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**Website:** [www.capitalsquare.in](http://www.capitalsquare.in)  
**Contact Person:** Mr. Tanmoy Banerjee

**REGISTRAR TO THE OFFER**  
**CAMEO CORPORATE SERVICES LIMITED**  
**Sebi Registration Number:** INR000003753  
Subramanian Building, 1 Club House Road, Chennai - 600 002,  
Tamil Nadu, India.  
**Phone No:** +91-44-2846-0390/1989;  
**E-mail:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
**Website:** [www.cameoindia.com](http://www.cameoindia.com)  
**Contact Person:** Mr. R. D. Ramasamy

**OFFER OPENS ON: TUESDAY, 28 SEPTEMBER, 2021**

**OFFER CLOSES ON: MONDAY, 11 OCTOBER, 2021**

## TENTATIVE SCHEDULE OF THE MAJOR ACTIVITIES RELATING TO THIS OPEN OFFER

Tentative Schedule of Activities	Schedule of activities	
	Day	Date*
Date of the Public Announcement	Tuesday	03 August, 2021
Date of the Revised Public Announcement	Friday	06 August, 2021
Last date of publication of Detailed Public Statement in newspapers	Tuesday	10 August, 2021
Last date of filing of the Draft Letter of Offer with SEBI	Wednesday	18 August, 2021
Last date for public announcement for competing offer(s)	Thursday	02 September, 2021
Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager)	Thursday	09 September, 2021
Identified Date#	Tuesday	14 September, 2021
Date by which the Letter of Offer will be dispatched to the shareholders whose names appear on the register of members on the Identified Date	Tuesday	21 September, 2021
Last date by which the committee of the independent director of the Target Company is required to give its recommendation to the Public Shareholders for this Open Offer	Friday	24 September, 2021
Last date for revising the Offer Price / Offer Size	Monday	27 September, 2021
Date of publication of opening of Open Offer public announcement in the newspapers in which this Detailed Public Statement has been published	Monday	27 September, 2021
Date of commencement of tendering period ('Offer Opening Date')	Tuesday	28 September, 2021
Date of closure of tendering period ('Offer Closing Date')	Monday	11 October, 2021
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	Wednesday	27 October, 2021

*\*The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to the receipt of statutory or regulatory approvals and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations.*

*#There has been no competing offer as of the date of this Draft Letter of Offer;*

*\*Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. All the Public Shareholders (registered or unregistered) of the Equity Shares of the Target Company (except the Acquirers and the parties to the Share Purchase Agreement) are eligible to participate in this Open Offer any time before the closure of this Open Offer.*

## RISK FACTORS RELATING TO THE TRANSACTION, THE PROPOSED OPEN OFFER AND PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRERS

For capitalized terms used hereinafter, please refer to the Definitions set out below:

### A. Risks relating to Underlying Transaction

- The Underlying Transaction is subject to various conditions as specified under the Share Purchase Agreement, including: (a) receipt of all the statutory approvals as set out in Paragraph 6.8 titled as "Statutory approvals and conditions of the Open Offer" at page 16 of this Draft Letter of Offer; and those which become applicable prior to the completion of this Open Offer; (b) the satisfaction or waiver of the various conditions under the Share Purchase Agreement, including those conditions set out in Paragraph 2.1. under 'Background of the Offer' at page 6 of this Draft Letter of Offer, and if these conditions are not satisfied or waived and subsequently terminated in accordance with the terms of the Share Purchase Agreement, then the Underlying Transaction may be terminated;
- The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

### B. Risks relating to this Open Offer

- This Open Offer is a mandatory open offer to acquire up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) 26.00% of the equity and voting share capital of the Target Company from the Public Shareholders. In the case of oversubscription in this Open Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis, and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Open Offer will be accepted;
- In the event that either: (a) regulatory approval is not received in a timely manner, or (b) there is any litigation leading to stay on this Open Offer, or (c) SEBI (*term defined below*) instructs the Acquirers not to proceed with this Open Offer, then this Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, payment of consideration to the Public Shareholders of the Target Company whose Equity Shares have

been accepted in this Open Offer as well as the return of the Equity Shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 18 (11) of the SEBI (SAST) Regulations, then SEBI may, if satisfied that the non-receipt of approvals was not attributable to any wilful default, negligence, or failure on the part of the Acquirers to diligently pursue such approvals, grant an extension for the purpose of completion of this Open Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for the delay beyond 10<sup>th</sup> (Tenth) Working Day from the date of Closure of Tendering Period, as may be specified by SEBI;

3. Public Shareholders should note that the Equity Shares tendered by them and accepted in this Open Offer shall not be entitled to be withdrawn post-acceptance of such during the Tendering Period, even if the acceptance of such Equity Shares under this Open Offer and the payment of consideration gets delayed. The tendered Equity Shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed;
4. This Open Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers. The Acquirers may not be able to proceed with this Open Offer in the event, the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Further delay, if any, in the receipt of these approvals may delay the completion of this Open Offer;

### **C. Risks involved in associating with the Acquirers**

1. The Acquirers intend to acquire up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) Equity Shares, representing 26.00% of the Equity and Voting Share Capital of the Target Company, at an offer price of ₹8.78/- (Eight Rupees and Seventy-Eight Paisa) per Equity Share, payable in cash, under the SEBI (SAST) Regulations. The Target Company does not have any partly paid-up Equity Shares as on the date of this Draft Letter of Offer. The Equity Shares and the documents tendered in this Open Offer will be held in trust by the Registrar to the Offer until the completion of this Open Offer formalities, and the Public Shareholders will not be able to thereafter trade in such Equity Shares. Post this Open Offer, the Acquirers will have significant equity ownership and effective management control over the Target Company, pursuant to Regulations 3 (1) and 4 of the SEBI (SAST) Regulations;
2. The Acquirers make no assurance with respect to the market price of the Equity Shares during the Offer Period and upon the completion of this Open Offer and disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in this Open Offer. The Acquirers make no assurance with respect to the financial performance of the Target Company;
3. The Acquirers and the Manager to the Offer, accept no responsibility for the statements made otherwise than in the Public Announcement, the Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk;

**The risk factors set forth above, pertain to this Open Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in this Open Offer. Public Shareholders of the Target Company are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in this Open Offer. Each Public Shareholder of the Target Company, is hereby advised to consult with their legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Public Shareholder's participation in this Open Offer and related transfer of Equity Shares of the Target Company to the Acquirers.**

### **CURRENCY OF PRESENTATION**

- In this Draft Letter of Offer, all references to “₹”, “Rs.”, “Rupees”, “Re”, “Rupee” are references to the official currency of India;
- In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

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## DEFINITIONS/ABBREVIATIONS

Abbreviations	Particulars
Acquirer 1	Trivedi Umang Vijaykumar;
Acquirer 2	Agrawal Nikunj Maheshlal;
Board	The Board of Directors of the Target Company;
Book Value per Equity Share	Net Worth/Number of Equity Share;
BSE	BSE Limited;
CDSL	Central Depository Services (India) Limited;
CIN	Corporate Identity Number <sup>7</sup>
Clearing Corporation	Indian Clearing Corporation Limited <sup>7</sup>
Companies Act, 2013	Companies Act, 1956 and Companies Act, 2013;
DPS	Detailed Public Statement dated Saturday, 07 August, 2021 in connection with the Open Offer, published on behalf of the Acquirers, which was published on Monday, 09 August, 2021 in the newspapers;
DIN	Director Identification Number;
DLoF/ Draft Letter of Offer	This Draft Letter of Offer dated Wednesday, 11 August, 2021, filed and submitted with SEBI pursuant to Regulation 16 (1) of the SEBI (SAST) Regulations, for its observations;
DP	Depository Participant;
Tendering Period	Tuesday, 28 September, 2021 to Monday, 11 October, 2021;
ECS	Electronic Clearing Service;
EPS	Earnings Per Equity Share;
Escrow Agreement	Escrow Agreement, dated Tuesday, 03 August, 2021, entered into between the Acquirers, the Escrow Banker and the Manager to the Offer;
Escrow Account	The escrow account with account number 000405128510 and in the name and style of “7NR - OPEN OFFER ESCROW ACCOUNT” opened by the Acquirers with the Escrow Bank, in accordance with the SEBI (SAST) Regulations;
Escrow Amount	The amount aggregating to ₹61,30,000.00/- (Rupees Sixty-One Lakhs Thirty Thousand Only) maintained by the Acquirers with the Escrow Banker, in accordance with the Escrow Agreement;
Escrow Banker	ICICI Bank Limited;
Equity Shares	The fully paid-up equity shares of the Target Company of face value of ₹10.00/- (Rupees Ten only) each;
Equity and voting share capital	The fully paid-up Equity and voting share capital of the Target Company is ₹10,47,45,000/- (Rupees Ten Crores Forty-Seven Lakhs Forty-Five Thousand Only) comprising of 1,04,74,500 (One Crore Four Lakhs Seventy-Four Thousand and Five Hundred);
Identified Date	Tuesday, 14 September, 2021, the date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent;
IFSC	Indian Financial System Code;

Abbreviations	Particulars
LoO/ LoF	Letter of Offer;
Manager to the Offer	CapitalSquare Advisors Private Limited;
Maximum Open Offer Consideration	The total funding requirement for this Open Offer, assuming full acceptance of this Open Offer, i.e. ₹2,39,11,188.60/- (Two Crores Thirty-Nine Lakhs Eleven Thousand One Hundred and Eighty-Eight Rupees and Sixty Paise Only);
NRI(s)	Non-Resident Indians;
NSDL	National Securities Depository Limited;
Offer Period	From Tuesday, 03 August, 2021 (i.e. date of entering into Memorandum of Understanding between Acquirer and Manager to the Offer) to Wednesday, 27 October, 2021, (i.e. date of Payment Consideration);
Offer Price	₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share payable in cash;
Offer/ Open	Open Offer being made by the Acquirers for acquisition of up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) Equity Shares, representing 26.00% of the equity and Voting Share Capital at a price of ₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share, payable in cash;
Offer Equity Shares	Up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy);
Offer Size	Up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy), being 26.00% of the total Equity and Voting Share Capital;
PA	Public Announcement dated Tuesday, August 03, 2021;
PAT	Profit After Tax;
Persons eligible to participate in the Offer	All owners (registered and unregistered) of Equity Shares of the Target Company except the Acquirers;
Public Shareholders	All the shareholders of the Target Company excluding (a) the shareholders forming a part of the promoter and promoter group of the Target Company; (b) parties to the Share Purchase Agreement; and (c) any persons acting in concert or deemed to be acting in concert with the persons set out in (a) and (b);
RBI	Reserve Bank of India;
Registrar to the Offer	Cameo Corporate Services Limited;
Return on Net Worth	Profit After Tax/Net Worth;
Sale Equity Shares	31,27,686 (Thirty-One Lakhs Twenty-Seven Thousand Six Hundred and Eighty-Six) Equity Shares to the Acquirers constituting 29.86% of the Equity and Voting Share Capital, pursuant to a Share Purchase Agreement at a price of ₹4/- (Rupees Four Only) per Equity Share aggregating to ₹1,25,10,744.00/- (Rupees One Crore Twenty-Five Lakhs Ten Thousand Seven Hundred and Forty-Four Only);
SCRR	Securities Contract (Regulation) Rules, 1957, as amended;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof;
Selling Promoter and Promoter Group Shareholders	Promoters of the Target Company as per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 2015;
Share Purchase Agreement	Share Purchase Agreement dated Tuesday, 03 August, 2021 entered amongst the Acquirers and following mentioned selling promoter shareholders namely being: (a) Pinal Kanchanlal Shah; (b) Nutanben Jaykishan Patel; (c) Snehalben Kaushalbhair Shah; (d) Jaykishan Shantilal Patel HUF ( <i>Parties aforementioned are hereinafter collectively referred to as "Selling Promoter Shareholders"</i> );
Stock Exchange	The stock exchange where the Equity Shares of the Target Company are listed, namely being, BSE Limited;
Voting Share Capital	The fully diluted equity and voting share capital of the Target Company as of the 10 <sup>th</sup> (Tenth) Working Day from the closure of the Tendering Period of this Open Offer;
Target Company / 7NR	7NR Retail Limited;
Underlying Transaction	The transaction as contemplated under the Share Purchase Agreement;
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai

## 1. DISCLAIMER CLAUSE

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT, THE SAME HAS BEEN CLEARED, VETTED, OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE FOR OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF 7NR RETAIL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THIS OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR FOR THE TARGET COMPANY WHOSE EQUITY SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR THE OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER CAPITALSQUARE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED WEDNESDAY, 11 AUGUST, 2021, TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER.”**

## 2. DETAILS OF THE OFFER

### 2.1. Background of the Offer

- 2.1.1 This is a mandatory Open Offer, being made by Trivedi Umang Vijaykumar (Acquirer 1), and Agrawal Nikunj Maheshlal (Acquirer 2) in pursuance of and in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, to the Public Shareholders of the Target Company, i.e., a company incorporated and duly registered under the Companies Act, 1956 and having its registered office located at B-308 Titanium Heights, Near Vodafone House, Corporate Road Prahladnagar, Makarba, Ahmedabad – 380015, Gujarat, India. This Open Offer has triggered upon the execution of the Share Purchase Agreement entered into amongst the Acquirers and the following mentioned Selling Promoter Shareholders: (a) Pinal Kanchanlal Shah; (b) Nutanben Jaykishan Patel; (c) Snehalben Kaushalbhair Shah; (d) Jaykishan Shantilal Patel HUF;
- 2.1.2 The prime object of the Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company;
- 2.1.3 There is no person acting in concert with the Acquirers within the meaning of Regulation 2 (1) (q) of the SEBI (SAST) Regulations;
- 2.1.4 In the Public Announcement dated Tuesday, August 03, 2021, the Offer Price of ₹8.00/- (Rupees Eight) per Equity Share was erroneously mentioned; and hence in this regards, a revised public announcement dated Friday, August 06, 2021 was made with an Offer Price of ₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share;
- 2.1.5 The Acquirers are making an Open Offer to acquire up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) Equity Shares, representing 26.00% of the Equity and Voting Share Capital of the Target Company, at an offer price of ₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share, payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, and the Letter of Offer;
- 2.1.6 The Acquirers have entered into a Share Purchase Agreement with the Selling Promoter Shareholders with an intention to acquire 31,27,686 (Thirty-One Lakhs Twenty-Seven Thousand Six Hundred and Eighty-Six) Equity Shares, representing 29.86% of the equity and voting share capital of the Target Company pursuant to Share Purchase Agreement at a price of ₹4.00/- (Rupees Four Only) per Equity Share for a total consideration of ₹1,25,10,744.00.00/- (Rupees One Crore Twenty-Five Lakhs Ten Thousand Seven Hundred and Forty-Four Only) (**“Sale Equity Shares”**), payable in compliance with the terms and conditions schedule in the Share Purchase Agreement, details of which are as follows;

Sr. No.	Name, PAN and Address of the Selling Promoter Shareholders	Nature of entity	Changes in the names in the past	Part of the Promoter/ Promoter Group	Equity Shares held prior to Share Purchase Agreement	% of Equity Shares
(i)	<b>Pinal Kanchanlal Shah</b> Permanent Account Number: AMMPS1303E Resident at B-Type B/2, Bimal Flat Near Azad Society, Ambawadi, Ahmedabad – 380015, Gujarat, India	Individual	No	Yes	8,77,290	8.38%
(ii)	<b>Patel Nutanben Jaykishan</b> Permanent Account Number: BTUPP9829G Resident at 81/82 Gokul Nagar Society, near Jaymala Bus Stop, Isanpur Road, Ghodasar, Ahmedabad – 380050, Gujarat, India	Individual	No	Yes	13,69,710	13.08%
(iii)	<b>Snehalben Kaushalbhair Shah</b> Permanent Account Number: ACRPP9258J Resident at 901, Rushikesh Apartment, Near Subhash Chowk, Memnagar, Ahmedabad – 380050, Gujarat, India	Individual	No	Yes	5,29,200	5.05%
(iv)	<b>Jaykishan Shantilal Patel HUF</b> Permanent Account Number: AAGHJ3251G Acting through its Karta: Patel Jaykishan Shantilal Resident at 81/82 Gokul Nagar Society, near Jaymala Bus Stop, Isanpur Road, Ghodasar, Ahmedabad– 380050, Gujarat, India	Hindu Undivided Family	No	Yes	3,51,486	3.36%
	<b>TOTAL</b>				<b>31,27,686</b>	<b>29.86%</b>

Pursuant to the execution of the Share Purchase Agreement, this mandatory Open Offer is being made by the Acquirers in compliance with the Regulations 3 (1) and 4 of the SEBI (SAST) Regulation.

2.1.7 Apart as mentioned above, 31,27,686 (Thirty-One Lakhs Twenty-Seven Thousand Six Hundred and Eighty-Six) Equity Shares constituting 29.86% of of the Equity and Voting Share Capital of the Target Company, which the Acquirers have agreed to acquire pursuant to Share Purchase Agreement, and except as stated below the Acquirers have not acquired any Equity Shares of the Target Company during the 52 (Fifty-Two) week's period prior to the date of the Public Announcement:

Name of the Acquirer	Number of Equity Shares Acquired	Percentage of Equity Shares acquired	Highest Price
Trivedi Umang Vijaykumar (Acquirer 1)	2,69,466	2.57%	7.11
Agrawal Nikunj Maheshlral (Acquirer 2)	2,46,933	2.36%	8.78

Since the acquisition of Equity Shares by the Acquirers amounted to less than prescribed limit of 5% (Five Percent), disclosure in accordance with the provisions of Regulation 29 (1) of the SEBI (SAST) Regulations was not applicable.

2.1.8 The Manager to the Offer i.e. CapitalSquare Advisors Private Limited does not hold any Equity Shares in the Target Company as on the date of this Draft Letter of Offer. The Manager to the Offer declares and undertakes that, they shall not deal in the Equity Shares of the Target Company on their own account during the Offer Period. Further, the Manager to the Offer confirms that, are no directions subsisting or proceedings pending against them under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending as on date;

2.1.9 The Offer is not as a result of global acquisition resulting in indirect acquisition of Target Company;

2.1.10 The salient features of the Share Purchase Agreement are as follows:

(a) The Selling Promoter Shareholders are holding 31,27,686 (Thirty-One Lakhs Twenty-Seven Thousand Six Hundred and Eighty-Six) Equity Shares constituting 29.86% of of the Equity and Voting Share Capital of the Target Company;

- (b) The Selling Promoter Shareholders have agreed to sell and the Acquirers have agreed to acquire in aggregate 31,27,686 (Thirty-One Lakhs Twenty-Seven Thousand Six Hundred and Eighty-Six) Equity Shares constituting 29.86% of of the Equity and Voting Share Capital of the Target Company, at a price of ₹4.00/- (Rupees Four Only) per Equity Share aggregating to ₹1,25,10,744.00.00/- (Rupees One Crore Twenty-Five Lakhs Ten Thousand Seven Hundred and Forty-Four Only) ₹1,25,10,744.00.00/- (Rupees One Crore Twenty-Five Lakhs Ten Thousand Seven Hundred and Forty-Four Only) forming a part of Share Purchase Agreement (**‘Purchase Price’**);
- (c) The Sale Equity Shares are free from all charges, encumbrances, or liens and are not subjects to any lock in period;
- (d) The aggregate entire purchase consideration for the Sale Equity Shares aggregating to an amount of ₹1,25,10,744.00.00/- (Rupees One Crore Twenty-Five Lakhs Ten Thousand Seven Hundred and Forty-Four Only) shall be payable by the Acquirers to the Selling Promoter Shareholders as per the following schedule:
  - (i) An amount aggregating to 25% (Twenty-Five Percent) consideration of the Purchase Price upon execution of the Share Purchase Agreement;
  - (ii) The balance aggregating to 75% (Seventy-Five Percent) consideration of the Purchase Price after completion of this Open Offer formalities;

2.1.11 The Acquirers, hereby warrant and state that, they have not been prohibited by SEBI from dealing in the securities, in terms of the direction issued under Section 11B of the SEBI Act or under any other Regulations made under the SEBI Act;

2.1.12 As per Regulation 26 (6) and Regulation 26 (7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors who would provide written reasoned recommendation on this Open Offer to the Public Shareholders of the Target Company and such recommendations shall be published at least Two (2) Working Days before the commencement of the Tendering Period in the same newspaper where the Detailed Public Statement of this Open Offer was published;

## 2.2. Details of the proposed Open Offer

2.2.1 The Public Announcement to the Public Shareholders of the Target Company was issued on Tuesday, August 03, 2021 by the Manager to the Offer, for and on behalf of the Acquirers. A copy of the said Public Announcement was filed with SEBI, BSE Limited, and the Target Company Tuesday, August 03, 2021;

2.2.2 The Revised Public Announcement to the Public Shareholders of the Target Company was filed with SEBI, BSE Limited, and the Target Company Friday, August 06, 2021, by the Manager to the Offer;

2.2.3 In accordance with Regulation 14 (3) of the SEBI (SAST) Regulations, the Detailed Public Statement dated Saturday, 07 August, 2021, which was published in the following newspapers on Monday, August 09, 2021 in accordance with the Regulation 14 (3) of the SEBI (SAST) Regulations:

Publication	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Edition
Financial Express	Gujarati	Ahmedabad Edition
Mumbai Lakshadweep	Marathi	Mumbai Edition

2.2.4 The Detailed Public Statement is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in); website of BSE Limited at [www.bseindia.com](http://www.bseindia.com); and the website of Manager to the Offer [www.capitalsquare.in](http://www.capitalsquare.in);

2.2.5 The Acquirers are making an Open Offer to acquire 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) Equity Shares, representing 26.00% of the equity and voting share capital of the Target Company, at a price of ₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share aggregating to a total consideration of ₹2,39,11,188.60/- (Two Crores Thirty-Nine Lakhs Eleven Thousand One Hundred and Eighty-Eight Rupees and Sixty Paise Only) (**‘Maximum Open Offer Consideration’**) payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the Public Announcement, the Detailed Public Statement and the Letter of offer (**‘Letter of Offer’**);

2.2.6 The Target Company doesn’t have any partly paid-up Equity Shares; and there are no outstanding warrants or option or similar instrument, convertible into Equity Shares at a later stage. Further, no Equity Shares are subject to any lock-in obligations;



- 2.2.7 The Acquirers will accept all the Equity Shares of the Target Company, that are tendered in valid form in terms of this Open Offer up to a maximum of 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) Equity Shares representing 26.00% of total equity and Voting Share Capital of the Target Company;
- 2.2.8 This Open Offer is being made under SEBI (SAST) Regulations, to all the Public Shareholders of the Target Company as on Tuesday, 14 September, 2021 (**‘Identified Date’**), other than parties to the Share Purchase Agreement, the existing members of the Promoter and Promoter Group of the Target Company, and the Acquirers under Regulation 7 (6) of the SEBI (SAST) Regulations;
- 2.2.9 The Acquirers have deposited an amount of amount of ₹61,30,000.00/- (Rupees Sixty-One Lakhs Thirty Thousand Only), being more than 25.00% (Twenty-Five Percent) of the total consideration payable to the Public Shareholders in pursuance of this Open Offer, in compliance with the Regulation 17 of the SEBI (SAST) Regulations;
- 2.2.10 No competitive bid has been received as on date of this Draft Letter of Offer;
- 2.2.11 There is no differential pricing in this Open Offer;
- 2.2.12 This Open Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19 (1) of SEBI (SAST) Regulations;
- 2.2.13 This Open Offer is not a competitive bid in terms of the Regulation 20 of SEBI (SAST) Regulations;
- 2.2.14 This Open Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target Company;
- 2.2.15 The Equity Shares will be acquired by the Acquirers free from all lien, charges and encumbrances and together with all the rights attached to, including all the rights to dividend, bonus and rights offer declared thereof;
- 2.2.16 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed CapitalSquare Advisors Private Limited as the Manager to the Offer;
- 2.2.17 The Manager to the Offer, CapitalSquare Advisors Private Limited does not hold any Equity Shares in the Target Company as on the date of this Draft Letter of Offer. They hereby declare and undertake that, they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer until the expiry of 15 (Fifteen) Days from the date of closure of this Open Offer;
- 2.2.18 As per Regulation 38 of SEBI (LODR) Regulations, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25.00% (Twenty-Five Percent) Public Shareholding, on continuous basis for listing. Pursuant to completion of this Open Offer, assuming full acceptance, the Public Shareholding in the Target Company will not fall below the minimum public shareholding requirement as per SCRR as amended and the SEBI (LODR) Regulations;
- 2.2.19 Upon completion of this Open Offer, assuming full acceptances, the Acquirers will hold 63,67,455 (Sixty-Three Lakhs Sixty-Seven Thousand Four Hundred and Fifty-Five) Equity Shares, constituting 60.79% of equity and Voting Share Capital of the Target Company;
- 2.2.20 The closing market price of the Equity Shares on the date of Public Announcement being Tuesday, August 03, 2021 was ₹7.44/- (Seven Rupees and Forty- Four Paise Only) .

### **2.3. Object of the Open Offer**

- 2.3.1 The prime object of this Open Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company;
- 2.3.2 The Acquirers have proposed to continue the existing business of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. The main purpose of this takeover is to expand the Company’s business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far;
- 2.3.3 The Acquirers state that, they do not have any plans to dispose-off or otherwise encumber any significant assets of the Target Company in the succeeding 2 (two) years from the date of closure of this Open Offer, except: (a) in the ordinary course of business of the Target Company; and (b) on account of the regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed-off, or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company

through special resolution in terms of Regulation 25 (2) of the SEBI (SAST) Regulations, and subject to the such other provisions of applicable law as may be required;

- 2.3.4 The Acquirers have reserved the right to streamline or restructure, pledge or encumber their holding in the Target Company and/ or the operations, assets, liabilities and/ or the businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings and/ or re-negotiation or termination of the existing contractual or operating arrangements, at a later date in accordance with the relevant applicable laws. Such decisions will be taken in accordance with the procedures set out under the relevant applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances, from time to time;
- 2.3.5 Pursuant to this Open Offer and the transactions contemplated in the Share Purchase Agreement, the Acquirers shall become the Promoters of the Target Company and, the existing Promoters and members of the Promoter Group shall cease to be the promoters of the Target Company in accordance with the provisions of Regulation 31A (10) of SEBI (LODR) Regulations;

### **3. BACKGROUND OF THE ACQUIRERS**

#### **3.1 Trivedi Umang Vijaykumar (Acquirer 1)**

- 3.1.1 Trivedi Umang Vijaykumar, s/o Vijaykumar Dashrathlal Trivedi, aged 31 years, Indian resident, bearing Permanent Account Number 'AKWPT0024B' under the Income Tax Act, 1961, resident at Naroda, 1, Chitrakut Plotting, Ahmedabad - 382330, Gujarat, India, with contact details being '+91- 9722123456', and Email Address being '[aahanaair@gmail.com](mailto:aahanaair@gmail.com)';
- 3.1.2 Acquirer 1 has completed his commercial pilot training from Aero Flite Aviation Corporation, Manila, Philippines in the year 2008-2009. He has more than 10 (Ten) years of rich experience for acting as a trustee in Bright International School (CBSE Board) and Bright Victory School (GSEB Board) as Anand Ba Seva Trust;
- 3.1.3 Acquirer 1 is acting in the capacity of a director in Aahana Air Services Private Limited and Numerous Cabs Private Limited;
- 3.1.4 The net worth of Acquirer 1 is ₹51,40,26,320.00/- (Rupees Fifty-One Crores Forty Lakhs Twenty-Six Thousand Three Hundred and Twenty Only) on Monday, August 02, 2021, as certified vide certificate dated Tuesday, August 03, 2021, by Chartered Accountant Niranjana Jain, bearing membership number 47811, Proprietor of Niranjana Jain & Co. (Chartered Accountants) bearing firm registration number '11391W', having its office located at 307, 308, Shital Varsha Arcade, Opposite Girish Cold Drinks, C.G. Road, Ahmedabad – 380009, Gujarat, India with contact details being '+91-079-26440427, +91-079-40075175' and Email Address being '[niranjana.jain156@yahoo.co.in](mailto:niranjana.jain156@yahoo.co.in)';

#### **3.2 Agrawal Nikunj Maheshlhal (Acquirer 2)**

- 3.2.1 Agrawal Nikunj Maheshlhal, s/o Maheshlhal Prabhulal Agrawal, aged 31 years, Indian resident, bearing Permanent Account Number 'AYVPA3041N' under the Income Tax Act, 1961, resident at 4, Ghiya Park, Sahjanand Road, Akota, Vadodara – 390020, Gujarat, India, with contact detail of Acquirer 2 being '+91-9016838368', and Email Address being '[liverpool.ho@gmail.com](mailto:liverpool.ho@gmail.com)';
- 3.2.2 Acquirer 2 has completed his first year of junior college from Kelvani Trust Vidyalaya School, Gujarat; and being an owner of a departmental store situated in the one of the prime location of Vadodara. He has experience in managing store business indulged in selling of FMCG & such other products. Over and above business management he also has expertise in implementing strategies to improve sales, Stock control, Account analysis, Forecasting future sales and strategic planning, with more than 15 (Fifteen) years of business experience;
- 3.2.3 Acquirer 2 is not acting in the capacity of a director in any company;
- 3.2.4 The net worth of Acquirer 2 is ₹90,28,431.00/- (Rupees Ninety Lakhs Twenty-Eight Thousand Four Hundred and Thirty-One Only) on Monday, August 02, 2021, as certified vide certificate dated Tuesday, August 03, 2021, by Chartered Accountant Niranjana Jain, bearing membership number 47811, Proprietor of Niranjana Jain & Co. (Chartered Accountants) bearing firm registration number '11391W', having its office located at 307, 308, Shital Varsha Arcade, Opposite Girish Cold Drinks, C.G. Road, Ahmedabad – 380009, Gujarat, India with contact details being '+91-079-26440427, +91-079-40075175' and Email Address being '[niranjana.jain156@yahoo.co.in](mailto:niranjana.jain156@yahoo.co.in)';

#### **3.3 Acquirer's Confirmation and Undertaking**

- 3.3.1 As on date of this Draft Letter of Offer, Acquirer 1 holds 2,69,466 (Two Lakhs Sixty-Nine Thousand Four Hundred and Sixty-Six) Equity Shares, representing 2.57% of the equity and voting share capital of the Target Company; and Acquirer 2 holds 2,46,933 (Two Lakhs Forty-Six Thousand Nine Hundred and Thirty-Three) Equity Shares, representing 2.36% of

the equity and voting share capital of the Target Company. Further, pursuant to the Share Purchase Agreement executed, they intend to acquire 31,27,686 (Thirty-One Lakhs Twenty-Seven Thousand Six Hundred and Eighty-Six) Equity Shares representing 29.86% of the equity and voting share capital of the Target Company. As on date of this Detailed Public Statement, except for being the shareholders of the Target Company and having executed the Share Purchase Agreement, the Acquirers do not have any other interest or relationship with the Target Company and its promoters, directors or key employees;

- 3.3.2 As on date of this Draft letter of Offer, the Acquirers do not belong to any group;
- 3.3.3 As on date of this Draft letter of Offer, the Acquirers are not forming part of the present promoter and promoter group of the Target Company;
- 3.3.4 As on date of this Draft letter of Offer, the Acquirers are not related to the promoters, directors or key employees of the Target Company;
- 3.3.5 The Acquirers, have individually, confirmed and declared that, none of the Acquirers are related to each other in any manner; and that there is/are no nominee(s) of the Acquirers on the Board of Directors of the Target Company;
- 3.3.6 The Acquirers, have individually, confirmed and declared that, they have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or under any other regulation made under the SEBI Act;
- 3.3.7 The Acquirers, have individually, confirmed and declared that, they have not been categorized nor are appearing in the 'Wilful Defaulter' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by SEBI;
- 3.3.8 The Acquirers, have individually, further confirmed and declared, the Acquirers are not declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018;
- 3.3.9 The Acquirers have stated that, there are no persons acting in concert in relation to this Open Offer within the meaning of Regulation 2 (1) (q) (1) of the SEBI (SAST) Regulations;
- 3.3.10 The Acquirers, hereby individually, undertake that, they will not sell the Equity Shares of the Target Company, held and acquired by them, if any, during the Open Offer period in terms of Regulation 25 (4) of the SEBI (SAST) Regulations;
- 3.3.11 There are no directions subsisting or proceedings pending against the Acquirers under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending as on date;

#### **4. BACKGROUND OF 7NR RETAIL LIMITED (TARGET COMPANY)**

*(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)*

- 4.1 7NR Retail Limited was originally incorporated on December 21, 2012, as a private limited company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli under the name and style of '7NR Retail Private Limited'. Thereafter, the Target Company was converted into a public limited company and accordingly the name of the Target Company was changed to '7NR Retail Limited' and a fresh certificate of incorporation was issued on March 22, 2017 by Registrar of Companies, Ahmedabad, Gujarat;
- 4.2 As on the date of this Draft letter of Offer, the authorized Equity Share capital of the Target Company is ₹11,00,00,000.00/- (Rupees Eleven Crores Only) comprising of 1,10,00,000 (One Crore Ten Lakh) Equity Shares; and the issued, subscribed, and paid-up Equity Share capital is ₹10,47,45,000.00/- (Rupees Ten Crores Forty-Seven Lakhs Forty-Five Thousand Only) comprising of 1,04,74,500 (One Crore Four Lakhs Seventy-Four Thousand and Five Hundred) Equity Shares. Further, the Target Company does not have any partly paid-up Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. Further, none of the Equity Shares are subject to any lock-in obligations;
- 4.3 As on the date of this Draft Letter of Offer, the capital structure of the Target Company is as follows:

Equity Share capital of Target Company	No. of Equity Shares / Voting Rights	% of Equity Shares/voting rights
(a) Authorized Equity Share capital	1,10,00,000 (One Crore Ten Lakhs)	100.00%
(b) Paid-up Equity Share capital		

Equity Share capital of Target Company	No. of Equity Shares / Voting Rights	% of Equity Shares/voting rights
i. Fully paid-up Equity Share capital	1,04,74,500 (One Crore Four Lakhs Seventy-Four Thousand and Five Hundred)	100.00%
ii. Partly paid-up Equity Share capital	Nil	
Total paid-up Equity Share capital	1,04,74,500 (One Crore Four Lakhs Seventy-Four Thousand and Five Hundred)	100.00%
(c) Total Voting Rights	1,04,74,500 (One Crore Four Lakhs Seventy-Four Thousand and Five Hundred)	100.00%

- 4.4 The entire Equity Share capital and Voting Share Capital of the Target Company is listed at BSE Limited. The Target Company has already established connectivity with CDSL and NSDL; and the Equity Shares of the Target Company bearing International Securities Identification Number 'INE413X01019' are placed under Group 'B' bearing Scrip Code '540615' and Scrip ID '7NR' on the BSE Limited;
- 4.5 The entire Equity Share capital of the Target Company is presently listed at BSE Limited. Based on the information available on the BSE Limited's website, the Equity Shares of the Target Company are frequently traded on BSE Limited in accordance with the provisions of Regulation 2 (1) (j) of the SEBI (SAST) Regulations;
- 4.6 The present Board of Directors of the Target Company are as follows:

Sr. No.	Name	Date of Appointment	Director Identification Number	Designation
1.	Pinal Kanchanlal Shah	December 21, 2012	05197449	Managing Director
2.	Gupta Jaimin Kailash	February 12, 2021	06833388	Additional Executive Director
3.	Gaurav Dilipkumar Kimtani	September 02, 2020	08065665	Independent Director
4.	Vinaybhai Arjunbhai Raval	February 08, 2018	08066628	Independent Director
5.	Rachanaben Jain	June 19, 2019	08477349	Non-Executive Director
6.	Pranav Manoj Vajani	July 03, 2021	09213749	Additional Independent and Non-Executive Director

#### 4.7 Financial Information

The financial details of the Target Company as per the audited accounts for the last three financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 are as follows:

##### Profit and Loss Statement

(₹ in Lakhs)

Particulars	For the Financial Year ending		
	March 31, 2021	March 31, 2020	March 31, 2019
Income from Operations	275.65	1,184.20	1,322.12
Other Income	22.07	13.41	6.14
<b>Total Income</b>	<b>297.72</b>	<b>1,197.61</b>	<b>1,328.26</b>
Total Expenditure	351.08	1,178.62	1,300.28
<b>Profit/ (Loss) before Interest, Depreciation and Tax</b>	<b>(38.60)</b>	<b>33.96</b>	<b>41.49</b>
Depreciation	14.48	14.36	12.50
Interest	0.28	0.61	1.01
<b>Profit/ (Loss) before Tax</b>	<b>(53.36)</b>	<b>18.99</b>	<b>27.98</b>
Less: Current Tax	-	8.25	6.50
Deferred Tax (Asset)/ Liability	-	(0.29)	0.05
<b>Profit/ (Loss) After tax</b>	<b>(55.36)</b>	<b>11.03</b>	<b>21.43</b>

**Balance Sheet**

(₹ in Lakhs)

Particulars	For the Financial Year ending		
	March 31, 2021	March 31, 2020	March 31, 2019
<b>(A) Sources of funds</b>			
Paid-up share capital	1,047.45	1,047.45	1,047.45
Reserves and Surplus (excluding revaluation reserves)	(42.33)	11.03	21.04
<b>Less:</b> Miscellaneous Expenditure not written off	-	-	-
<b>Net Worth</b>	<b>1,005.12</b>	<b>1,058.48</b>	<b>1,068.49</b>
Financial Liabilities	35.98	434.83	389.24
Non-Financial Liabilities	402.43	-	-
<b>Total (A)</b>	<b>1,443.53</b>	<b>1,493.31</b>	<b>1457.73</b>
<b>(B) Uses of funds</b>			
Net Fixed Assets	109.79	125.61	127.28
Investments	-	-	-
Other Financial Assets	183.61	33.27	259.49
Other Non-Financial Assets	1150.13	1334.43	1070.96
<b>Total (B)</b>	<b>1,443.53</b>	<b>1,493.31</b>	<b>1457.73</b>

**Other Financial Data**

Particulars	For the Financial Year ending		
	March 31, 2021	March 31, 2020	March 31, 2019
Dividend (%)	--	--	0.05%
Earnings Per Share (₹)	(0.51)	0.11	0.20
Return on Net worth (%)	(5.51)%	1.04%	2.01%
Book Value Per Share (₹)	9.60	10.10	10.20

\*Not annualized.

**Notes:**

- (i) This information is extracted from the financial statements prepared in accordance with Indian Accounting Standards;
- (ii) EPS = Profit after tax / number of outstanding Equity Shares at the close of the year/ period;
- (iii) Return on Net Worth = Profit after Tax / Net-Worth;
- (iv) Book Value per Share = Net-Worth / No. of Equity Shares;
- (v) Source: Audited Annual Reports or Audited Financial Statements or Unaudited Financial Results;

4.8 **Pre-Offer and Post-Offer Shareholding Pattern of the Target Company (based on Issued, Subscribed and Paid-up Equity and Voting Share Capital) is as under:**

Shareholders' Category	Shareholding/ voting rights prior to the Share Purchase Agreement/ acquisition and Open Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/ voting rights after acquisition and Open Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%
<b>(1) Promoter Group</b>								
a) Parties to the Share Purchase Agreement								
Pinal Kanchanlal Shah	8,77,290	8.38%	(8,77,290)	(8.38%)	--	--	--	--
Patel Nutanben Jaykishan	13,69,710	13.08%	(13,69,710)	(13.08%)	--	--	--	--
Snehalben Kaushalbhair Shah	5,29,200	5.05%	(5,29,200)	(5.05%)	--	--	--	--
Jaykishan Shantilal Patel HUF	3,51,486	3.36%	(3,51,486)	(3.36%)	--	--	--	--
b) Promoters other than specified in (a)	--	--	--	--	--	--	--	--

Shareholders' Category	Shareholding/ voting rights prior to the Share Purchase Agreement/ acquisition and Open Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/ voting rights after acquisition and Open Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%
above								
Riddhi Pinal Shah	--	--	--	--	--	--	--	--
Chandrikaben Kanchanlal Shah	--	--	--	--	--	--	--	--
Jaykishan Shantilal Patel	--	--	--	--	--	--	--	--
Pinal Kanchanlal Shah HUF	--	--	--	--	--	--	--	--
<b>TOTAL (1) = (a) + (b)</b>	<b>31,27,686</b>	<b>29.86%</b>	<b>(31,27,686)</b>	<b>(29.86)%</b>	--	--	--	--
<b>(2) Acquirers</b>								
Trivedi Umang Vijaykumar	2,69,466	2.57%	20,00,000	19.09%	17,70,190	16.90%	40,39,656	38.57%
Agrawal Nikunj Maheshlal	2,46,933	2.36%	11,27,686	10.77%	9,53,180	9.10%	23,27,799	22.22%
<b>TOTAL (2)</b>	--	--	<b>31,27,686</b>	<b>29.86%</b>	<b>27,23,370</b>	<b>26.00%</b>	<b>63,67,455</b>	<b>60.79%</b>
<b>3. Parties to SPA other than 1(a) &amp; 2</b>	--	--	--	--	--	--	--	--
<b>4. Public (other than Parties to SPA and Acquirers)</b>	--	--	--	--	--	--	--	--
a.FIs/MFs/FIIs/Banks/SFIs (Indicate names)	--	--	--	--	--	--	--	--
b. Others Public Category (10,485 public shareholders)	73,46,814	70.14%	--	--	(27,23,370)	(26.00%)	--	--
<b>TOTAL (4)</b>	<b>73,46,814</b>	<b>70.14%</b>	--	--	<b>(27,23,370)</b>	<b>(26.00%)</b>	<b>41,07,045</b>	<b>39.21%</b>
<b>GRAND TOTAL</b>	<b>1,04,74,500</b>	<b>100.00%</b>	--	--	<b>(27,23,370)</b>	<b>(26.00%)</b>	<b>1,04,74,500</b>	<b>100.00%</b>

**Notes:**

- No Equity Shares are subject to lock-in;
- The Acquirers have not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.

4.9 The Target Company has been listed on the SME Platform of BSE Limited on July 18, 2017, and was migrated and admitted to dealings on the Mainboard Platform in the list of 'B' Group with effect from Wednesday, August 28, 2019, and hence the Target Company has complied with all the applicable provisions of the SEBI (LODR) Regulations as on date. Further, no penal or punitive actions have been taken by BSE Limited from the date of listing of the Target Company;

4.10 There has been no merger, demerger, or spin-off during the last three (3) years;

4.11 Except as stated below, no other corporate actions have been undertaken by the Target Company during the preceding 3 (Three) years:

For the Financial Year ending on	Date of Allotment	Corporate Action	No. of Equity Shares Issued	Dividend per Equity Share
March 31, 2019	September 19, 2018	Bonus Allotment	34,91,500	--
	Not Applicable	Dividend Declared	--	0.0500
March 31, 2018	Not Applicable	Dividend Declared	--	0.0500

4.12 No buyback has been undertaken by the Target Company during the preceding 3 (Three) years;

- 4.13 There are no directions subsisting or proceedings pending against the Target Company under the SEBI Act and the regulations made thereunder;
- 4.14 The Target Company, existing Selling Promoter Shareholders, and the members of the Promoter and Promoter Group of the Company, and its directors are not or have not been declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018 nor are they or have they been categorized nor are appearing in the 'Wilful Defaulter' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by SEBI;

## 5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 5.1 Justification of Offer Price

- 5.1.1 The Equity Shares of the Target Company are listed at the BSE Limited and are placed under Group 'B' having a scrip code of '540615' and Scrip ID '7NR';
- 5.1.2 The total trading turnover in the Equity Shares of the Target Company on the BSE i.e. the nation-wide trading terminal based on trading volume during the twelve calendar months prior to the month of Public Announcement (July 01, 2020 to June 30, 2021) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of Public Announcement	Total No. of listed equity shares of the Target Company	Total Trading Turnover (as % of total equity shares Listed)
BSE Limited	95,90,680 (Ninety-Five Lakhs Ninety Thousand Six Hundred and Eighty)	1,04,74,500 (One Crore Four Lakhs Seventy-Four Thousand and Five Hundred)	91.56%

Based on the above information available on the website of BSE Limited, the Equity Shares of the Target Company are frequently traded shares in accordance with Regulation 2 (1) (j) of the SEBI (SAST) Regulations

- 5.1.3 The Offer Price has been determined taking into account the parameters as set out under Regulation 8 (2) of the SEBI (SAST) Regulations, as under:

Sr. No.	Particulars	Price (In ₹ per Equity share)
1.	Negotiated Price under the Share Purchase Agreement;	₹4.00/-
2.	The Volume Weighted Average Price paid or payable for acquisitions by the Acquirers during 52 (Fifty-Two) weeks immediately preceding the date of Public Announcement;	₹7.18/-
3.	Highest price paid or payable for acquisitions by the Acquirers during 26 (Twenty-Six) weeks immediately preceding the date of Public Announcement;	₹8.78/-
4.	The Volume Weighted Average Market Price of Equity Shares for a period of 60 (Sixty) trading days immediately preceding the date of the Public Announcement as traded on the Stock Exchange where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period;	₹7.75/-
5.	Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of Equity Shares of such companies;	Not Applicable
6.	The per Equity Share value computed under Regulation 8 (5) of the SEBI (SAST) Regulations	Not Applicable

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers, and Manger to the Offer, the Offer Price of ₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share being the highest of the prices mentioned above is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations;

- 5.1.4 As on date of this Draft Letter of Offer, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations and all other applicable provisions of SEBI (SAST) Regulations;
- 5.1.5 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8 (9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any

corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this Detailed Public Statement up to 3 (Three) Working Days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8 (9) of the SEBI (SAST) Regulations;

- 5.1.6 In the event of any acquisition of Equity Shares by the Acquirers during the Offer period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8 (8) of the SEBI (SAST) Regulations. However, the Acquirers shall not acquire any Equity Shares after the 3<sup>rd</sup> (Third) Working Day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer;
- 5.1.7 As on the date of this Draft Letter of Offer, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period of this Open Offer in accordance with Regulation 18 (4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which this Detailed Public Statement has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision;
- 5.1.8 If the Acquirers acquire or agrees to acquire any Equity Shares or voting share capital rights in the Target Company during the Open Offer Period, whether by subscription or purchase, at a price higher than the Open Offer Price, the Open Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8 (8) of SEBI (SAST) Regulations. Provided that no such acquisition shall be made after the 3<sup>rd</sup> (Third) working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period. Further, in accordance with Regulation 18 (4) and Regulation 18 (5) of the SEBI (SAST) Regulations, in case of an upward revision to the Open Offer Price or to the Open Offer Size, if any, on account of competing offers or otherwise, the Acquirers would (a) make public announcement in the same newspapers in which this Detailed Public Statement has been published; and (b) simultaneously notify to SEBI, the Stock Exchanges, and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations;
- 5.1.9 If the Acquirers acquire Equity Shares of the Target Company during the period of 26 (Twenty-Six) weeks after the Tendering Period at a price higher than the Open Offer Price, the Acquirers would pay the difference between the highest acquisition price and the Open Offer Price, to all shareholders whose Equity Shares have been accepted in the Open Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another Open Offer under SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form;

## 5.2 Financial Arrangements

- 5.2.1 In terms of Regulation 25 (1) of the SEBI (SAST) Regulations, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of this Open Offer in full out of their own sources, net-worth and no borrowings from any bank and/ or financial institutions as envisaged. Chartered Accountant Niranjan Jain, bearing membership number 47811, Proprietor of Niranjan Jain & Co. (Chartered Accountants) bearing firm registration number '11391W', having its office located at 307, 308, Shital Varsha Arcade, Opposite Girish Cold Drinks, C.G. Road, Ahmedabad – 380009, Gujarat, India with contact details being '+91-079-26440427, +91-079-40075175' and Email Address being '[niranjanjain156@yahoo.co.in](mailto:niranjanjain156@yahoo.co.in)' vide certificate dated Tuesday, August 03, 2021 stated that sufficient resources are available with Acquirers for fulfilling the obligations under this Open Offer in full;
- 5.2.2 The maximum consideration payable by the Acquirers to acquire up to 27,23,370 (Twenty-Seven Lakhs Twenty-Three Thousand Three Hundred and Seventy) Equity Shares, representing 26.00% of the Equity and voting share capital of the Target Company at the Offer Price of ₹8.78/- (Eight Rupees and Seventy-Eight Paise) per Equity Share, assuming full acceptance of the Open Offer would amount to ₹2,39,11,188.60/- (Two Crores Thirty-Nine Lakhs Eleven Thousand One Hundred and Eighty-Eight Rupees and Sixty Paise Only). In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of '7NR - Open Offer Escrow Account' (**'Escrow Account'**) with ICICI Bank Limited, (**'Escrow Banker'**) and have deposited an amount of ₹61,30,000.00/- (Rupees Sixty-One Lakhs Thirty Thousand Only), being more than 25% of consideration payable in this Open Offer, assuming full acceptance;
- 5.2.3 The Manager to the Offer is duly authorized to operate the above mentioned Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations;



5.2.4 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to fulfill its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations;

5.2.5 In case of upward revision of the Offer Price and/ or the Offer Size, the Acquirers would deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision;

## **6. TERMS AND CONDITIONS OF THE OFFER**

6.1 The Letter of Offer will be mailed to all those Public Shareholders of the Target Company (except the Acquirers and the parties to the Share Purchase Agreement) whose names appear on the Register of Members and to the beneficial owners of the Equity Shares of the Target Company whose names appear on the beneficial records of the Depository Participant, at the close of business hours on Tuesday, 14 September, 2021;

6.2 All owners of the Equity Shares, registered or unregistered (except the Acquirers) who own the Equity Shares any time prior to the Closing of the Open Offer are eligible to participate in the Open Offer as per the procedure set out in Paragraph 7 titled as 'Procedure for Acceptance and Settlement of the Offer' on page 18 of this Draft Letter of Offer. Eligible persons can participate in the Open Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners;

6.3 Accidental omission to dispatch the Letter of Offer or the non-receipt or delayed receipt of the Letter of Offer will not invalidate the Open Offer in anyway;

6.4 Subject to the conditions governing this Open Offer, as mentioned in the Letter of Offer, the acceptance of this Open Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Open Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever;

6.5 In terms of the Regulation 18(9) of the SEBI (SAST) Regulations, Public Shareholders who tender their Equity Shares in the Offer shall not be entitled to withdraw such acceptance;

### **6.6 Locked-in Equity Shares**

No Equity Shares of the Target Company are subject to lock-in;

### **6.7 Eligibility for accepting the Offer:**

6.7.1 The Letter of Offer shall be mailed to all the Public Shareholders and/or beneficial owners holding Equity Shares in dematerialized form (except the present Promoters and Acquirers) whose names appear in register of Target Company as on Tuesday, 14 September, 2021, the Identified Date;

6.7.2 This Open Offer is also open to persons who own Equity Shares in Target Company but are not registered Public Shareholders as on the Identified Date;

6.7.3 All Public Shareholders and/or beneficial owners (except the present Promoter group shareholders, and the Acquirers) who own Equity Shares of the Target Company any time before the closure of this Open Offer are eligible to participate in this Open Offer;

6.7.4 The Acquirers have appointed Cameo Corporate Services Limited, as the Registrar to the Offer bearing SEBI Registration Number 'INR000003753', having their office located at Subramanian Building, 1 Club House Road, Chennai - 600 002, Tamil Nadu, India, with contact details being '+91-44-2846-0390/1989', fax number being '+91-44-2846-0129', Email Address '[cameo@cameoindia.com](mailto:cameo@cameoindia.com)' and website '[www.cameoindia.com](http://www.cameoindia.com)'. The Contact Person Mr. R. D. Ramasamy can be contacted from 10:00 a.m. (Indian Standard Time) to 5:00 p.m. (Indian Standard Time) on working days (except Saturdays, Sundays and all public holidays), during the tendering period;

6.7.5 The Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance will also be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) In case of non-receipt of the Letter of Offer, all Public Shareholders including unregistered Public Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the website of SEBI for applying in this Open Offer;

6.7.6 Unregistered Public Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Public Shareholders;

- 6.7.7 The acceptance of this Open Offer by the Public Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Open Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever;
- 6.7.8 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholder(s)/beneficial owner(s) of Target Company;
- 6.7.9 The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard;
- 6.7.10 The acceptance of Equity Shares tendered in this Open Offer will be made by the Acquirers in consultation with the Manager to the Offer;
- 6.7.11 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this Open Offer.

## 6.8 Statutory Approvals and conditions of the Open Offer

- 6.8.1 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required & received any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Open Offer, along with other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirers have reserves the right to reject such Equity Shares tendered in this Open Offer;
- 6.8.2 The Acquirers in terms of Regulation 23 of SEBI (SAST) Regulations will have a right not to proceed with this Open Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared;
- 6.8.3 In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of Regulation 18 (11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 17 (9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture;

## 7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 7.1 This Open Offer will be implemented by the Acquirers, through stock exchange mechanism as provided under the SEBI (SAST) Regulations and the SEBI circular bearing reference number ‘CIR/CFD/POLICY/CELL/1/2015’ dated April 13, 2015 and SEBI circular bearing reference number ‘CFD/DCR2/CIR/P/2016/131’ dated December 09, 2016 issued by SEBI and on such terms and conditions as may be permitted by law from time to time;
- 7.2 BSE Limited shall be the designated stock exchange for the purpose of tendering Equity Shares in this Open Offer;
- 7.3 The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Open Offer shall be available on the BSE Limited, which shall be the Designated Stock Exchange, in the form of a separate window (“**Acquisition Window**”);
- 7.4 For implementation of the Open Offer, the Acquirers has appointed Nikunj Stock Brokers Limited (“**Buying Broker**”) through whom the purchases and settlements on account of the Open Offer would be made by the Acquirer. The contact details of the Buying Broker is as follows:

<b>Name</b>	Nikunj Stock Brokers Limited
<b>Address</b>	A-92, Gf, Left Portion, Kamla Nagar, New Delhi-110007
<b>Contact Details</b>	011-47030000-01
<b>Email Address</b>	<a href="mailto:info@nikunjonline.com">info@nikunjonline.com</a>
<b>Contact Person</b>	Mr. Pramod Kumar Sultania

- 7.5 All the Public Shareholders who desire to tender their Equity Shares under this Open Offer would have to approach their respective stock brokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period;

- 7.6 The Acquisition Window provided by the BSE Limited shall facilitate placing of sell orders. The Selling Brokers can enter orders for dematerialized Equity Shares only;
- 7.7 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the Stock Exchange during Tendering Period;
- 7.8 Public Shareholders can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant);
- 7.9 **Procedure for Equity Shares held in physical form:**
- 7.9.1 In accordance with the Frequently Asked Questions issued by SEBI, “FAQs – Tendering of physical shares in buyback offer /open offer/exit offer/delisting” dated February 20, 2020 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 issued by SEBI Shareholders holding securities in physical form are allowed to tender shares in Open Offer through Tender Offer route. However, such tendering shall be as per the provisions of respective regulations;
- 7.9.2 Public Shareholders who are holding physical Equity Shares and intend to participate in the Open Offer shall approach Selling Broker. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of Equity shares etc.;
- 7.9.3 After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein the along with the complete set of documents for verification procedures to be carried out (a) original share certificate(s), (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Target Company, (c) self-attested copy of the shareholder’s PAN Card, and (d) TRS, any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscripted as “**7NR Open Offer**”. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker
- 7.9.4 In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport;
- 7.9.5 Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA, the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform
- 7.9.6 Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected
- 7.9.7 Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
- (a) Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired;
  - (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s)
  - (c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien, or encumbrance

#### **7.10 Procedure for Equity Shares held in Demat Form**

- 7.10.1 The Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Open Offer shall approach their Selling Broker, indicating details of Equity Shares they wish to tender in this Open Offer;
- 7.10.2 The Selling Broker shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation before placing the bids/ orders and the same shall be validated at the time of order entry;
- 7.10.3 For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Open Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected;
- 7.10.4 The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation, before the offer opening date of this Open Offer;
- 7.10.5 Upon placing the bid, the Seller member(s) shall provide Transaction Registration Slip generated by the Exchange Bidding System to the shareholder. Transaction Registration Slip will contain details of order submitted like Bid-ID No., DP-ID, Client-ID, No of Equity Shares tendered, etc.;
- 7.10.6 The Public Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer;

#### **8. ACCEPTANCE OF EQUITY SHARES**

- 8.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified time lines;
- 8.2 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot;

#### **9. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON-RECEIPT OF THE LETTER OF OFFER**

- 9.1 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer;
- 9.2 A Public Shareholder may participate in this Open Offer by approaching their broker/ Selling Broker and tender Equity Shares in this Open Offer as per the procedure mentioned in the Letter of Offer;
- 9.3 The Letter of Offer along with acceptance form will be dispatched to all the eligible Public Shareholders of the Target Company, as appearing in the list of members of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company;
- 9.4 The Letter of Offer along with the Form of Acceptance would also be available at website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and Public Shareholders can also apply by downloading such forms from the said website;
- 9.5 Alternatively, in case of non-receipt of the Letter of Offer, the eligible Public Shareholders holding the Equity Shares may participate in this Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client-ID number, DP name, DP-ID number, number of Equity Shares tendered and other relevant documents as mentioned in Paragraph 7.9 titled as "Procedure for Equity Shares held in physical form" at page 17 of this Draft Letter of Offer. Such eligible Public Shareholders have to ensure that their order is entered in the electronic platform of BSE Limited which will be made available by BSE Limited before the closure of the Tendering Period;

## **10. SETTLEMENT PROCESS**

- 10.1 On closure of this Open Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the BSE Limited to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation;
- 10.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. The Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favor of Clearing Corporation;
- 10.3 The direct credit of Equity Shares shall be given to the demat account of the Acquirers indicated by the Acquirers Buying Broker. The Buying Broker will transfer the funds pertaining to this Open Offer to the Clearing Corporation's bank account as per the prescribed schedule;
- 10.4 For the same, the existing facility of client direct payout in the capital market segment shall be available;
- 10.5 The Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under this Open Offer;
- 10.6 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the Buying Broker's pool account;
- 10.7 In case of partial or non-acceptance of orders or excess pay-in, demat Equity Shares shall be released to the securities pool account of the Selling Broker(s)/ custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance Equity Shares to the Public Shareholders;

## **11. SETTLEMENT OF FUNDS OR PAYMENT CONSIDERATION**

### **11.1 For Public Shareholders holding Equity Shares in demat**

- 11.1.1 The settlements of fund obligation for demat Equity Shares shall be effected by clearing corporation. For the Equity Shares accepted under this Open Offer, the payment will be made by the Clearing Corporation to the Public Shareholders directly to their bank account;
- 11.1.2 The payment will be made to the Buying Broker for the settlement. For Equity Shares accepted under this Open Offer, the Public Shareholders will receive funds payout in their settlement bank account;
- 11.1.3 The funds received from Buyer Broker by the Clearing Corporation will be released directly, to the Public Shareholder;
- 11.1.4 Public Shareholder who intends to participate in this Open Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the selling Public Shareholders for tendering Equity Shares in this Open Offer (secondary market transaction). The consideration received by the selling Public Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder;
- 11.1.5 In case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure, or neglect on the part of the Acquirers to diligently pursue such approval, and subject to such terms and conditions as specified by the SEBI (including payment of interest in accordance with Regulation 18 (11) of the SEBI (SAST) Regulations grant an extension of time to the Acquirers pending receipt of such statutory approval(s) to make the payment of the consideration to the Eligible Public Shareholders whose Equity Shares have been accepted in the Open Offer;

## **12. NOTE ON TAXATION**

- 12.1 The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated". Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act;

12.2 Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates;

12.3 Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.

#### **12.4 Taxability of Capital Gain in the hands of the Public Shareholders:**

12.4.1 The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding ₹1,00,000/- (Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

12.4.2 As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).

12.4.3 Any applicable surcharge and education cess would be in addition to above applicable rates;

12.4.4 In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirers shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, in case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealer's/ tax advisors appropriately;

12.4.5 The tax implications are based on provisions of the IT Act as applicable as on date of this Draft Letter of Offer. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply;

12.4.6 Notwithstanding the details given above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Public Shareholder shall remain of such Public Shareholder and the said Public Shareholder will appropriately disclose the amounts received by it, pursuant to this Offer, before the Indian income tax authorities.

**12.5 THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.**

### **13. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, CapitalSquare Advisors Private Limited 208, 2nd Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (E), Mumbai 400093, Maharashtra, India on any working day between 10.00 a.m. and 5.00 p.m. during the period the Offer is open i.e., from Tuesday, 28 September, 2021 to Monday, 11 October, 2021;

13.1 Memorandum and Articles of Association and Certificate of Incorporation of 7NR Retail Limited;

- 13.2 Memorandum of Understanding between Manager to Offer and the Acquirers;
- 13.3 Copy of Agreement between the Registrar to the Offer and the Acquirers;
- 13.4 Certificate dated Tuesday, August 03, 2021 from CA Niranjan Jain, bearing membership number 47811, Proprietor of Niranjan Jain & Co. (Chartered Accountants) bearing firm registration number '11391W', having its office located at 307, 308, Shital Varsha Arcade, Opposite Girish Cold Drinks, C.G. Road, Ahmedabad – 380009, Gujarat, India with contact details being '+91-079-26440427, +91-079-40075175 ' and Email Address being '[niranjanjain156@yahoo.co.in](mailto:niranjanjain156@yahoo.co.in)' certifying that the Acquirers have sufficient resources available for the implementation of the Offer in full out of its own sources / financial commitment under this “ Open Offer” in full;
- 13.5 Audited Annual Reports for the last three financial years ended, March 31, 2021, March 31, 2020 and March 31, 2019 of 7NR Retail Limited;
- 13.6 Bank Statement received from ICICI Bank for required amount kept in the escrow account and marked lien in favor of Manager to Offer;
- 13.7 The copy of Share Purchase Agreement dated Tuesday, 03 August, 2021 between the Selling Promoter Shareholders and Acquirers, which triggered this Open Offer;
- 13.8 Copy of the Public Announcement dated Tuesday, 03 August, 2021, revised public announcement dated Friday, August 06, 2021 and published copy of the Detailed Public Statement dated Saturday, August 07, 2021 which was published on Monday, August 09, 2021;
- 13.9 Copy of the recommendations dated [●] to be made by the Committee of Independent Directors of the Target Company;
- 13.10 Copy of SEBI Observation letter bearing reference number [●] dated [●];
- 13.11 Escrow Agreement between Acquirers, Escrow Bank and Manager to the Offer;

#### **14. DECLARATION BY THE ACQUIRERS**

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirers have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirers accept full responsibility for the information contained in this Draft Letter of Offer and also accepts responsibility for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations. The Acquirers shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.

#### **On Behalf of the Acquirers**

**Trivedi Umang Vijaykumar**  
Sd/-

**Place: Mumbai**

**Date: Wednesday, August 11, 2021**