



## PRAXIS HOME RETAIL LIMITED

Our Company was originally incorporated on January 31, 2011 under the Companies Act, 1956 as GRN Energy Private Limited with the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Further, the name of our Company was changed to GRN Retail Private Limited and a fresh certificate of incorporation was issued on December 21, 2016 by RoC. Furthermore, the name of our Company was changed to Praxis Home Retail Private Limited and a fresh certificate of incorporation was issued on January 5, 2017 by RoC. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to Praxis Home Retail Limited and a fresh certificate of incorporation was issued by the RoC on June 21, 2017. For details of change in name and registered office of our Company, see "General Information" on page 35.

**Registered Office:** iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai 400 042, Maharashtra, India;  
**Telephone:** +91 22 6882 4900

**Contact Person:** Sanu Kapoor, Company Secretary and Compliance Officer

**Email:** investorrelations@praxisretail.in; Website: www.praxisretail.in

**Corporate Identity Number:** L52100MH2011PLC212866

### OUR PROMOTERS: KISHORE BIYANI AND FUTURE CORPORATE RESOURCES PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PRAXIS HOME RETAIL LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 4,91,85,572 EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("RIGHTS EQUITY SHARES") OF THE COMPANY FOR CASH AT A PRICE OF ₹10 EACH (INCLUDING A SHARE PREMIUM OF ₹5 PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO ₹4,918.56 LAKHS\* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 13 RIGHTS EQUITY SHARES FOR EVERY 20 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON MAY 30, 2023. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 143.

\*Assuming full subscription

### WILFUL DEFAULTER OR FRAUDULENT BORROWER

Neither our Company, our Promoters nor our Directors are categorised wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

### GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of investors is invited to the statement of "Risk Factors" on page 16.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together, the "Stock Exchanges"). Our Company has received 'in-principle' approvals from BSE and NSE for listing the Rights Equity Shares to be allotted in the Issue through their letters dated May 19, 2023 and May 3, 2023, respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



#### PRIME SECURITIES LIMITED

1109/1110, Maker Chambers V, Nariman Point  
Mumbai – 400021, Maharashtra, India

**Telephone:** +91 22 61842525

**Email:** projectsunrise@primesec.com

**Investor Grievance Email:** projectsunrise@primesec.com

**Website:** www.primesec.com

**Contact Person:** Apurva Doshi

**SEBI Registration No.:** INM000000075



#### LINK INTIME INDIA PRIVATE LIMITED

C-101, 1st Floor, 247 Park, LBS Marg, Surya Nagar, Gandhi Nagar  
Vikhroli (West), Mumbai – 400 083, Maharashtra, India.

**Telephone:** +91 810811 4949

**E-mail:** praxis.rights@linkintime.co.in

**Investor grievance E-mail:** praxis.rights@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Sumeet Deshpande

**SEBI Registration No.:** INR000004058

### ISSUE PROGRAMME

#### ISSUE OPEN ON

Tuesday, June 6, 2023

#### LAST DATE FOR ON MARKET RENUNCIATION\*

Friday, June 9, 2023

#### ISSUE CLOSES ON#

Wednesday, June 14, 2023

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

#Our Board or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

*This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/ chapters titled “Industry Overview”, “Statement of Special Tax Benefits”, “Financial Information” and “Outstanding Litigations and Defaults” and “Terms of Issue” on pages 51, 48, 75, 131 and 143 respectively, shall have the meaning given to such terms in such sections.*

#### General terms

Term	Description
“Praxis Home Retail Limited” or “We” or “us” or “Our Company” or “the Company” or “the Issuer”	Praxis Home Retail Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai 400 042, Maharashtra, India.

#### Company related terms

Term	Description
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The statutory auditor of our Company, being M/s Singhi & Co, Chartered Accountants.
Audited Financial Statements/ Audited Financial Information	The audited financial statements of our Company for the financial year ended March 31, 2022 which comprises of the balance sheet as at March 31, 2022, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year March 31, 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Statements” on page 75.
Board / Board of Directors	Board of Directors of our Company, including any committees thereof.
Corporate Promoter	Future Corporate Resources Private Limited.
Equity Share(s)	The equity shares of our Company of a face value of ₹5 each, unless otherwise specified in the context thereof.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Individual Promoter	Kishore Biyani
Key Management Personnel / KMP/SMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page 73.
Limited Review Report	Report dated February 6, 2023 prepared by the statutory auditors of our Company, M/s Singhi & Co, Chartered Accountants on the unaudited financials results of our

Term	Description
	Company for the nine month ended on December 31, 2022.
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time.
Preference Shares	The 9 % redeemable non-cumulative preference shares of a face value of ₹100 of our Company each, unless otherwise specified in the context thereof.
Promoter(s)	The Promoters of our Company, namely Kishore Biyani and Future Corporate Resources Private Limited.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai 400 042.
Registrar of Companies/ RoC	The Registrar of Companies, Maharashtra at Mumbai.
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time.
SVAR Plan-2018	Praxis Home Retail Limited Share Value Appreciation Rights Plan -2018 pursuant to a special resolution passed by the shareholders of our Company on September 18, 2018.
Praxis ESOP – 2021	Praxis Home Retail Limited Employee Stock Option Plan – 2021 pursuant to a special resolution passed by the shareholders of our Company on December 13, 2021.
Limited Review Unaudited Financial Statements/ Review Limited Financial Results	The limited review unaudited financial results for the nine months ended December 31, 2022 prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the notes thereto.

#### Issue related terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The accounts opened with the Banker to the Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank/Banker to Issue/Refund Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Account(s) will be opened, in this case being RBL Bank Limited.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted and the Rights Equity Shares pursuant to this Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Equity Shares in terms of this Letter of Offer.
Application	Application made (i) through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under

Term	Description
Application Form	the ASBA process to subscribe to the Rights Equity Shares at the Issue Price. Form in terms of which an Applicant shall make an application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper applications and online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper.
ASBA Applicants / ASBA Investors	Applicants / Investors who make Application in this Issue using the ASBA Process.
ASBA Circulars	Collectively, the SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, the SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
Banker to the Company	RBL Bank Limited
Banker to the Issue	RBL Bank Limited
Banker to the Issue Agreement	Agreement dated May 24, 2023 amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue for transfer of funds to the Allotment Account, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange under this Issue and which is described in “ <i>Terms of the Issue</i> ” on page 143.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI or the Stock Exchange(s), from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Letter of Offer / LOF	This letter of offer dated May 26, 2023 filed with the Stock Exchanges including any addenda or corrigenda thereto.
Equity Shareholder(s) / Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares as on the Record Date, i.e., May 30, 2023
ISIN	International Securities Identification Number.
Issue / Rights Issue	Issue of up to 4,91,85,572 Rights Equity Shares for cash at a price of ₹ 10 per Rights

Term	Description
	Equity Share, including a share premium of ₹ 5 per Rights Equity Share for an aggregate amount upto ₹ 4,918.56 lakhs* on a rights basis by our Company to the Eligible Equity Shareholders in the ratio of 13 Rights Equity Shares for every 20 Equity Shares held by the Eligible Equity Shareholders on the Record Date. <i>*Assuming full subscription</i>
Issue Agreement	Issue agreement dated April 17, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	June 14, 2023
Issue Documents	Collectively, this Letter of Offer, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter, any other issue material
Issue Opening Date	June 6, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹10 per Rights Equity Share.
Issue Proceeds/Gross Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to 4,91,85,572 Rights Equity Shares aggregating to an amount upto ₹4,918.56 lakhs *. <i>*Assuming full subscription</i>
Lead Manager to the Issue/ Lead Manager	Prime Securities Limited.
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Materiality Policy	<i>‘Policy for Determination and Disclosure of Materiality of an Event or Information’</i> adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality policy adopted by the Board of Directors through its resolution dated March 14, 2023 for the purpose of litigation disclosures in this Letter of Offer.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see <i>“Objects of the Issue”</i> on page 44.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Non – ASBA Applicant/ Non - ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Offer Document(s)	The Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before June 9, 2023.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being May 30, 2023.
Registrar / Registrar to	Link Intime India Private Limited

Term	Description
the Issue	
Registrar Agreement	Agreement dated April 17, 2023 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who, has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on June 9, 2023, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 2,00,000 (including an HUF applying through karta in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being 13 Rights Equity Share(s) for every 20 fully paid-up Equity Share(s) held by the Eligible Equity Shareholder on the Record Date.  Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
Self-Certified Syndicate Banks / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , updated from time to time and/or such other website(s) as maybe prescribed by SEBI from time to time.
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulant Borrower	An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays.

#### Business and Industry Related Terms

Terms	Description
GDP	Gross Domestic Product
GVA	Gross Value Added

Terms	Description
HNI's	High Networth Individuals
IIP	Index of Industrial Production
IT	Information Technology
MRP	Maximum Retail Price
PMAY	Pradhan Mantri Awas Yojana
SKU	Stock Keeping Units
TV	Television

### Conventional, General Terms and Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CCD	Compulsorily Convertible Debentures
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 and the rules made thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant / DP	A Depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year / Fiscal/ FY	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Offender	Economic An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government	/ Government of India

Term		Description
Government of India / GoI		
GST		Goods and Services Tax
HUF		Hindu Undivided Family
ICAI		The Institute of Chartered Accountants of India
IFRS		International Financing Reporting Standards of the International Accounting Standards Board
Ind AS		Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Regulations	Trading	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN		International Securities Identification Number allotted by the depository
IT		Information Technology
I.T. Act / IT Act		Income Tax Act, 1961
I. T. Rules		Income Tax Rules, 1962
Listing Agreements		The listing agreements entered into by our Company with the Stock Exchanges
MAT		Minimum Alternate Tax
MCA		Ministry of Corporate Affairs, Government of India
MICR		Magnetic ink character recognition
MoU		Memorandum of Understanding
Mutual Fund		Mutual Fund registered with SEBI under the SEBI Mutual Fund Regulations.
NA / N.A.		Not Applicable
NACH		National Automated Clearing House which is a consolidated system of ECS
NAV		Net asset value
NCLT		National Company Law Tribunal
NCLAT		National Company Law Appellate Tribunal
NEFT		National Electronic Fund Transfer
Net Worth		The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act		Negotiable Instruments Act, 1881
NSDL		National Securities Depositories Limited
NR / Non-Resident		A person resident outside India, as defined under the FEMA
NRE Account		Non-Resident External Account
NRO Account		Non-Resident Ordinary Account
NRI		Non-Resident Indian
NSE		The National Stock Exchange of India Limited
OCB / Corporate Body	Overseas	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
OCI		Overseas Citizen of India
p.a.		Per Annum
PAC		Persons Acting in Concert
PAN		Permanent Account Number
PAT		Profit After Tax
PBT		Profit Before Tax
P/E Ratio		Price / Earnings Ratio
PIO		Persons of Indian Origin
RBI		Reserve Bank of India

Term	Description
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Rights Issue Circulars/ Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	United States Securities Act of 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
US	United States of America
US GAAP	Generally Accepted Accounting Principles in United States
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

## NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Pursuant to the Rights Issue Circulars, in case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders who have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email addresses to our Company and who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges.

Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Issue Materials nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or date of such information.

**The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as business, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or**

regulations.

## **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (“**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“**Regulation S**”), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer/ Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company has reason to believe is, in the United States of America when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

**We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.**

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

## **PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION**

### **Certain Conventions**

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in are to the page numbers of this Letter of Offer.

### **Financial Data**

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Financial Statements for the financial year ended on March 31, 2022 and Limited Review Unaudited Financial Results for the nine months period ended December 31, 2022. For further information, see “*Financial Information*” on page 75.

We have prepared our Audited Financial Statements and Limited Review Unaudited Financial Results in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Regulation 33 of the SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs.

### **Market and Industry Data**

Unless stated otherwise, market and industry data used in this Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager or their respective affiliates and neither our Company, the Lead Manager, nor their respective affiliates make any representation as to the accuracy of such information. Accordingly, Investors should not place undue reliance on this information.

Certain industry related information in the sections titled “*Industry Overview*”, “*Our Business*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 51, 64, 16 and 123 respectively, have been derived from an industry report titled “*India Home Furniture Market 2022-2028*” dated March 30, 2023, prepared by Mordor Intelligence Private Limited (the “**Home Furniture Report**”), an independent research house, pursuant to an engagement with our Company.

### **Currency and Units of Presentation**

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

Certain numerical information has been presented in this Letter of Offer in “Lakhs” units. 1,00,00,000 represents one crore and 10,00,000 represents one million.

### **Exchange Rates**

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

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

Currency	Exchange rate as on		
	December 31, 2022	March 31, 2022	March 31, 2021
1 US\$	82.78	75.80	73.50

(Source: [www.fbil.org.in](http://www.fbil.org.in))

*The price for the period end refers to the price as on the last trading day of the respective fiscal year.*

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology including ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘forecast’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘target’, ‘will’, ‘would’ or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Our ability to successfully implement our strategy;
- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner;
- Any imitation of our brand, product solutions, or any reproduction of likenesses of our products;
- Increasing competition in, and the conditions of, the Indian home products industry;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16, 64 and 123, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

## SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Our Business” and “Outstanding Litigations and Defaults” on pages 16, 44, 64 and 131, respectively.

### Summary of our Business

Our Company operates brick and mortar stores of home furniture and home fashion in the brand name of HomeTown and caters to home retail segment in India. This retail format brings together under one roof, a wide range of furniture, home furnishing goods, kitchenware, other home related accessories and quality services including complete home design, modular kitchen, among others, giving customers a great in-store experience. In addition, an exciting range of accessories, such as clocks, wall hangings and décor make it a complete one stop shop for all home needs.

### Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

		(₹ In lakhs)
S. No.	Particulars	Estimated amount
1.	To reduce the current liabilities by repaying part of our outstanding trade payables	3,750.00
2.	General corporate purposes	1,024.83
<b>Total Net Proceeds*</b>		<b>4,774.83</b>

*\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see “Objects of the Issue” on page 44.

### Intention and extent of participation by our Promoters and Promoter Group in the Issue

Our Promoters, Kishore Biyani and Future Corporate Resources Private Limited, by its letter dated April 17, 2023 (the “**Promoters Subscription Letter**”) on behalf of the Promoter Group of the Company have confirmed that they ensure

- (i) to subscribe to their Rights Entitlements in the Issue or renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company or third party investors;
- (ii) to subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally with the Promoter(s) or any other members of the Promoter Group, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

### Summary of Outstanding Litigations and Defaults

A summary of outstanding legal proceedings involving our Company and Promoters as on the date of this Letter of

Offer is set forth in the table below:

<b>Nature of Cases</b>	<b>Number of Cases</b>	<b>Amount Involved* (₹ lakhs)</b>
<b>Litigations involving our Company and Promoters</b>		
Proceedings involving moral turpitude or criminal liability on our Company	<b>Nil</b>	<b>Nil</b>
Proceedings involving material violations of statutory regulation by our Company and Promoters	<b>2</b>	<b>-</b>
Matters involving economic offences where proceedings have been initiated against our Company	<b>Nil</b>	<b>Nil</b>
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	<b>Nil</b>	<b>Nil</b>

\* To the extent quantifiable.

For further details, see “*Outstanding Litigations and Defaults*” beginning on page 131.

### **Risk Factors**

For details of the risks associated with our Company, please see the section titled “*Risk Factors*” on page 16.

### **Contingent Liabilities**

For details of contingent liabilities for the Fiscal 2022, please see the section titled “*Financial Statements*” on page 75.

### **Related Party Transactions**

For details of related party transactions for the Fiscal 2022, please see the section titled, see “*Financial Statements*” on page 75.

### **Issue of Equity Shares for consideration other than cash in the last one year**

No Equity Shares have been issued by our Company for consideration other than cash during the period of one year immediately preceding the date of filing of this Letter of Offer.

## SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. This section describes the risks that we currently believe may materially affect our business, financial condition and results of operations. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Rights Equity Shares.*

*The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in our equity shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.*

*To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Financial Information” beginning on pages 64, 51 and 75 respectively, as well as the financial, statistical and other information contained in this Letter of Offer. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences to you of an investment in our Rights Equity Shares.*

*This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.*

*Unless otherwise stated, references to “we”, “us”, “our” and “the Company” are to Praxis Home Retail Limited on a standalone basis.*

### **Internal Risk Factors**

#### **1. Our Company has incurred losses in the past, which may adversely impact our business and financial conditions.**

Our Company has incurred losses amounting to ₹ 884.15 lakhs as per Limited Review Unaudited Financial Results for the nine months period ended December 31, 2022 and ₹ 10,322.16 lakhs as per the Audited Financial Statements for Fiscal 2021. Our losses during the above-mentioned periods have been primarily on account of increase in the prices of raw material due to inflation and due to low footfall of our customers for the nine months period ended December 31, 2022 and on account of outbreak of COVID-19 and the overall slowdown of the economy for the Fiscal 2021. These losses have resulted in erosion of net worth of the Company, which indicates material uncertainty on our Company’s ability to continue as a going concern. Our ability to operate profitably depends upon a number of factors, some of which are beyond our direct control. These factors include, but are not limited to, competition, customer taste and preferences. If we continue to incur losses, our business and the financial conditions could be adversely affected.

Further, we have not paid any dividend in the past and our ability to pay dividends in the future will depend upon various factors. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares in the near future. The declaration, payment and amount of any future dividends are subject to the discretion of the Board and will depend upon a number of factors, including our Company's results of operations, future earnings, profitability, capital requirements for future expansions and available surplus, general financial conditions, contractual restrictions, applicable Indian law restrictions and other factors considered relevant by our Board.

#### **2. Our Company and Promoters are involved in certain legal proceedings. Any adverse decision in such proceedings may adversely affect our business and results of operations.**

Our Company and Promoters are currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For further details on the outstanding litigations pertaining to our Company, refer to chapter titled “*Outstanding Litigation and Defaults*” beginning on page 131.

**3. *Our Promoters and a member of our Promoter Group have been restrained by SEBI from accessing the capital markets.***

SEBI vide its order dated February 3, 2021 (“**Order**”), has prohibited and restrained our Promoters, Kishore Biyani and Future Corporate Resources Private Limited, and one of the members of our Promoter Group, Anil Biyani from accessing the securities market and prohibited them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one (1) year from the date of the Order and has also imposed a penalties with respect to the investigation conducted in the scrip of Future Retail Limited (“**FRL**”) to ascertain whether certain persons/entities had traded during the period March 10, 2017 to April 20, 2017 on the basis of unpublished price sensitive information in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 read with the SEBI PIT Regulations. Our Promoters along with Anil Biyani, member of the Promoter Group have challenged the Order before the Securities and Appellate Tribunal (“**SAT**”). Vide its order dated February 15, 2021, SAT has granted a stay on the SEBI Order, till April 12, 2021. The matter had been sub-judice and it got finally heard on April 18, 2023 and April 19, 2023. The final order of the SAT has been reserved and the matter is pending before SAT. However, we cannot assure that the said challenge will be successful and any adverse order or unfavourable order in the appellate forum may adversely affect the Company, the Issue and the price of its Equity Shares. For further details, refer to chapter titled “*Outstanding Litigation and Defaults*” beginning on page 131.

**4. *Our Statutory Auditors has included certain remarks or matters of emphasis in our Audited Financial Statements and Limited Review Unaudited Financial Results. In addition, the annexure to our Statutory Auditors’ report issued under the Companies (Auditor’s Report) Order, 2020 (“CARO”), on our Audited Financial Statements contain statements on certain matters.***

Our Statutory Auditors have included certain remarks or matters of emphasis in relation to our Company in our Audited Financial Statements for Fiscal 2022 and Limited Review Unaudited Financial Results for the nine period ended December 31, 2022. For further information, see “*Management’s Discussion and Analysis on the Financial Conditions and Results of Operations - Reservations, qualifications, matter of emphasis, adverse remarks / other observations in caro*” page 124.

There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future periods, or that such remarks will not affect our financial results in future. Investors should consider the remarks and matters of emphasis in evaluating our financial condition, results of operations and cash flows. Any such remarks or matters of emphasis in the auditors’ report and/ or CARO report on our financial statements in the future may adversely affect the trading price of the Equity Shares.

**5. *Our business is subject to seasonal and cyclical volatility and our inability to forecast the trends and consumer preferences or demands in the forthcoming seasons may contribute to fluctuations in our results of operations and financial condition.***

We offer wide range of a wide range of furniture, home furnishing goods, kitchenware, other home related accessories and quality services including complete home design, modular kitchen, among others. We offer our products at our stores that our consumers require and our success is dependent on our ability to meet our consumers’ requirements. It is difficult to predict consistently and successfully the consumption patterns of the customers. The success of our business depends in part on our ability to identify and respond to the evolving consumption patterns in various lines of

businesses that we operate in. Our success depends upon our ability to forecast, anticipate and respond to the changing customer preferences and home decor trends in a timely manner which may include designing new products or modifying our existing products in line with such changing customer preferences and home decor trends.

We plan our products based on the forecast of consumer buying patterns as well as on the forecast of home retail and trends in the forthcoming seasons. The retail consumer spending is heavily dependent on the economy and, to a large extent, on various festive occasions. Any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory and requiring us to resort to higher markdown and thus lower margins in order to clear such inventory. Consumer preferences are susceptible to change with change in home retail and trends, and their service level expectations too can change from time to time.

Further, for us to remain competitive, our designers have to keep themselves abreast with the latest global trends and home decor demands and more importantly understand the requirements of the customers. In order to design our products for the various brands we distribute, we conduct data analytics and explore home decor trends to introduce new and original concepts in the market. While our design and development carries a structured approach, we cannot assure that the current portfolio of products or future portfolio of products created through future designs will be received well by our customers. This may result in a non-recovery of costs incurred on design and development, costs on distribution and lead to inventory that may not be sold or shall be sold slower than anticipated. This may have a material adverse effect on our business and results of operations. Failure to timely identify the changing patterns or effectively respond to such trends, preferences and spending patterns could negatively affect our relationship with our customers and the demand for our products.

As a result, our revenue and profits may vary during different quarters of the financial year and certain periods may not be indicative of our financial position for a full financial year or future quarters or periods and may be below market expectations. Further, any unanticipated decrease in demand for our products during our peak selling season could result into higher closing inventory position, which may lead to sale and liquidation of inventory getting delayed against the trajectory under normal course of business, which could adversely affect our financial position and business operations.

Our success depends partly upon our ability to forecast, anticipate and respond to such changing consumer preferences and trends in a timely manner. Any failure by us to identify and respond to such emerging trends in consumer preferences could have a material adverse effect on our business. Our inability to identify and recognize international and domestic trends and the risk of obsolescence could adversely affect our business and profitability. Our brand image may also suffer if customers believe we are no longer able to offer the latest design. The occurrence of these events could adversely affect our cash flows, financial condition and business operations.

***6. The success of our business is dependent on our procurement systems, supply chain management and efficient logistics, and any disruption in the same may affect our business adversely.***

We strive to keep optimum inventory at our stores and our warehouse to control our costs and working capital requirements. Inefficient supply chain management and wrong predictions of information technology systems could adversely affect availability of merchandise at our stores which would affect results of operations. Ensuring shelf availability for our products warrants meticulous planning since the lead times are long and requires high level of coordination between the suppliers, our warehouse and our stores.

Further, we rely on our network of suppliers to supply our products in each region where we operate. Hence, our business is dependent on maintaining good relationships with our suppliers. Furthermore, our growth as a business depends on our ability to attract additional high-quality and cost-efficient suppliers to our network. We cannot assure you that our current suppliers will continue to do business with us or that we can continue to attract additional suppliers to our network. Any inability to maintain the stability of our supply network and to attract such additional suppliers to our network will affect our ability to meet the consumer demands for our products in a timely manner and may have an adverse impact on our business, results of operations and financial condition.

Some of the furniture, furnishings and general merchandise items retailed through our stores are imported from countries like Indonesia, China, Malaysia, Thailand and Vietnam. Any inability to maintain stable supply network with

suppliers in these countries or any adverse political, economic or social condition in these countries, may lead to disruption or delay in supply of goods to us, which may have an adverse impact on our business, results of operations and financial condition. Further, in the event, any anti-dumping or import duty were to be levied on such imports or vendors or imports from such countries or vendors is prohibited or restricted, the import of goods may become unviable for us or may be disrupted, which may adversely impact our operations and financial results.

**7. *If we are unable to enter into new leasehold or rental agreements for locations suitable for our stores, or we are unable to renew our existing leasehold or rental agreements for our current stores, it may adversely affect our expansion and growth plans.***

As of March 31, 2023, we have 33 stores across 24 cities across 13 states majorly in Maharashtra, West Bengal, Karnataka, Uttar Pradesh, Telangana and NCR. We do not own any of the premises in which our stores and distribution centres are situated, and these are operated on a leasehold/ leave and license basis. Our office premises at Mumbai is also on leasehold basis. Our registered office is located at “iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai- 400 042, which is not owned by our Company. Such leasehold/ leave and license basis arrangements may require renewal or escalations in rentals/ license fee from time to time during the lease/ license period.

Whilst we typically have long-term license/lease arrangements, the term of some of our license/lease arrangements will complete in the next few years. We may not be able to renew our leases or licenses on terms acceptable to us or at all. In the event that any of our leases or licenses are not renewed, and we will be required to vacate our stores, identify alternative real estate and enter into fresh lease or leave and license agreements, suffer losses in terms of existing furniture and fixtures and the cost of restoring furniture and fixtures at the new location, which could result in loss of business and may adversely affect our operations and profitability. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Further for our expansion plans we need to identify new real estate locations and enter into new lease or leave and license agreements. Any failure to identify such new real estate locations may affect our expansion plans and business operations.

**8. *Any adverse impact on the title or ownership rights or development rights of our landlords from whose premises we operate may impede our effective operations of our stores, offices or distribution centres in the future.***

Most of the premises from which we operate our stores / offices / distribution centres are taken by us on long term lease or sub-lease or leave and license and/or on the basis of other contractual agreements with third parties. We may continue to enter into such transactions with third parties. Any adverse impact on the title / ownership rights / development rights of our landlords from whose premises we operate our stores may impede our business, our operations and our profitability. The financial impact of such aforesaid risk cannot be quantified.

In the past, we have been subject to lock-in period for some of our lease agreements. In the event, we renew our lease agreements or enter into new lease agreements and such arrangements also prescribe a lock-in period or such other similar restrictions, it will prevent us from moving our stores even if there are events or circumstances that impede our profitability. Any such event and such restrictive covenants in our lease agreements affect our ability to move the location of our stores and may adversely affect our business, financial condition and results of operations.

**9. *We operate in a competitive market and our failure to match such competition may adversely affect our business.***

The home furniture, home fashion and furnishing industry in which we operate is highly competitive and there exists competition from other domestic and international brands. A number of different competitive factors could have a material adverse effect on our operational results and financial condition including:

- i. anticipating and responding to changing customers' demands;
- ii. to satisfy and explain properly the specialties of each product;
- iii. sourcing products efficiently;
- iv. to undertake strong and effective marketing;
- v. to provide post sell services in relation to the product bought by the customer;

- vi. to maintain our reputation in the markets in which we operates;
- vii. to increase our presence at different platform including e – retailing; and
- viii. to maintain the relationship with customers’ and our brand partners.

Some of our competitors may have more financial and human resources, better access to attractive retail store locations or closer relationships with brand partners. Competition may lead to, among other things, higher costs for retail space and lower sales per retail store, all of which could have a material adverse impact on our results of operations and financial condition and lower our profit margins.

***10. Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our stores may adversely affect our business, results of operations and financial condition.***

We strive to keep optimum inventory at our stores, distribution centres and warehouse for in-store as well as online sales, to control our costs and working capital requirements through our dynamic supply chain management. An optimal level of inventory is important to our business as it allows us to respond to consumer demand effectively and to maintain a range of merchandise at our stores. At the same time, we aim to minimise excessive inventories which would result in higher levels of discounting. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores, distribution centres and e-commerce market places. In addition, if we underestimate customer demand for our products, we may be required to outsource the manufacture of additional quantities to third parties. Our third party manufacturers may not be able to deliver products to meet our requirements, and this could result in delays in the shipment of products to our points of sale and may damage our reputation and customer relationships. There can be no assurance that we will be able to successfully manage our inventory at a level appropriate for future customer demand. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. Unavailability of products, which are in high demand, may depress sales volumes and adversely affect our customer relationships. However, there have been no such instances of shortcoming in inventory or product offering in the preceding three Fiscals which had adverse effect on the business, result of operations and financial conditions of our Company.

If we over-stock inventory, our required working capital will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual consumption by consumers can impact us adversely, leading to potential excess inventory and requiring us to resort to higher markdown and thus lower margins, in order to clear such inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

Inventory levels in excess of consumer demand may result in inventory write – offs and the sales of excess inventory at a discounted price, which would cause our gross margin to suffer. Any write – downs or write – offs and sale of excess inventory at discounted prices could also impair the strength and exclusivity of our brands. In addition, if we underestimate consumer demand for products distributed by us, we may not be able to service the demand for the products and this may damage our reputation and consumer relationships.

***11. Risks associated with the suppliers from whom our products are sourced and the safety of those products could adversely affect our financial performance.***

The products sold by us are sourced from a wide variety of domestic and international suppliers. Global sourcing of many of the products, we sell is an important factor in our financial performance. All of our suppliers must comply with applicable laws, including labour and environmental laws, and otherwise be certified as meeting our required supplier standards of conduct. Our ability to find qualified suppliers who meet our standards, and to access products in a timely and efficient manner is a significant challenge, especially with respect to suppliers located and goods sourced outside of the respective states in which the stores are located. Political and economic instability in India or political instability in certain states of India in which the suppliers are located, the financial instability of suppliers, suppliers’ failure to meet our supplier standards, labour problems experienced by our suppliers, the availability of raw materials to suppliers, merchandise quality issues, currency exchange rates, transport availability and cost, transport security, inflation, and other factors relating to the suppliers and the countries in which they are located are beyond our control. These and other socio economic factors affecting our suppliers and our access to products could adversely affect our financial performance.

Our customers count on us to provide them with safe products. Concerns regarding the safety of products that we source from our suppliers and then sell could cause shoppers to avoid purchasing certain products from us, or to seek alternative sources of supply for their needs. Any loss of confidence on the part of our customers would be difficult and costly to re-establish. As such, any issue regarding the safety of any items we sell, regardless of the cause, could adversely affect our financial performance.

***12. We are dependent on maintaining and enhancing awareness of our brands “HomeTown” and we may not succeed in that to the extent desired.***

We believe that maintaining and enhancing the effectiveness of the brands in our brands portfolio is a major contributing factor to expand our consumer base. Maintaining and enhancing our owned brands may require us to make substantial investments in areas such as outlet operations, marketing and employee training etc., and these investments may not be successful. We use various media channels to promote our brands including placing advertisements and commercials on television, newspapers, hoardings and on digital media and continue to aim at investing in marketing initiatives for brand recall, demand pull, create awareness about the product or enhance reputation of the brand. In the event marketing initiatives do not produce desired outcome, it may adversely impact business performance.

As we expand into new geographic markets, consumers in these markets may not accept our brands. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. If we are unable to enhance the visibility of our brands and generate commensurate sales, it would have an adverse effect on our business and financial condition.

***13. We rely on our information technology systems and third parties for procuring IT services to process transactions, summarize results and manage our business. Disruptions in both our primary and secondary (backup) systems could harm our ability to run our business.***

It is critical that we maintain uninterrupted operation of our business’ critical information technology systems. Our information technology systems, including our back-up systems, are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events such as fires, tornadoes and hurricanes, and usage errors by our employees. If our information technology systems and our back-up systems are damaged or cease to function properly, we may have to make significant investment to fix or replace them, and we may suffer interruptions in our operations in the interim.

Any material interruption in both of our information technology systems and back-up systems may have a material adverse effect on our business or results of operations. Further, if we fail to integrate our information technology systems and processes we may fail to realize the benefits anticipated to be derived from these initiatives. Any delay in implementation, problems in transition to new systems or any disruptions in its functions may adversely impact our business operations. Further, if we are not able to obtain IT systems and services from third parties in a cost effective manner, it may affect our technology operations which may have an effect on our business operations and financial results.

In our online business, the markets for our products and services are characterized by rapidly changing technology, evolving industry standards and norms, introduction of new products and services. Our results of operations and financial condition depend on our ability to introduce new products and services. The process of developing new products and services is complex and requires us to accurately predict and respond to customers' changing and diverse needs and emerging technological trends. The success of our new products and services will depend on several factors, including proper identification of market demands and the competitiveness of our products and services and adaptation of new technologies. Our failure to respond successfully to any of these challenges will significantly harm our results of operations and financial condition.

***14. Negative publicity if any, would adversely affect the value of our brand, and our sales.***

Our business is dependent on the trust our customers have in the quality of our merchandise as well as on our ability to protect our trademarks and our intellectual property to maintain our brand value. If we fail to adequately protect

our intellectual property, competitors may market products similar to ours. Any negative publicity regarding our Company, brands, or products, including those arising from a drop in quality of merchandise from our vendors, disputes concerning the ownership of intellectual property, mishaps at our stores, or any other unforeseen events could adversely affect our reputation our brand value, our operations and our results from operations.

***15. The success of our business is dependent on our senior and key management team and our inability to retain them or the loss of any member of our senior management team could adversely affect our business if we are unable to find equally skilled replacements.***

Our Company is managed by a team of professionals to oversee its operations and growth. Our performance and success depends on our senior and key management team to manage our current operations and meet future business challenges. Our ability to sustain our growth depends, in large part, on our ability to attract, train, motivate and retain highly skilled personnel. There is significant competition for management and other skilled personnel in our industry. Our inability to hire and retain additional qualified personnel will impair our ability to continue to expand our business. The Chairman and Managing Director of our Company has substantial responsibilities for strategizing our growth. The loss of the services of such personnel or the Chairman and Managing Director of our Company and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations. An increase in the rate of attrition of our experienced employees, would adversely affect our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills or to replace those personnel who leave. Further, we cannot assure you that we will be able to re-deploy and re-train our personnel to keep pace with continuing changes in our business. The loss of the services of such personnel and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, results of operations and financial condition.

***16. Industry information included in this Letter of Offer has been derived from an industry report titled “India Home Furnitur Market 2022-2028” dated March 30, 2023, prepared by Morder Intelligence. There can be no assurance that such third- party statistical, financial and other industry information is complete, reliable or accurate.***

We have not independently verified data obtained from industry publications including Home Furniture Report commissioned by us for such purpose and other external sources referred to in this Letter of Offer and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases. Therefore, discussions of matters relating to the home furniture industry, are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

***17. In the event our contingent liabilities that have not been provided for, materializes, our liquidity, business, prospects, financial condition and results of operations may be adversely affected.***

As March 31, 2022, the following contingent liabilities are appearing in our Audited Financial Statements:

- a) The Company has not provided for Income Tax demand of ₹113.80 Lakhs which is pending before CIT Appeals.
- b) On November 27, 2020, The Company has received demand notice from the Directorate General of Anti Profiteering department wherein the department has stated that the Company has contravened the provisions of Section 171(1) of the Central Goods and Service Tax Act, 2017 and the benefit of the rate reduction in GST from 28% to 18% was not passed on to the recipients by increasing the base price of the products. As per the report the total amount of profiteering covered for the period November 15, 2017 to September 30, 2019 has been worked out to ₹368 Lakhs. The Company has submitted its reply on January 18, 2021 to National Anti-Profiteering Authority (GST). The Company was granted personal hearing in the matter by National Anti-Profiteering

Authority (GST) on April 7, 2022. Pursuant to the said hearing, the Company has submitted its reply vide letter dated April 12, 2022 to emphasize the fact that the benefit of GST rate change was duly passed on to the customers.

- c) On April 12 2021, the Company received a notice from its vendor wherein the party filed an application under IBC Code with NCLT towards alleged non-payment of its dues (including interest) ₹100.65 lakhs, however the total outstanding as per the Company books amounts to ₹0.83 lakhs.

In the event our contingent liabilities that have not been provided for materializes, our liquidity, business, prospects, financial condition and results of operations may be affected.

***18. Our Company has in the past entered into related party transactions and will continue to do so in the future. Such transactions or any future transactions with related parties may potentially involve conflict of interest and impose certain liabilities on our Company.***

We have in the past entered into transactions with enterprises over which our Directors and KMPs have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

Although in terms of the Companies Act and the SEBI Listing Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board of Directors and Shareholders for certain related party transactions, there can be no assurance that such transactions, individually or in the aggregate, will receive the necessary approvals in future. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest, which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows. For further details of our related party transactions, see "Financial Statements" on page 75.

***19. Our Promoters and Promoter Group will continue to have significant shareholding in us after the Rights Issue, which will allow them to exercise significant influence over us.***

As on March 31, 2023, 4,19,14,898 Equity Shares aggregating to 55.39 % of the paid up share capital of our Company are owned by the Promoters and Promoter Group. After the completion of the Rights Issue, our Promoters and Promoter Group will continue to have significant shareholding in our Company. Accordingly, the Promoters and Promoter Group are likely to have the ability to exercise significant control over most matters requiring approval by shareholders, including the election and removal of directors and significant corporate transactions except for matters requiring approval through majority of minority shareholders as per the requirements of the SEBI Listing Regulations. Our Promoters and Promoter Group will be able to influence our major policy decisions. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in our best interests. The interests of our controlling shareholders could conflict with the interests of our other shareholders, including the holders of the Equity Shares, and the controlling shareholders could make decisions that adversely affect your investment in the Equity Shares.

***20. We depend on third parties for our logistics and transportation needs. Any disruptions in the same may adversely affect our operations, business, cash flows and financial condition.***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation from our distribution centres to various retail outlets. Although we have insurance for transit of goods, it may be difficult for us to recover damages for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs,

transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather related problems and accidents. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage, shrinkage and our inability to claim insurance may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

***21. The current location of our retail outlets and other factors impacting the malls and locations where our retail outlets are located may not continue to remain attractive.***

The success of any exclusive brand outlet depends in part on its location. We sell our products through stores, spaces and warehouse which are taken on lease. The location of such leased outlets and spaces significantly impacts our ability to attract customers, helps in our brand positioning and to carry out our operations. We select locations for our retail outlets based on research and analytics for each brand that we market taking into considering the brand positioning, economic conditions, demographic patterns etc. We cannot assure you that current locations of our retail outlets will continue to remain attractive or profitable. The quality, demographic structure and economic conditions of the location where our retail outlets are located could decline in the future, thus resulting in reduced sales in those locations. To remain asset light, a large part of our back-office operations such as warehouse and offices are taken on lease. We believe that the strength of our brand portfolio and relationships with landlords enables us to secure rented properties and spaces at favourable locations.

Further, in order to generate footfall we depend heavily on locating our retail outlets in prominent locations within successful shopping malls. Sales of these exclusive brand outlets are derived, in part, from footfall in such malls. The exclusive brand outlets benefit from the ability of a mall's other tenants to generate footfall in the vicinity of the exclusive brand outlets and the continuing popularity of the malls as shopping destinations. We incur lease rent charges primarily towards payment of rent for our leased outlets and warehouse. Our lease rent charges may increase in the future due to contractual escalation of rents payable in accordance with the lease agreements entered into by us. Further, there can be no assurance that current locations will continue to be attractive as demographic pattern changes. If we are unable to obtain alternate locations at reasonable prices our ability to affect our growth strategy will be adversely affected.

***22. Current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases and reduce the attraction of brands in the minds of consumers, impacting our business operations and profitability.***

Online retailing has increased substantially in the past few years and current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases. Various companies offer a wide variety of products, including the products that we retail through our outlets, on the internet at different price points. Online retailing has witnessed intense competition in India with deep discounts and regular promotions offered by several e-tailers. We may be unsuccessful in competing against present and future competitors, ranging from large and established companies to emerging start-ups, both Indian and large, multi-national, e-commerce companies operating in India. Our consumers may prefer purchasing such products from these online stores because of factors like heavy discounts and variety of products. This could adversely affect the sales at our retail outlets and could have a material adverse effect on our business, financial condition and results of operations. In the event we are required to compete with e-tailers, specifically with respect to pricing, our margins from sale of our products may be adversely affected. Increasing attractiveness of online channels for customers, driven by offers and discounts, could impact on our financial position. In the event that we are competing with e-tailers, our business prospects could be adversely affected.

***23. If we are unable to obtain the requisite approvals, licenses, registrations or permits to operate our business or are unable to renew them in a timely manner, our business or results of operations may be adversely affected.***

We are governed by various laws and regulations for carrying our business activities. Shops and establishment legislations are applicable in the states where we have our stores and distribution centres. This legislation regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations

in respect of *inter alia* registration, opening and closure of hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Therefore, we are required to obtain registration under the same. Further, we are also required to comply with the provisions of the Legal Metrology Act, 2009 and trade license for operating stores under the respective state legislatures in India. In addition, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business.

If we fail to obtain any applicable approvals, licenses, registrations or permits, including those mentioned above, in a timely manner, we may not be able to undertake certain operations of our business, or at all, which may affect our business or results of operations. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business or results of operations. We cannot assure that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations or permits that have been or may be issued to us, may materially and adversely affect our business or results of operations.

***24. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

We maintain insurance that we consider to be sufficient typical in our industry in India and in amounts which are commercially appropriate for a variety of risks, including fire, burglary, terrorist activities, group medical and group personal accident insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. For further details, see the chapter titled “*Our Business*” on page 64.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business and financial results.

***25. Our business is manpower intensive and may be adversely affected if we are unable to recruit and retain suitable staff for our sales and operations.***

Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the local market and the retail industry to operate the retail stores that we open. As of March 31, 2023, we had 831 employees on roll. We rely on our design team comprising of skilled designers for designing of our products such as home furniture and home fashion.

We have faced increasing competition for management and skilled personnel with significant knowledge and experience in the retail, distribution and manufacturing sector in India. Further, we cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected. In addition, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs. We may need to offer better compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our operating expenses will not significantly increase.

***26. Increased losses due to fraud, shrinkage, employee negligence, theft or similar incidents may have an adverse***

***impact on us.***

Our business and the industry we operate in are vulnerable to the problem of shoplifting by customers, pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our existing and future retail stores or our retail channels may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash from our retail stores to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy. Shrinkage at our stores and/or our distribution centres may occur through a combination of shoplifting by customer, pilferage by employee, damage, obsolescence and error in documents and transaction that go un-noticed and later adjusted for upon physical verification of stock with book stock. An increase in shrinkage levels at our existing and future stores or our distribution centres may force us to hire additional supply chain management personnel or additional security staff or install additional security and surveillance equipments, which will increase our operational costs and may have an adverse impact on our profitability.

***27. Our operations and investments are concentrated in the Indian retail, and consumption-led sectors, involving consumer financing which exposes us to the risk of a downturn in this sector.***

Our strategic focus is on the Indian retail and consumption-led sectors. As a result of this focus, during periods of difficult market conditions or slowdowns in these sectors, or any lockdowns imposed in the future due to a pandemic like situation, the decreased revenues, difficulty in obtaining access to financing and increased fixed and running costs experienced by us may adversely affect us. Although the Indian retail and consumption-led sectors have been growing rapidly in recent periods, this growth may not be sustainable in the long term and there may be periods of difficult market conditions. Interest rate fluctuations could also adversely impact the growth of the retail and consumption-led sectors. If growth in the Indian retail and consumption-led sectors were to slow or if market conditions were to worsen, we could sustain losses or may be unable to attain target returns, which would adversely impact our financial performance. In addition, demand for our retail services could decline as Indian consumers reduce their spending. Any of the foregoing would have a material adverse effect on our business, results of operations and financial condition. One of our product includes furniture and it being a big ticket merchandise, consumer finance is required for driving sale. Lack or unavailability of consumer finance for products like these can have a material adverse effect on the Company.

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

We will dispatch the Issue Material to shareholders who have provided an address in India for service of documents. The Issue Material will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Material, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

***29. As the securities of our Company are listed on Stock Exchanges in India, our Company and our Promoters are subject to certain obligations and reporting requirements under Insider Trading Regulations, Takeover Code and Listing Regulations. Any non-compliance / delay in complying with such obligations and reporting requirements may render us / our Promoter liable to prosecution and/or penalties.***

Our Company and our Promoters are subject to certain obligations and reporting requirements under Insider Trading Regulations, Takeover Code and Listing Regulations. Though our Company and our Promoters endeavour to comply

with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements, such as delay for submission of events by our Company relating to initiating of corporate insolvency resolution process (“CIRP”) against the Company, appointment of resolution professional, settlement between the Company and operational creditor and withdrawal of CIRP by the National Company Law Tribunal- Mumbai Bench. Although our Company/our Promoters have responded and explained the causes of such delays/non-compliance, there could be a possibility that penalties may be levied against our Company/our Promoters for of non-compliance and delays in complying with such obligations/reporting requirements.

***30. There have been instances of non-compliances/delayed compliances and discrepancies in the statutory filings in the past.***

In past, there have been instances of inadvertent non-compliances / delayed compliances with the provisions of the Companies Act by our Company including delay in filing certain statutory forms with the RoC. Although till date, we have not received any show cause notice from the RoC or other authorities for the said non-compliances/delayed compliances, we cannot assure that we will not be subject to any action including levy of penalty by the RoC or other authorities.

***31. The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring agency and shall be purely dependent on the discretion of the management of our Company.***

Since the size of the Issue is less than ₹10,000 Lakhs, no monitoring agency is required to be appointed by our Company to oversee the deployment of funds raised through this Issue. The deployment of funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. The Board of Directors of our Company through Audit Committee will monitor the utilization of the Issue proceeds. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

***32. We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations and cause our financial results to fluctuate.***

Our financial statements are presented in Indian Rupees. However, some of our operating expenses and finance charges are influenced by the currencies of those countries where import of our products. We import some of our products like furniture and home décor items from other countries like Indonesia, China, Malaysia, Thailand, Vietnam, United States and Germany. During the nine months period ended December 31, 2022 and for the Fiscal 2022, our imported stocks accounted for approximately 15.89 % and 23.61 % of our total cost of purchase of stock-in-trade for that period. The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future.

Depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of our products. Volatility in the exchange rate and/or sustained appreciation of the Indian Rupee will negatively impact our revenue and operating results.

**External Risk Factors**

***33. Economic, political or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by political conditions, economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising Financial Year or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of the Equity Shares.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatile inflation rates in India in recent years, which could cause a rise in the costs of rent, wages and raw materials; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, Financial Year or monetary policies; occurrence of natural or man-made disasters; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

Our performance and the growth of our business are dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the Indian government towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. Any of the abovementioned factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

***34. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.***

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and trading price of our Equity Shares.

***35. Our business and activities are regulated by the Competition Act, 2002.***

The Competition Act, 2002, as amended (the “**Competition Act**”) seeks to prevent practices that could have an appreciable adverse effect on competition. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may attract substantial penalties. Any agreement among competitors, or practice or decision in relation to, enterprises or persons engaged in identical or similar trade of goods or provision of services which directly or indirectly determines purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares markets or source of production or provision of services by way of allocation of geographical area, types of goods or services or number of customers in the relevant market or directly or indirectly results in bid rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits the abuse of a dominant position by any enterprise. Provisions of the Competition Act relating to acquisitions, mergers or amalgamations of enterprises that meet certain asset or turnover thresholds and regulations issued by the Competition Commission of India with respect to notification requirements for such combinations became effective in June 2011. Further our acquisitions, mergers or amalgamations may require the prior approval of the Competition Commission of India, which may not be obtained in a timely manner or at all.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the Competition Commission of India, any other relevant authority under the Competition Act, any claim by any party under the Competition Act or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, our business and financial performance may be materially and adversely affected. Further the Competition Commission of India has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage.

***36. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and***

***regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the Indian government may not implement new regulations and policies which will require us to obtain approvals and licences from the Indian government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

***37. Changes in trade policies may affect us.***

We are continuing to expand our international operations as part of our growth strategy. Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import or export their raw materials or components, or countries to which we export our products, may have an adverse effect on our profitability. Furthermore, we import various raw materials including APIs that are not produced in-house by us, intermediates, primary packaging materials and secondary packaging materials directly from our international suppliers. Any change in export policies by the countries in which our suppliers are based may have an adverse impact on our business.

***38. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Letter of Offer.***

Our Audited Financial Statements contained in this Letter of Offer have been prepared and presented in accordance with Ind AS. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information and is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

***39. It may not be possible for investors to enforce any judgment obtained outside India against us or any of our directors and executive officers in India respectively, except by way of a law suit in India on such judgment.***

Our Company is incorporated under the laws of the Republic of India all of its directors reside in India. As a result, it may be difficult for investors to enforce the service of process upon our Company and any of our directors and executive officers in India or to enforce judgments obtained against our Company and these persons in courts outside of India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“**Civil Code**”). Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code

provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

***40. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.***

Our Articles of Association and Indian law govern our corporate affairs. Indian legal principles related to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a company in another jurisdiction.

**RISKS RELATING TO THE EQUITY SHARES AND THIS ISSUE**

***41. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

***42. Applicants to the Issue are not allowed to withdraw their bids after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required

to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

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

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before June 14, 2023) to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

**44. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sale of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

**45. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares. The Finance Act, 2019 has clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

**46. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

***47. The Issue Price of the Rights Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Rights Equity Shares will be determined by our Company in consultation with the Lead Manager and the Designated Stock Exchange. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

***48. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

***49. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

***50. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-

objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

## SECTION III – INTRODUCTION

### THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on March 14, 2023, pursuant to Section 62(1) (a) of the Companies Act, 2013.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” on page 143.

<b>Equity Shares proposed to be issued</b>	Up to 4,91,85,572 Rights Equity Shares
<b>Rights Entitlements</b>	13 Rights Equity Shares for every 20 Equity Shares held on the Record Date.
<b>Record Date</b>	May 30, 2023
<b>Face value per Equity Share</b>	₹ 5
<b>Issue Price per Rights Equity Share</b>	₹10
<b>Issue Size</b>	Up to ₹4,918.56 lakhs* *Assuming full subscription
<b>Equity Shares issued prior to the Issue</b>	75,675,330 Equity Shares of ₹5 each *
<b>Equity Shares subscribed prior to the Issue</b>	75,675,330 Equity Shares of ₹5 each *
<b>Equity Shares paid up prior to the Issue</b>	75,670,112 Equity Shares of ₹5 each
<b>Equity Shares issued and subscribed after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	12,48,60,902 Equity Shares of ₹5 each
<b>Equity Shares paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	12,48,55,684 Equity Shares of ₹ 5 each
<b>Security Codes</b>	<b>ISIN:</b> INE546Y01022 <b>BSE:</b> 540901 <b>NSE:</b> PRAXIS <b>ISIN for Rights Entitlements:</b> INE546Y20022
<b>Use of Issue Proceeds</b>	For details, see “ <i>Objects of the Issue</i> ” on page 44.
<b>Terms of the Issue</b>	For details, see “ <i>Terms of the Issue</i> ” on page 143.
<b>Terms of Payment</b>	The full amount of the Issue Price being ₹ 10 will be payable on application.

\*Pursuant to the Scheme of Arrangement under section 230 to 232 of Companies Act, between Future Retail Limited (“FRL”) and Bluerock eServices Private Limited (“BSPL”) and our Company and their respective Shareholders, 5,218 Equity Shares of the Company are held in abeyance as against 104,371 Equity Shares of FRL, which are held in abeyance.

## GENERAL INFORMATION

Our Company was originally incorporated on January 31, 2011 under the Companies Act, 1956 as GRN Energy Private Limited with the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”). Further, the name of our Company was changed to GRN Retail Private Limited and a fresh certificate of incorporation was issued on December 21, 2016 by RoC. Furthermore, the name of our Company was changed to Praxis Home Retail Private Limited and a fresh certificate of incorporation was issued on January 5, 2017 by RoC. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to Praxis Home Retail Limited and a fresh certificate of incorporation was issued by the RoC on June 21, 2017.

### Registered Office, Corporate Identity Number and Registration Number

#### **Praxis Home Retail Limited**

iThink Techno Campus,  
Jolly Board Tower D, Ground Floor,  
Kanjurmarg (East), Mumbai 400 042,  
Maharashtra, India

**Telephone:** +91 22 6882 4900

**E-mail:** [investorrelations@praxisretail.in](mailto:investorrelations@praxisretail.in)

**Website:** [www.praxisretail.in](http://www.praxisretail.in)

**Corporate Identity Number:** L52100MH2011PLC212866

**Registration Number:** 212866

### Changes in the Registered Office Address

On June 2, 2011, our registered office was shifted from 21-22, Parekh Vora Chambers, 66, Nagindas Master Road, Fort, Mumbai 400 001 to 32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai 400 004. Further, on July 20, 2017, our registered office was shifted from 32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai 400 004 to our current registered office address i.e. iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai 400 042.

### Address of the RoC

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

#### **Registrar of Companies**

Registrar of Companies  
100, Everest,  
Marine Drive  
Mumbai - 400 002

### Company Secretary and Compliance Officer

#### **Sanu Kapoor**

iThink Techno Campus,  
Jolly Board Tower D, Ground Floor,  
Kanjurmarg (East), Mumbai 400 042,  
Maharashtra, India

**Telephone:** +91 22 6882 4900

**E-mail:** [investorrelations@praxisretail.in](mailto:investorrelations@praxisretail.in)

### **Statutory Auditors of our Company**

#### **M/s Singhi & Co, Chartered Accountants**

**Contact Person:** Amit Hundia

**Telephone:** +91 22 – 6662 5537/38

**E-mail:** mumbai@singhico.com

**Firm registration no.** 02049E

**Peer Review:** 014484

### **Lead Manager to the Issue**

#### **Prime Securities Limited**

**Telephone:** +91 22 61842525

**Email:** projectsunrise@primesec.com

**Investor Grievance Email:** projectsunrise@primesec.com

**Website:** www.primesec.com

**Contact Person:** Apurva Doshi

**SEBI Registration No.:** INM000000750

### **Statement of responsibilities**

Since Prime Securities Limited is the sole Lead Manager to the Issue, and all the responsibilities pertaining to co-ordination and other activities, in relation to the Issue, shall be performed by them.

### **Legal Advisor to the Issue**

#### **M/s. Crawford Bayley & Co.**

4th Floor, State Bank Building

N.G.N Vaidya Marg, Fort

Mumbai – 400 023

Maharashtra, India

**Telephone:** +91 22 2266 3353

### **Registrar to the Issue**

#### **Link Intime India Private Limited**

C-101, 1st Floor, 247 Park,

LBS Marg, Surya Nagar, Gandhi Nagar,

Vikhroli (West),

Mumbai – 400 083,

Maharashtra, India.

**Telephone:** +91 810811 4949

**E-mail:** [praxis.rights@linkintime.co.in](mailto:praxis.rights@linkintime.co.in)

**Investor grievance E-mail:** [praxis.rights@linkintime.co.in](mailto:praxis.rights@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Contact Person:** Sumeet Deshpande

**SEBI Registration No.:** INR000004058

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (. For details on the ASBA process, see “*Terms of the Issue*” on page 142.

## Expert

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditors, M/s Singhi & Co, Chartered Accountants, to include their name in this Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of their reports on Audited Financial Statements and the Limited Review Unaudited Financial Results, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

Our Company has received a written consent from M/s DMKH & Co., Independent Chartered Accountants, to include their name in this Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in respect of the inclusion of the statement of special tax benefits dated April 19, 2023, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

## Banker to the Company

### RBL Bank Limited

6<sup>th</sup> Floor, One Indiabulls Centre,  
Tower 2B, Lower Parel,  
Mumbai - 400013

**Contact Person:** Sidhartha S Routray

**Telephone:** +91-22-43020648

**E-mail:** Sidhartha.Routray@rblbank.com

**Website:** www.rblbank.com

**CIN:** L65191PN1943PLC007308

## Banker to the Issue and Refund Banker

### RBL Bank Limited

One World Centre, Tower 2B, 6th Floor, 841  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400013 Maharashtra

**Telephone No.** 022 - 43020648

**E-mail:** Sidhartha.Routray@rblbank.com

**Website** www.rblbank.com

**Contact Person** Sidhartha S Routray

**SEBI Registration No.** INBI00001123

## Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

## Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Issue Opening Date</b>	Tuesday, June 6, 2023
<b>Last Date for On Market Renunciation of Rights Entitlements<sup>#</sup></b>	Friday, June 9, 2023
<b>Issue Closing Date<sup>*</sup></b>	Wednesday, June 14, 2023
<b>Finalization of Basis of Allotment (on or about)</b>	Wednesday, June 21, 2023

<b>Date of Allotment (on or about)</b>	Wednesday, June 21, 2023
<b>Date of credit (on or about)</b>	Monday, June 26, 2023
<b>Date of listing (on or about)</b>	Friday, June 30, 2023

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

*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., June 14, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., June 14, 2023.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue*” beginning on page 143.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in) after keying in their respective details along with other security control measures implemented there at. For further details, see “*Terms of the Issue*” on page 143.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

### **Credit Rating**

This being a Rights Issue of Equity Shares, the appointment of a credit rating agency is not required.

### **Debenture Trustee**

This being a Rights Issue of Equity Shares, the appointment of debenture trustee is not required.

### **Monitoring Agency**

Since the Issue size does not exceed ₹ 10,000 Lakhs there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulation.

### **Appraising Entity**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

### **Underwriting**

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

### **Filing**

This Letter of Offer is being filed with the Stock Exchanges i.e. BSE and NSE as per the provisions of the SEBI ICDR Regulations. Further, in terms of SEBI ICDR Regulations, our Company shall file the copy of this Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

### **Minimum Subscription**

The objects of the Issue do not involve financing of capital expenditure.

Our Promoters, Kishore Biyani and Future Corporate Resources Private Limited, by its letter dated April 17, 2023 (the “**Promoters Subscription Letter**”) on behalf of the Promoter Group of the Company have confirmed that they ensure

- (iii) to subscribe to their Rights Entitlements in the Issue or renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company or third party investors;
- (iv) to subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally with the Promoter(s) or any other members of the Promoter Group, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

In terms of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% is not applicable to the Issue.

## CAPITAL STRUCTURE

The share capital of our Company as on date of this Letter of Offer and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue is set forth below:

(In ₹ lakhs, except share data)

Particulars	Aggregate value at nominal value	Aggregate value at issue price
<b>AUTHORISED SHARE CAPITAL</b>		
15,00,00,000 Equity Shares of ₹ 5 each	7,500.00	
6,30,000 Redeemable Preference Shares of ₹ 100 each	630.00	
<b>TOTAL AUTHORISED SHARE CAPITAL</b>	<b>8130.00</b>	
<b>ISSUED AND SUBSCRIBED SHARE CAPITAL</b>		
7,56,75,330 Equity Shares <sup>#</sup> of ₹ 5 each	3,783.77	
6,30,000 Redeemable Preference Shares of ₹ 100 each <sup>@</sup>	630.00	
<b>PAID UP SHARE CAPITAL</b>		
7,56,70,112 Equity Shares of ₹ 5 each <sup>#</sup>	3,783.51	
6,30,000 Redeemable Preference Shares of ₹ 100 each <sup>@</sup>	630.00	
<b>PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER<sup>(1)</sup></b>		
Up to 4,91,85,572 Rights Equity Shares (for Eligible Equity Shareholders) of ₹ 5 each	2,459.28	<b>4,918.56</b>
<b>ISSUED AND SUBSCRIBED SHARE CAPITAL AFTER THE ISSUE<sup>(1)(2)</sup></b>		
12,48,60,902 Equity Shares of ₹ 5 each	6,243.05	
6,30,000 Redeemable Preference Shares of ₹ 100 each <sup>@</sup>	630.00	
<b>PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
12,48,55,684 Equity Shares of ₹ 5 each <sup>#</sup>	6,242.78	
6,30,000 Redeemable Preference Shares of ₹ 100 each <sup>@</sup>	630.00	
<b>SECURITIES PREMIUM ACCOUNT</b>		
Before the Issue		<b>9,914.78</b>
After the Issue		<b>12,374.06</b>

<sup>(1)</sup>The Issue has been authorised by our Board through its resolution dated March 14, 2023 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

<sup>(2)</sup>Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

<sup>#</sup> Pursuant to the Scheme of Arrangement under section 230 to 232 of Companies Act between Future Retail Limited (“FRL”) and Bluerock eServices Private Limited (“BSPL”) and the Company and their respective shareholders, 5,218 Equity Shares of the Company are held in abeyance as against 104,371 Equity Shares of FRL, which are held in abeyance.

<sup>\*</sup>Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

<sup>@</sup> Allotted to Future Enterprise Limited as shareholder of BSPL, pursuant to the Scheme of Arrangement under section 230 to 232 of Companies Act between FRL and BSPL and the Company.

### Notes to Capital Structure

#### 1. Shareholding Pattern of our Company

- i. The details of the shareholding pattern of our Company as on March 31, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/praxis-home-retail-ltd/praxis/540901/shareholding->

[pattern/](https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PRAXIS&tabIndex=equity) and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PRAXIS&tabIndex=equity>.

- ii. The details of shareholders of our Company holding 1% or more of the paid-up capital as on March 31, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540901&qtrid=117.01&QtrName=31-Mar-23> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PRAXIS&tabIndex=equity>.
- iii. The details of the Equity Shares held by our Promoter and members of our Promoter Group as on March 31, 2023, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540901&qtrid=117.01&QtrName=31-Mar-23> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PRAXIS&tabIndex=equity>.
- iv. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2023 can be accessed at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540901&qtrid=117.01&QtrName=31-Mar-23> and <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PRAXIS&tabIndex=equity>.

## 2. Details of outstanding instruments as on the date of this Letter of Offer

### ***Praxis Home Retail Limited Share Value Appreciation Rights Plan -2018***

Our Company has formulated Praxis Home Retail Limited Share Value Appreciation Rights Plan-2018 pursuant to a special resolution passed by the shareholders of our Company on September 18, 2018 (“**SVAR Plan-2018**”). The purpose of the SVAR Plan-2018 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use the SVAR Plan-2018 is to retain talent working with the Company through Employee Stock Option / Stock Appreciation Rights.

As on March 14, 2023, the details of options pursuant to SVAR Plan-2018 are as follows:

Particulars	Grant I	Grant II
Total No. of Options under the Plan		9,75,000
Options granted originally on March 27, 2019	3,07,500	1,59,000
Un-granted Options		<b>5,08,500</b>
Options outstanding but not exercised	0	0
Options exercised	0	0
Options cancelled/ lapsed*	3,07,500	1,29,000
<b>Options outstanding and vested but not exercised#</b>	<b>0</b>	<b>30,000</b>
<b>Total Options un-granted (Pool)</b>		<b>9,45,000</b>

\* Cancelled/lapsed due to resignation

# As of March 14, 2023, vesting is for year 1 and year 2

### ***Praxis Home Retail Limited Employee Stock Option Plan – 2021***

Our Company has formulated Praxis Home Retail Limited Employee Stock Option Plan – 2021 pursuant to a special resolution passed by the shareholders of our Company on December 13, 2021 (“**Praxis ESOP – 2021**”). The purpose of the Praxis ESOP - 2021 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Praxis ESOP – 2021 is to retain talent working with the Company through Employee Stock Option / Stock Appreciation Rights.

As on March 14, 2023, the details of options pursuant to Praxis ESOP – 2021 are as follows:

Particulars	Grant I
Total number of options under the Plan	20,00,000
Options granted Originally on October 27,2023	13,05,000
Un granted Options vested	<b>6,95,000</b>
Options outstanding but not exercised	7,75,000
Options exercised	3,62,000
Options cancelled/ lapsed*	<b>68,000</b>
<b>Options outstanding and vested but not exercised#</b>	1,00,000
<b>Total Options un-granted (Pool)</b>	<b>7,63,000</b>

\* Cancelled/lapsed due to resignation

# As of March 14, 2023, vesting is for year 1 and year 2

Except options granted and outstanding under SVAR Plan – 2018 & Praxis ESOP – 2021, as on the date of this Letter of Offer, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares or any other right, which would entitle any person to any option to receive Equity Shares.

- Except as disclosed below, no Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as on March 31, 2023:

Shareholder	Number of Equity Shares	Equity Shares as a percentage of total shares
<b>Equity Shares locked-in</b>		
Future Corporate Resources Private Limited	63,41,736	8.38%

- Except as disclosed below, our Promoters and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of filing of this Letter of Offer with Designated Stock Exchange except the following.

Sr. No	Name of shareholder	Pre-acquisition holding	No. of Equity Shares acquired	Post-acquisition holding	Mode^	Date of Acquisition
1.	Future Hospitality Private Limited	Nil	90,36,973	90,36,973	Inter-se transfer amongst the promoter group	August 19, 2022
2.	Future Hospitality Private Limited	90,36,973	14,44,152	1,04,81,125	Inter-se transfer amongst the promoter group	November 17, 2022
3.	Future Hospitality Private Limited	1,04,81,125	10,05,087	1,14,86,212	Inter-se transfer amongst the promoter group	November 19, 2022
4.	Future Hospitality Private Limited	1,14,86,212	7,55,081	1,22,41,293	Inter-se transfer amongst the promoter group	November 19, 2022

^All the shares were acquired from Future Corporate Resources Private Limited, Promoter of the Company as Inter-se transfer.

#### 5. Intention and extent of participation by our Promoters and Promoter Group

Our Promoters, Kishore Biyani and Future Corporate Resources Private Limited, by its letter dated April 17, 2023 (the “**Promoters Subscription Letter**”) on behalf of the Promoter Group of the Company have confirmed that they ensure

- to subscribe to their Rights Entitlements in the Issue or renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company or third party investors;

- (vi) to subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally with the Promoter(s) or any other members of the Promoter Group, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

- 6. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹16.58.
- 7. At any given time, there shall be only one denomination of the Equity Shares of our Company.
- 8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

## OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the “**Gross Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the following objects:

1. To reduce the current liabilities by repaying part of our outstanding trade payables; and
2. General corporate purposes.

(Collectively, referred to as the “**Objects**”)

The main object clause of our Memorandum of Association enables our Company to undertake its existing activities.

### Issue Proceeds

The details of the Issue Proceeds are set forth in the following table:

(₹ in lakhs)	
Particulars	Estimated Amount
Gross Proceeds*	4,918.56
Less: Issue related expenses	143.73
<b>Net Proceeds</b>	<b>4,774.83</b>

*\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

### Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(₹ in lakhs)	
Particulars	Estimated Amount
To reduce the current liabilities by repaying part of our outstanding trade payables	3,750.00
General corporate purposes*	1,024.83
<b>Net Proceeds*</b>	<b>4,774.83</b>

*\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

### Utilization of Net Proceeds and schedule of implementation

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

(₹ in lakhs)			
Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds Fiscal 2024
1.	To reduce the current liabilities by repaying part of our outstanding trade payables	3,750.00	3,750.00
2.	General corporate purposes*	1,024.83	1,024.83
	<b>Net Proceeds**</b>	<b>4,774.83</b>	<b>4,774.83</b>

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

*\*\* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company’s funding deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year. For further details, please see the section titled “*Risk factors - The*

*deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring Agency and shall be purely dependent on the discretion of the management of our Company” on page 27.*

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals.

## **Means of Finance**

The requirements of funds for the Objects of the Issue detailed above are intended to be funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

## **Details of the Objects of the Issue**

### **1. To reduce the current liabilities by repaying part of our outstanding trade payables**

As on February 28, 2023, we have ₹13,231.37 lakhs as outstanding against our trade payables out of which we intend to pay ₹ 3,750.00 lakhs to trade payables other than related parties through the Net Proceeds of the Issue. Since, the outstanding trade payables cannot be met from our existing debt facilities and supplier credit, we expect the same to be met out of fresh infusion of funds by way of equity.

The following are our outstanding trade payables as on February 28, 2023:

(₹ in lakhs)	
<b>Particulars</b>	<b>Total amount of outstanding</b>
Amount due to related parties	3,651.94
Trade Payables other than related parties	9,579.43
<b>Total</b>	<b>13,231.37</b>

*\* Our Statutory Auditor, M/s. Singhi & Co, Chartered Accountants, pursuant to their certificate dated April 17, 2023 have confirmed these details of outstanding trade payables and the amount outstanding.*

Out of the above outstanding as on February 28, 2023 we intend to pay ₹ 3,750.00 lakhs to some of the trade payables who are other than related parties from the Net Proceeds of the Issue. The selection of outstanding trade payables to be paid from the Net Proceeds shall be based on various factors, including, amongst others (i) amount outstanding to our Company; (ii) terms and conditions with such trade payables and (iii) other commercial considerations as per decision of our management. Further, considering that these trade payables, routinely provide payment credit to our Company it is possible that some of these trade payables may get paid in routine course of operations from the routine cash flow and internal accruals of the Company, such trade payables would be substituted with other trade payables and those would be paid from the Net Proceeds.

### **2. General Corporate Purposes**

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹1,024.83 Lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI ICDR Regulations. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals / consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

### Estimated Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹143.73 lakhs. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Estimated expenses (₹ in lakhs)	% of Estimated Issue Expenses	% of Total Issue size
Fees of the Lead Manager, Registrar to the Issue, legal advisor, other professional service providers and statutory fee	114.74	79.83	2.33
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	18.75	13.05	0.38
Statutory Advertising, Marketing, Printing and Distribution	07.00	4.87	0.14
Other expenses (including miscellaneous expenses and stamp duty)	3.25	2.26	0.07
<b>Total estimated Issue expenses*</b>	<b>143.73</b>	<b>100.00</b>	<b>2.92</b>

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

### Appraisal of the Objects

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

### Interim Use of Funds

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

### Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

### Monitoring Utilization of Funds from Issue

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

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

Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above.

**Strategic and Financial Partners to the Objects of the Issue**

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

**Key Industry Regulations for the Objects of the Issue**

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

**Other Confirmations**

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

### **The Board of Directors**

### **Praxis Home Retail Limited**

iThink Techno Campus,  
Jolly Board Tower D, Ground Floor,  
Kanjurmarg (East), Mumbai 400 042,  
Maharashtra, India

**Re: Proposed rights issue of equity shares of face value of ₹ 5each (the “Equity Shares” and such offering, the “Issue”) of Praxis Home Retail Limited (the “Company”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the ‘Act’).**

We hereby report that the enclosed Statement prepared by Praxis Home Retail Limited (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2023 (hereinafter referred to as “Income Tax Laws”), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India under the respective tax laws of their country as on the signing date, for inclusion in the Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements

We do not express any opinion or provide any assurance as to whether:

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue

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

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

**For and on behalf of M/s DMKH & Co.**  
**Chartered Accountants**  
**Firm Registration Number: 116886W**

**Sd/-**

**Name: Manish Kankani**  
**Partner**  
**ICAI Membership Number: 158020**  
**UDIN: 23158020BGURZK8717**  
**Date: April 19, 2023**  
**Place: Mumbai**

Encl: As above

## **ANNEXURE I**

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL DIRECT AND INDIRECT TAX BENEFITS AVAILABLE TO PRAXIS HOME RETAIL LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS**

#### **a. Special tax benefits available to the Company**

There are no special tax benefits available to the Company under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

#### **b. Special tax benefits available to Shareholders**

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notification

## SECTION IV – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The industry related information in this chapter is derived from the reports titled “India Home Furniture Market 2022-2028” dated March 30, 2023 (referred as “**Home Furniture Report**”) prepared by Mordor Intelligence Private Limited, except for other publicly available information as cited in this chapter. Neither we nor any other person connected with the Issue has verified the information in the Home Furniture Report or other publicly available information cited in this chapter. Further, the Home Furniture Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. Opinions in the Home Furniture Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Home Furniture Report.*

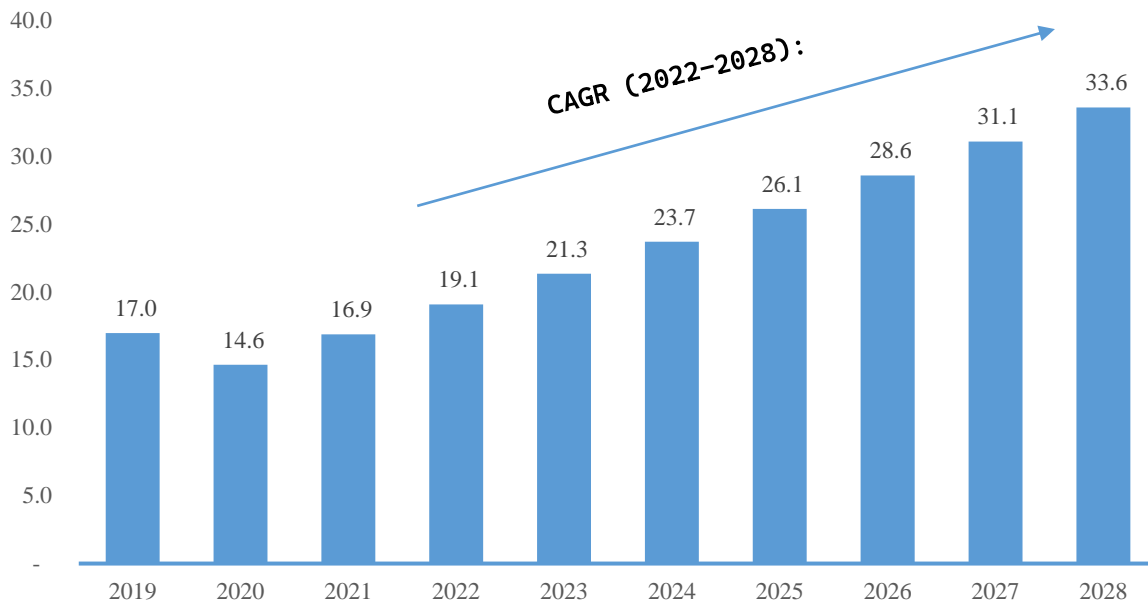
*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.*

### MARKET INSIGHTS AND DYNAMICS OF INDIA HOME FURNITURE MARKET

#### MARKET OVERVIEW

The Indian home furniture market was valued at USD 19.07 billion in 2022. It is expected to reach USD 33.58 billion by 2028, registering a CAGR of 9.89% during the period of 2022-2028. The living room furniture segment held the highest market share of 43.3% in 2022, followed by the bedroom furniture segment (26.2%) and the kitchen furniture segment (15.3%) in the same year. The demand for residential furniture is increasing by the orders from contract customers. The number of single- and two-person households has been increasing, resulting in the demand for small and portable furniture. Factors such as growth in the residential construction market, rising internet penetration, the rising popularity of eco-friendly products, and lifestyle changes are contributing to the growth of the home furniture market.

India Home Furniture Market (USD billion), 2019–2028



The key factors driving the increase in demand for home furniture in India include growing housing and commercial construction and an increase in income levels that influence customers to adopt global lifestyle options, especially in affluent urban Indians. In terms of age bracket, the age group of 25-35 years has been considered as the prime target group by furniture retailers in India. Based on cities, most of the demand for furniture products from organized companies has originated from tier-1 cities. The furniture industry in India employs about 300,000 workers. In terms of structure, the sector remains mostly inward-oriented and extremely fragmented, with unstructured companies corresponding to about 85% of manufacturers.

Some of the major furniture brands in India include Godrej Interio, Hometown, Nilkamal, Durian, and Wipro. With the fast-growing and transforming retail sector, it is expected that large retailers will continue to expand their presence on e-commerce platforms, and various furniture companies, such as Pepperfry, Urban Ladder, Hometown.in and others, are creating huge demand from online channels. Imports and exports also play a major role in the Indian home furniture market, and imports have formed a significant portion of the products sold to the upper-middle-income class and higher-income class of Indian society. The trend of purchase of small furniture items, such as bean bags and coffee tables, through online portals has gradually changed to higher volume sales of heavy furniture products. The average ticket size for online purchases of furniture products has been observed to be between ₹10,000 and ₹15,000 in the past few years.

Two megatrends driving the demand for online furniture were the increased digitization and growing share of urban millennials. However, in today's scenario, with people spending a significantly substantial time indoors in the wake of the COVID-19 pandemic, there has been a rise in the demand of various home improvement products. Amongst the most frequently purchased bestsellers were tables and chairs. However, consumers also increased their purchases of dining tables and couches, and the bulk of these purchases happened online. India imports between USD 600 million and USD 800 million of furniture every year. Higher duties may nudge many entrepreneurs into furniture manufacturing and build stronger local brands. The union budget of 2020-21 tried to promote a “level playing field for domestic producers” and hiked customs duty on some furniture categories from 20% to 25%.

The market is also witnessing increased investment activity, especially in terms of international players. With a planned investment of INR 6,000 crore by 2030 in Maharashtra, IKEA aims to open two more city center IKEA stores, which will provide over 6000 jobs, of which 50% will be for women.

## **MARKET DRIVERS, RETRAINTS AND OPPORTUNITIES**

### **DRIVERS**

#### **Growth in Residential Real Estate in India**

The Indian residential real estate market has been witnessing growth, owing to the increasing population, and growing demand for affordable housing accommodation. Major metropolitan cities, such as Delhi, Mumbai, Kolkata, and others, have also showcased the rising demand for luxury housing complexes, such as villas, penthouses, and apartments, in the past few years. The growth in the residential real estate industry over the last few decades has given an impetus to the home furniture market. This has augmented the need for home furniture, such as sofa sets, dining sets, beds, and chairs, which is further expected to witness growth in the upcoming years as well. Traditionally, the Indian consumer's focus on fancy furniture and furnishings was restricted to the living room. However, growing aspirations and incomes have changed spending patterns, and these changes are spilling over into other living areas, including the kitchen, the dining room, and even the bedroom.

The Indian real estate sector is undergoing a revival, as the transaction volumes have increased by 45-60% annually, in the major cities. The government is also encouraging real estate activities in the country and has introduced various initiatives, such as the government's flagship scheme Pradhan Mantri Awas Yojana (PMAY), launched in June 2015 which aims to build about 12 million urban houses and 29.5 million rural houses by 2022 and “The Smart City Project”, which is an ambitious plan to build 100 smart cities in India. The development in the housing sector and the rapid growth of metro cities are changing the living standards and lifestyle of the population and are further propelling the need to purchase new furniture products.

With homes growing smaller and the population exploding, there has been a surge in demand for space-conscious goods. Multi-functional furniture & homewares is growing in popularity to offer added convenience and make far better use of available household space. The market's growth has been driven by socio-economic changes, a large base of young population with high disposable incomes, and the will to spend on improved lifestyles.

### **Growing Demand for Luxury Furniture Products**

The growing emphasis on improved and more trendy home decor is encouraging consumers to opt for unique and designer furniture products. This is further supported by the economic growth and high disposable income of consumers. High-end furnishings and designer furniture are largely preferred in upper-class households. Many international players are also entering the market target this segment. For instance, Versace tapped the luxury furniture segment in India in 2019 as a part of the expansion plan of its luxury portfolio in the country with the addition of furniture.

Similarly, in July 2022, Pia Johnson, one of the hospitality and lifestyle industry leader and former director of Indiabulls, revealed plans to expand the presence of her designer furniture brand 'Ikaigai' across India.

### **MARKET RESTRAINTS**

#### **Volatile Raw Material Costs**

Even under the best of circumstances, the costs of raw materials always represent an issue for furniture manufacturers. With the pandemic and a global trade war growing more intense, volatile raw material prices, which pose distinct challenges, are expected to pose further challenges in the foreseeable future. The raw materials and other input costs are anticipated to rise further and face volatility. The impact of the pandemic and the subsequent lockdown resulted in issues ranging from production loss to severe scarcity of labor and raw materials. Furthermore, the closure of some production plants due to the pandemic has also resulted in the prices of raw materials increasing.

### **MARKET OPPORTUNITIES**

#### **The Rise in E-commerce Retailing**

The rise in the e-commerce industry has contributed to the increase in the online furniture industry in India, and e-commerce is changing the way products are developed and shipped. Work from home has further augmented the market growth and has brought the increased focus of consumers on home-décor. With home spaces also doubling up as work zones, there has been a subsequent increase in demand for furniture, especially in categories, such as living room seating like recliners, and bean bags. Bedroom furniture, such as beds and mattresses. However, the categories witnessing the highest growth online are tables and desks.

#### **Growing Adoption of Local Furniture Products**

As India aims at becoming a global manufacturing hub, there has been a major policy push, with initiatives like 'Make In India' and 'Vocal for Local' etc., that has given a boost to the manufacturing sector, including furniture manufacturing. As per the Make in India initiative, the Indian government aims to increase the share of the manufacturing sector in the country's GDP to 25% by 2025. A lot of Indians are now preferring to buy Indian made products over Chinese products owing to the 'vocal for local' initiative, which is reflected even in furniture products. Banking on the growing adoption for Made-In-India goods, companies, like Jaipur based Wooden Street, offer customized local furniture with all its raw materials sourced locally, and manufactures the furniture in-house, with delivery centers present in over 100+ cities.

### **IMPACT OF COVID-19 ON THE MARKET**

The impact of the COVID-19 crisis on consumer behavior and manufacturing trends has heightened the importance of digitalization and automation for the furniture industry. The ongoing pandemic has led to increased reliance on online retail for purchasing needs, even among traditional consumers. Retailers like Pepperfry's online business rose to nearly 120% of pre-lockdown levels as of November 2020, indicating amplified use of e-commerce options.

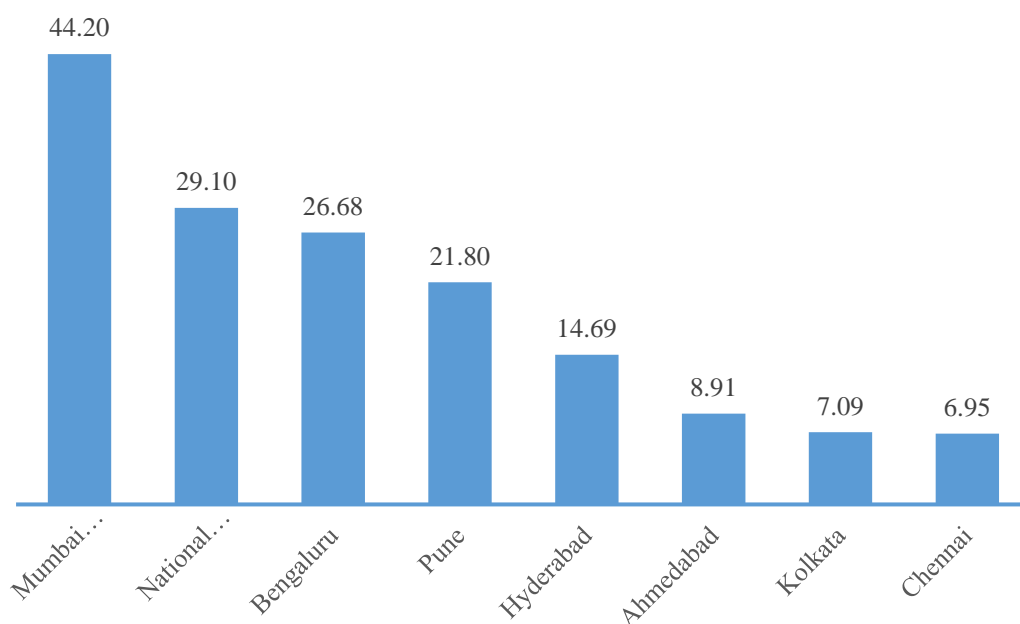
Similarly, WoodenStreet, raised a USD 3 million investment in 2021. Despite the pandemic, the company completed its round of salary increases and launched two new experience stores in Kolkata and Kochi in 2020.

With a large percentage of India's corporate employees working remotely and almost all students pursuing their studies online in the wake of the pandemic, the demand for furniture products, such as study tables, office chairs, laptop tables, and others, has almost tripled amidst the pandemic. In a survey conducted in 2020 among 2,376 respondents to analyze the changing consumer sentiments concerning the COVID-19 pandemic in India, most respondents from tier-3 cities expressed their intention to spend more than INR 5000 on furniture and electronics. Contrary to this, the majority of respondents from tier-2 cities expressed their intention to spend money on this category.

## BRIEF INSIGHTS INTO THE HOUSING MARKET IN INDIA

The real estate market in India is one of the pallbearers of the economy. The number of houses sold on the residential market in India in 2021 was approximately 232,000 housing units. As a result, housing sales soared by more than 51% over the previous year. In 2020, the number of sales fell below 200,000 for the first time in a decade. The residential sector is one of the most affected sectors in the country due to COVID-19. Yet the sector is showing an accelerated rate of recovery in sales from the impact of the pandemic. The recovery is prominent in all the major cities of the country of which the financial capital - Mumbai became the largest contributor to sales, followed by the Delhi NCR market, which accounted for 23% and 20% of the sales, respectively.

Residential property sales across India in H1 2022 by city (in 1,000s)



## INSIGHTS INTO LATEST TRENDS AND INNOVATIONS IN THE MARKET

### AR/VR CONFIGURATORS

The most recent trends responsible for a transformation in the home furniture industry is 'Augmented Reality' and 'Virtual Reality'. These configurators allow customers to virtually plan his/her room with virtual furniture and hardware and has an option to real-time scan the environment and see how some furniture would look before actually buying it. Augmented Reality enables furniture designers and manufacturers to superimpose virtual objects in a real environment. Augmented reality applications serve to place the desired objects in a real space, giving a better sense of scale, design, color, and how the ambiance will look after the furniture placement.

Artificial Intelligence (AI) can be used in furniture design with a generative concept. This innovative strategy enhances human resources by using algorithms to automate design logic. The system control can formulate thousands of iterations on predefined parameters and orders pre-established by the consumer to arrive at the most appropriate design solutions.

## EXPERIENCE CENTERS

E-commerce major Flipkart set up a 'Furniture Experience Center' in Kolkata in February 2020, marking its first offline presence in eastern India. The center has been opened in collaboration with Emami Realty at its township project and is spread across around 2,200 sq. ft. The experience center aims to lessen the gap between customers, as they prefer for 'touch and feel' before buying furniture online, and the center currently showcases home furniture of 11 brands, including @home by Nilkamal, Royal Oak, House of Pataudi, and Perfect Homes.

## MULTIFUNCTIONAL FURNITURE

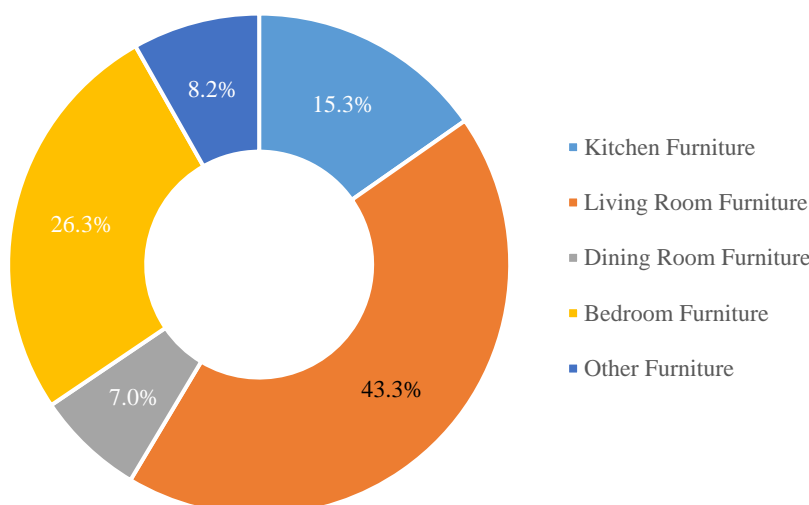
With the rise in the cost of living, multi-functional furniture can reduce the number of items required to complete homes. Furniture pieces that could have multiple usages saw high demand in the country, especially amid the pandemic. For instance, consumers have started opting for an office chair that could be used as a rest chair or recliner during non-working hours, or a work desk that could also be a compact dinner table at the end of the day, etc., thereby giving more value for money invested in the possibly temporary requirement of working from home.

## INSIGHTS ON RECENT DEVELOPMENTS (NEW ENTRANTS, PARTNERSHIPS, JVS, M&A, INVESTMENT, EXPANSION, ETC.) IN THE MARKET

Month	Recent Developments
In March 2023	Furniture retailer Urban Ladder announced its plan to double its store count to 100 by March 2024.
In November 2022	Pepper fry, one of the leading e-commerce furniture and home goods companies, announced the opening of two new Studios in Bengaluru. The brand intends to use this to enter niche markets. The two new studios, which were launched in collaboration with Vishnuz Enterprises and Little Boy Enterprise, are located in Nagarbhavi and Koramangala.
In August 2022	Sunday Design, a global furniture and home décor brand, has raised INR 12.5 crore (USD 1.5 million) in Pre-Series A funding from QRG Investment and Holdings (the family office of Havells India Limited founders), Kama Group (SRF Ltd's family office), KCT Family Office, and existing investors. Sunday Design intends to use this funding to expand its online and offline presence. The company intends to open additional retail spaces in Mumbai and Bangalore by 2023. They will also open an e-commerce shop to broaden their reach and scale across the country and into new markets.
In August 2022	IKEA's parent company, Ingka Group, plans to invest Rs 7,000 crore in India to build two malls with IKEA anchor stores in Gurugram and Noida by 2025.
In August 2022	Wakefit.co, one of India's largest D2C home and sleep solution providers, inaugurated its state-of-the-art furniture factory, one of India's largest furniture manufacturing operations.
In July 2022	IKEA (part of the Ingka Group), the world's leading Swedish home furnishings retailer, inaugurated its third store in Mumbai at R CITY Mall.

## INDIA HOME FURNITURE MARKET - MARKET SEGMENTATION (MARKET SIZE AND FORECAST) BY PRODUCT

India Home Furniture Market Share (%) – By Product – 2022



India Home Furniture Market by Product (USD billion) 2019 – 2028

PRODUCT	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	CAGR (%) (2022-2028)
Kitchen Furniture	2.6	2.2	2.6	2.9	3.3	3.7	4.1	4.5	4.9	5.3	10.5%
Living-room Furniture	7.6	6.5	7.4	8.3	9.2	10.2	11.2	12.3	13.3	14.4	9.7%
Dining-room Furniture	1.0	0.9	1.1	1.3	1.5	1.7	1.9	2.1	2.3	2.5	11.0%
Bedroom Furniture	4.5	3.9	4.5	5.0	5.6	6.1	6.7	7.2	7.8	8.4	8.9%
Other Furniture	1.3	1.1	1.3	1.6	1.8	2.0	2.3	2.5	2.8	3.0	11.7%

India Home Furniture Market by Product (USD billion) 2019 – 2028

## LIVING-ROOM AND DINING-ROOM FURNITURE

The living-room furniture segment accounted for a value of USD 8.3 billion in 2022. It is estimated to reach USD 14.4 billion by 2028 with a CAGR of 9.7%. The dining-room Furniture segment accounted for a value of USD 1.3 billion in 2022. It is estimated to reach USD 2.5 billion by 2028 with a CAGR of 11.0%. The living room is the abode of unwinding and relaxation. It is the largest room that consumes the greatest portion of the budget. This segment encompasses a wide range of coffee tables, sofas, center tables, corner tables, chairs, bookshelves, TV stands, and others. Leading furniture makers have focused on keeping simple and sleek designs of chairs and tables.

Family mealtime is still important to make sure that there is a comfortable and inviting space to gather. Thus, dining room tables are perfect for any decor style for the dining room area. Popular companies in this segment include Usha,

Damro, Nilkamal, HomeTown and Style Spa. Two strong online channel-based players, Pepperfry and Urban Ladder, are growing aggressively through omni-channel offerings.

## **BEDROOM FURNITURE**

The bedroom furniture segment accounted for a value of USD 5.0 billion in 2022. It is estimated to reach USD 8.4 billion by 2028 with a CAGR of 8.9%. Bedroom furniture accounted for the largest share of the home furniture market in India. The bed units that come with in-built space for storage are significantly popular, whereas bunkbeds that are more commonly used for children are equipped with cupboard space and extra space for toys to decrease the crowding of the room. With the acceleration of modern life in recent years, people in India have paid more and more attention to the quality of sleep and rest, and the most closely related to it in the bedroom.

In addition, the design of the headboard in the overall bedroom is also a highlight. The multifunctional and adjustable features allow people to sit, lean, and lie down in the bedroom as they please. Popular companies in this segment include Usha, Damro, Style Spa, HomeTown and IKEA.

## **KITCHEN FURNITURE**

The kitchen furniture segment accounted for a value of USD 2.9 billion in 2022. It is estimated to reach USD 5.3 billion by 2028 with a CAGR of 10.5%. Kitchen furniture includes modular furniture, which includes cabinets and a dish case. The arrival of ready to live, fully and semi-furnished apartments provided by leading builders and construction companies have not affected the contribution of kitchen furniture in the market's revenue, majorly owing to the fact that Indian customers strongly focus on customization of kitchen according to their requirements, and they are less likely to change the kitchen furniture quite frequently as other home furniture items. The post-COVID-19 kitchen designs will have a hint of more open and modular kitchen designs and a more conducive environment for cooking and storage.

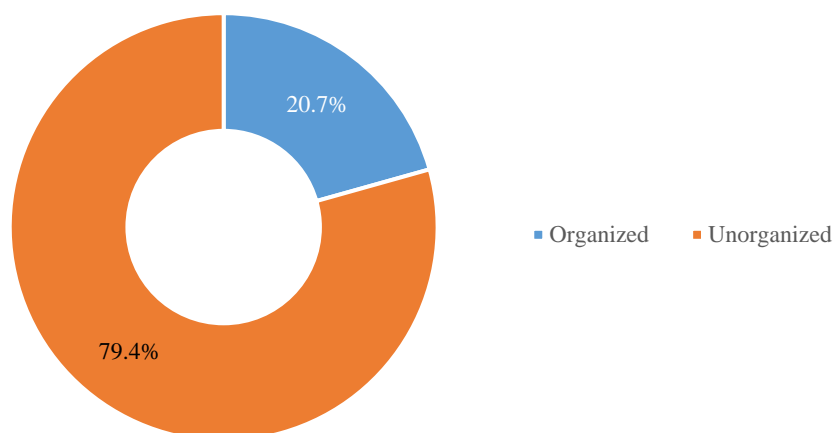
The Indian kitchen industry is currently seeing sales of modular kitchens at over 10,000 units per month. Sales are predicted to scale over 10 times in the next 4 years, if they continue to maintain their current year on year growth traction of 50%. Currently, this segment is fueled by unorganized players that include both local vendors and well-established brands. Since a large percentage of our population comprises of the middle class (that has a high regard for 'value for money'), many people opt for the more affordable services of the local carpenter who designs kitchens based on tried and tested design concepts and/or the requirements of the customer's household. But now, people from all backgrounds are aspiring to live a more contemporary lifestyle, which is compelling them to consider a modular kitchen as well in their home. Popular companies in this segment include Godrej, Style Spa, HomeTown and IKEA.

## **OTHER FURNITURE**

The other furniture segment accounted for USD 1.6 billion in 2022. It is estimated to reach USD 3.0 billion by 2028 with a CAGR of 11.7%. The other furniture products, such outdoor furniture, contribute to a remarkable share in the Indian home furniture market. Outdoor furniture is increasingly popular in the Indian market. It is available in ever more variety, outdoor furniture can be classified as rattan chairs, leisure chairs, bamboo chairs, and other outdoor furniture items. Demand in the outdoor furniture market has been spreading from leisure venues and residential communities to private homes with gardens, rooftops, and terraces.

## **BY TYPE OF MARKET**

India Home Furniture Market Share (%) – By Type of Market – 2022



India Home Furniture Market by Type of Market (USD Billion) 2019 – 2028

TYPE OF MARKET	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	CAGR (%) (2022-2028)
Organized	3.2	2.9	3.4	3.9	4.5	5.1	5.8	6.5	7.3	8.1	12.7%
Unorganized	13.8	11.8	13.5	15.1	16.8	18.5	20.3	22.1	23.8	25.5	9.1%

## ORGANIZED

The organized segment accounted for USD 3.9 billion in 2022. It is estimated to reach USD 8.1 billion by 2028 with a CAGR of 12.7%. The furniture sector in India makes a marginal contribution to the gross domestic product (GDP), representing about 0.5% of the total GDP. A major part of this industry is in the unorganized sector. The remaining part comprises large companies, such as Godrej & Boyce Manufacturing Co. Ltd, Style SpA, Praxis Home Retail, Renaissance, Millennium Lifestyles, Durian, Zuari, Furniturewalla, and Truzo. A small emerging segment is the contribution from online retailers, such as Pepperfry, Urban Ladder, HomeLane, and others. While tables and chairs are the best sellers, consumers are also buying dining tables and couches, and bulk purchases happening online.

Over 80% of USD 15.5 billion home furniture market in India is unorganized, and many carpenters went out of business during the pandemic. Organized players (such as IKEA, Godrej Interio, HomeTown, PepperFry, and Urban Ladder) saw a huge growth potential. Online furniture's share has increased; as popular stores offer different models at affordable prices with good quality. In fact, the online furniture market has been witnessing a CAGR of approximately 40% in the last five years, dominated by Metro & Tier 1, and driven by the ease of comparing products and low prices offered. The online furniture market is being driven by players, like Pepperfry and Urban Ladder. These players have targeted the market differently on the supply side, with Pepperfry focusing on creating a managed marketplace supported by private labels, while Urban Ladder is a wholly private label platform focusing on premium curated offerings.

## UNORGANIZED

The unorganized segment accounted for USD 15.1 billion in 2022. It is estimated to reach USD 25.5 billion by 2028 with a CAGR of 9.1%. The Indian furniture market is largely unorganized and dominated by small local players. Furniture retailing in India has traditionally been highly fragmented and unorganized. This has been caused by high

offline rentals along with challenges of consolidating the supply and demand at a national scale- leading to absence of many nationally recalled brands.

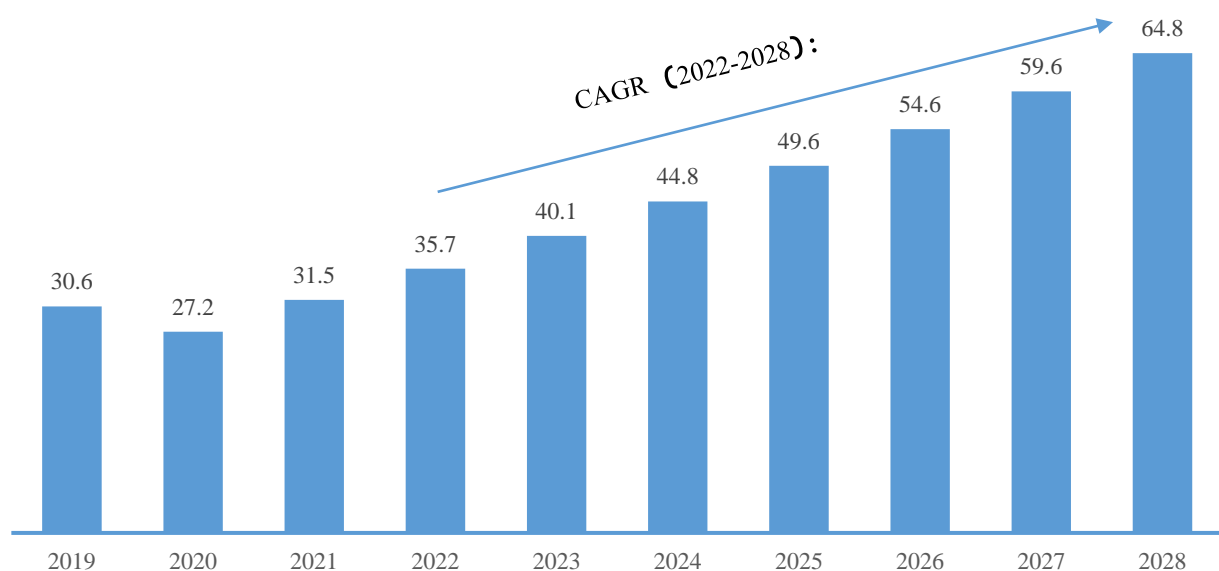
Domestic manufacturing is highly fragmented and unorganized, with much of the production, particularly doors, windows and interiors still done by individual carpenters on site. The majority of the micro units produce traditional designs, while contemporary styles form a very small percentage of the total output. The low-cost furniture product offerings by unorganized players further decrease the revenues of major market players in India. Further, the unorganized players sell their products through local shops, which decrease the cost of branded furniture. The high cost of quality and durable furniture in India is the major restraint for the furniture industry. The high cost of wood and leather further increase the cost of the overall furniture product.

#### India Home Furniture Market by Distribution Channel (USD Billion) 2019 – 2028

TYPE OF MARKET	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	CAGR (%) (2022-2028)
Specialty Stores	13.6	11.6	13.2	14.8	16.3	17.9	19.6	21.2	22.8	24.4	8.7%
Home Centers	1.2	1.0	1.2	1.4	1.6	1.9	2.1	2.4	2.7	2.9	12.8%
Online	0.5	0.5	0.7	0.9	1.2	1.4	1.7	2.1	2.5	3.0	21.6%
Others	1.8	1.5	1.8	1.9	2.2	2.5	2.7	2.9	3.1	3.3	9.0%

#### INDIA HOMEWARE MARKET (INCLUDES FURNITURE) (MARKET SIZE, TRENDS AND FORECAST)

##### India Homeware Market (Includes Furniture) (USD Billion) 2019-2028



The boom in the residential real estate industry over the last few decades has given an impetus to the homeware market. Also driving the growth of this section is an increased consciousness among homeowners for stylish interiors and beautiful indoors. Traditionally, the Indian consumer's focus on fancy furniture and furnishings was restricted to

the living room – a room where guests were entertained. However, growing aspirations and incomes have changed spending patterns and these changes are spilling over into other living areas, including the kitchen, the dining room and even the very personal bedroom.

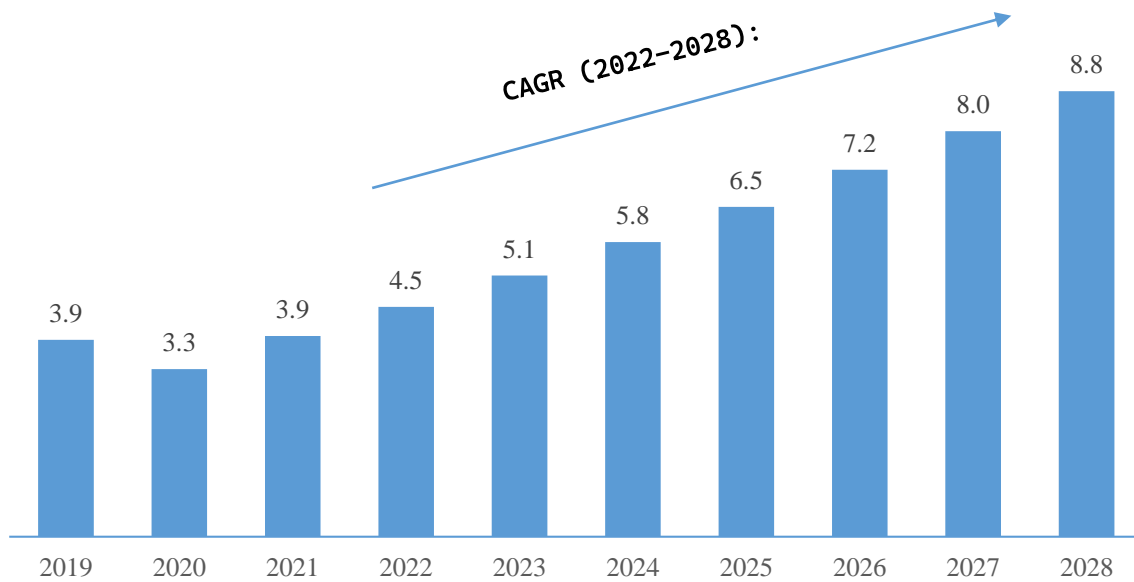
The homeware, decor and furnishing market in India has witnessed phenomenal growth, particularly in the last 10 years. Despite this, the sector is in nascent stages in India as compared with developed countries. Homeware is a growing category in the Indian domestic retail market with an annual growth of 25-30%. From the traditional to the modern society, across the globe, Homeware has always existed as a major product category in the marketplace. India has also witnessed a major shift in buyer or consumer base for Homeware products and it is no more restricted to women. This sector's growth has been driven by socio-economic changes, a large base of young population with high disposable incomes and the will to spend on improved lifestyles. The real estate boom in the last few years has allowed the young population to own homes with easy loan schemes given by the banks and the Government.

Homeware and home furnishing stores offer more variety and have higher presence compared to other formats. Many consumers like to examine the quality of products before buying homeware; hence they prefer offline stores and/or direct sellers when looking to buy homeware. Consumers are opting for better-quality products, which has increased the demand for branded products. Furthermore, this increasing brand awareness among Indians in the recent years has led to the emergence of furniture retailing in India. Multi-functional homewares are growing in popularity to offer added convenience and make far better use of available household space. Funkier, Gen X brands like Chumbak and niche players like Masper and Tangerine are expanding their reach across the country as well.

With the advent of social media and smartphones access to every individual the exposure has increased many-fold. Every individual is aspiring for more and wishes to make it big. Buying furniture has become more accessible and convenient in the recent years. Styles, designs and trends are changing more rapidly than ever. Customization of products according to one's needs is in. Also, the service (including after sales service) demanded by customers is at an all-time high. Clearly, furniture and homeware manufacturers are betting big on key growth opportunities in the market over the next few years. The online food ordering trend is picking up, with providers such as Swiggy and Zomato and delivering food from popular restaurants at a reasonable price to consumers' doorsteps. This service is particularly popular among Indian consumers who lead busy lives and need a quick and easy option for food and snacks, which might act as a threat to houseware products.

India is forecasted to become the 5th largest consumer market in the world by 2025. Currently, the country is experiencing a 12 % year on year growth in consumer expenditure as against a global increase of 5%. More than 100 million middle-class Indian households will show high growth in their consumption pattern owing to an increase in their incomes and moving them upwards into affluent and elite segments. Global buyers are turning to India to source ceramics, homeware, fashion and lifestyle goods, textiles, engineering goods and furniture from the country as China grapples with the deadly coronavirus outbreak.

## **INDIA DESIGN AND BUILD INDUSTRY (MARKET SIZE, TRENDS AND FORECAST)**



Interior design is a multi-faceted profession wherein creative and technical solutions are applied within a structure to achieve a built interior environment. Interior decoration and designing in India are getting popular with a lot of people opting for the services of trained interior designers for their houses / offices, etc. Reason can also be attributed to the changing definitions of homes and modern residential houses, which now symbolize more with the personalities of their owners. Interior design is also gaining popularity among workplaces and is being considered as a science helping to reduce stress and fatigue, thereby increasing productivity. The services provided by interior decorators and designer cover a wide range of areas and include Interior decoration services, furniture and furnishings, facilities design, mechanical designing, residential interior architecture, etc.

‘Design and build’ is a globally popular corporate fit-out delivery method, where both, the design and execution, are entrusted to one single agency. The model has been in existence, as a preferred procurement route for projects of various sizes, in the western and middle east countries for quite some time. In India, this model has taken time to become a preferred mode of delivering corporate fit outs. Globally, 85% of interior fit-out projects, with a value of less than USD 57,00,000 are procured through the design and build model. The adoption of the design and build model has helped to transform Indian firms in the construction industry. Professional project management consultancy (PMC) firms have started their own design and build verticals, as normal extensions of their previous responsibilities. Reputed architectural firms and large interior vendors have also joined the bandwagon.

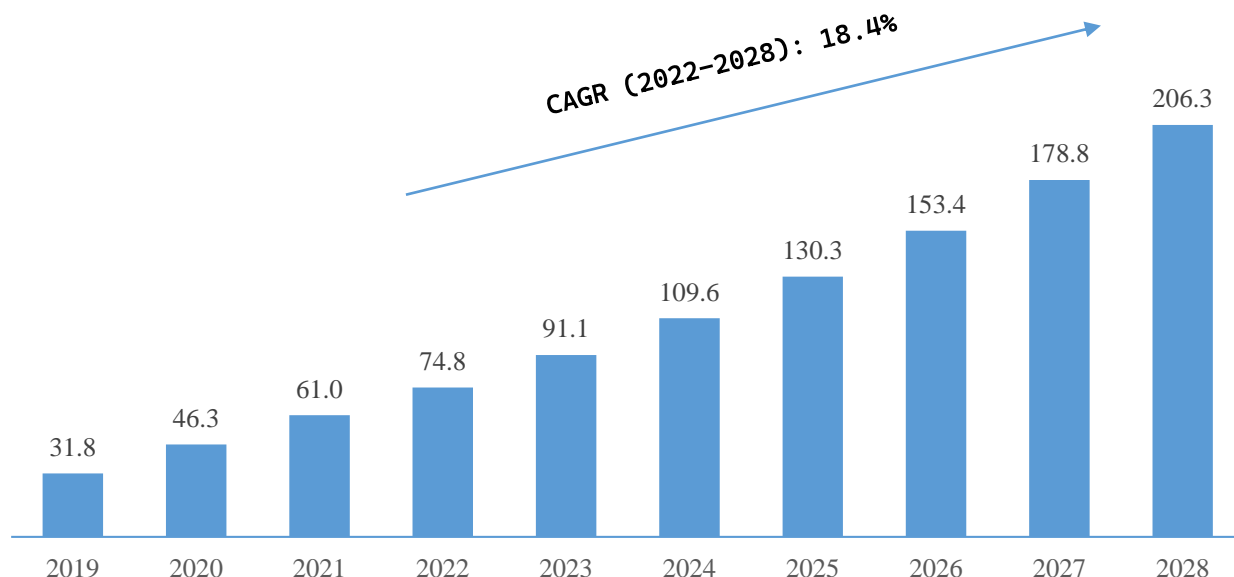
Design firms are strengthening their execution capabilities, while interior contractors are learning how to coordinate professionally with MEP (mechanical, electrical and plumbing) vendors. The corporate interior turnkey solution market is now growing at a much faster pace and will only accelerate further in the future. Technology’s role in architecture is omnipresent, and it is set to increase as the digital age continues to evolve. One of the most remarkable digital advancements of the last few years has been that of VR and AR, which is set to play a significant role in building design. More and more architecture firms are holding advantage of what VR (virtual reality) can offer clients by way of communicating ideas and concepts. Increasing demand for green buildings is driving the market, as sustainable construction provides important benefits and business opportunities. Moreover, the return on investment can be improved by up to 19% and the occupancy when renting can increase by more than 3%. Also, there can be important savings in operating costs. The demand for basic bioclimatic design and conceptual engineering building construction are increasing the growth of the market.

Construction Companies are growing at a fast pace. Construction is the largest industry sector in India after agriculture. It is one of the biggest contributors to the economic growth of India. Employing over 40 million people, it is also the second-largest employer in the country. Additionally, the Union Budget 2020, has put the focus on infrastructure for economic development. Moreover, the growth of the industry depends on several factors such as an increase in

population, rapid urbanization, and a rise in disposable income. India's Popular Architects: Architect Hafeez Contractor, DSP Design Associates, Edifice Consultants, Gayathri and Namith Architects, IMK Architects, Morphogenesis, PG Patki Architects, Sanjay Puri Architects, INI Design Studio, and Prem Nath and Associates. India's Popular Builders: Ambuja Neotia, Brigade Group, Embassy Group, Godrej Properties, Hiranandani Group, Mahindra Lifespace Developers, Prestige Estates Projects, Salarpuria Sattva, and Sobha.

## INDIA E-COMMERCE MARKET (MARKET SIZE, TRENDS, AND FORECAST)

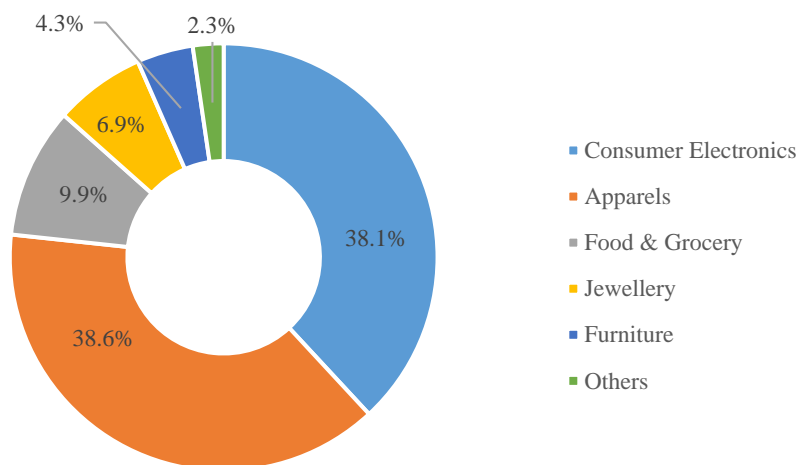
### India E-Commerce Market (USD Billion) 2019-2028



The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second-largest E-commerce market in the world by 2034. Some of the major factors fueling e-commerce growth include rising smartphone penetration, increasing consumer wealth, and increased reliance on online marketplaces amidst the current pandemic situation. Internet penetration is also increasing rapidly in India, making it second in the world in terms of active internet users. The internet penetration rates increased up to nearly 50% in 2020 and the Internet users in India are reached nearly 650 million by 2021. Through its 'Digital India' campaign, the Government of India also aims to create a trillion-dollar online economy by 2025.

In 2019, Indian online shoppers spent INR 12,800 per shopper per year and this number is expected to rise to nearly INR 25,000 per shopper per year by FY30. Metro cities like Bengaluru, Mumbai, and Delhi account for most of the online shopping in absolute numbers in the country, however, the e-commerce sector is also increasingly attracting customers from tier II and tier III cities. In 2022, out of total internet connections, 55% were in metropolitan areas, with 97% of those connections being wireless. The smartphone user base has also grown dramatically, with 1 billion predicted by 2026. This has aided India's digital sector, which is predicted to be worth USD 1 trillion by 2030.

### Leading E-Commerce Segments Based on Market Share in India, in %, 2022



The e-commerce sales are estimated to have risen by 23% in 2022, exceeding the growth in mature markets such as China and the United States that recorded growth rate of around 20%. As per experts, in 2020, there was a double-digit increase in the average spending of online shoppers for categories like electronics and accessories, the increase was 39%, and the expenditure for mobile and accessories increased by 12% after the pandemic as consumers started relying more on e-commerce portals owing to a rising preference toward contactless shopping and other concerns.

Players like Amazon, Flipkart, Myntra, and Snapdeal together sold goods worth USD 3.1 billion in the first five days of the festival season sales on these portals in 2020. The players are expecting to witness stronger growth in 2023. Furthermore, mobile applications offering various services within a single app are also likely to pick up in 2023. For instance, the Instant messaging platform WhatsApp has enabled payments and some eCommerce features like a product cart in 2020 and is starting the journey towards being a credible super app.

The e-commerce market for homeware and furniture was valued at USD 1.6 billion in 2019 and is expected to reach USD 7.0 billion by 2028, at a CAGR of around 18.0% during the forecast period. Changing customer's buying habits fueled by prolonged lockdown and movement restrictions due to COVID-19 in the country during the second and third quarters of 2020, and the attractive offers and deals from the e-commerce platforms are helping the market to grow further. As a majority of companies in the private sector switched to the work-from-home protocol for a longer period of time to fight the COVID-19 spread, customers got more time to spend at home, which also motivated them to upgrade their furniture and homeware.

In 2022, the majority of the e-commerce platforms have succeeded in attracting new customers by strengthening their network in tier-II and tier-III cities of the country. Though factors such as faster deliveries, same day, 1-day deliveries were largely affected due to the disturbances in the supply chain (COVID-19 impact), however easy monthly installment and no-cost EMIs etc., are further expected to help in boosting the sales of the segment

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 16, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 75 and 123, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Limited Review Unaudited Financial Results and Audited Financial Statements.*

### OVERVIEW

Our Company operates brick and mortar stores of home furniture and home fashion in the brand name of HomeTown and caters to home retail segment in India. This retail format brings together under one roof, a wide range of furniture (both office and home furniture), home furnishing goods, kitchenware, other home related accessories and quality services including complete home design, modular kitchen among others, giving customers a great in-store experience. In addition, an exciting range of accessories, such as clocks, wall hangings and décor make it a complete one stop shop for all home needs. As on March 31, 2023, HomeTown has a pan India presence with 33 stores, across 24 cities in India. Our Company also operates a web portal for online sale of our products through the website [www.hometown.in](http://www.hometown.in) and also has its presence on the major e-commerce market places in India through which our Company sells a wide range of products across furniture, furnishings, décor, tableware and kitchenware.

### OUR COMPETITIVE STRENGTHS

We believe that our primary competitive strengths include the following:

#### ***Strong promoter background, experienced management team and motivated workforce***

Our business is consumer driven. Our Promoter Kishore Biyani, brings to our Company his vision and leadership which has been instrumental in our success. Our experienced professional management team has helped us to offer high standards of customer service and a pleasant shopping experience. Our management team consists of a team of professionals with relevant domain expertise and retail oriented functional specializations. Further, our management team has been able to complement our expansion with the ability to create adequate systems and processes. Our management team is complemented by a committed work force that enables us to operate, synergies and integrate our front-end and back-end operations efficiently. Our human resources policies aim to create an engaged and motivated work force, which is essential for our success. We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty and increase productivity.

#### ***Robust sourcing capabilities***

Driven by the wide scale of operation and an experienced management team, our business reflects robust sourcing capabilities across categories of our portfolio. In addition, HomeTown maintains an extensive supplier network, both in local and foreign markets. With a wide vendor network, HomeTown ensures best quality products for entire product portfolio. HomeTown works with different vendors across India to source furniture and home furnishing products. In addition, we have put in place effective quality control measures, by a centralized quality control team. Furniture, Stock Keeping Units (SKUs) are approved post a comprehensive quality screening process wherein sample for each SKU is sent to quality control team pre-dispatch. HomeTown has an experienced team which has expertise in both domestic and international sourcing. Our dedicated quality assurance team in Malaysia and China (major sourcing hubs) also helps in accelerating the new product development.

With our past experience in home retail business, we have developed an understanding of the retailing of furniture and furnishing business in India. We believe that our insights into consumer behavior have contributed to the

development of a distinguished retail format. This insight has also enabled us to strategize, develop and promote new products to cater to the evolving needs of an Indian consumer.

### ***Cost effective and efficient logistics network***

With our past experience, we believe we have been able to develop a supply chain which assures quality and cost effectiveness along with faster delivery. We are able to source products internationally and deliver it to customer's home in a cost effective manner.

Hometown has efficient last mile delivery and assembly capabilities. Through our different initiatives such as special trolleys designed and made for handling expensive marble top dining sets and equipping our last mile delivery vehicles with foam, which we have undertaken in the past, we are able to minimise our warehousing and last mile delivery damages. Further, we have experienced assembly personnel who have expertise to carry out assembly with assured quality and minimise the damages which generally happen due to improper fitting.

We are able to deliver our fast-moving products to our customer's home by effectively utilizing our regional distribution centres. We also offer quick delivery of our homeware and small furniture items by utilizing our stores as shipping points.

### ***Extensive supplier network enabling procurement at predictable and competitive pricing***

We sell a wide range of furniture home furnishing and home decor products across our product categories. We focus on using our deep understanding of the markets in which we operate to customise our product assortment in each store keeping in mind local demands and preferences. We also continuously focus on enhancing our products that we carry.

Our procurement team conducts detailed research on an ongoing basis to locate the best product sources, in relation to both quality and price. We have an extensive network of suppliers and we endeavour to source our products from regions where they are widely available or manufactured to minimise our procurement costs. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices. Our sustained efforts to improve our strong supplier network have led to an efficient supply and sale cycle.

Over the years, our business model has remained responsive to supply and demands disruptions. We believe that differentiated combination of integrated sourcing, distribution and demand fulfilment, sets us with unique business position. Our business maintains sourcing ties with manufacturers both in India and overseas to obtain the most compelling product offering for aspirational Indian consumers. The interconnectivity of the regional distribution centres, city distribution centres and the central warehouse ensure that the products reach the consumers, safely and timely. As on March 31, 2023, we have 21 distribution centres with pan India coverage and one central warehouse at Nagpur. The business reaches the target customer base through a wide retail base. A mix of strong back-end processes and persuasive in-store communication delivers a unique customer experience. We believe that due to the scale that we have achieved over the past years, we have been able to understand and implement the relevant processes to make our front end and back end functions and execution capabilities efficient. We have been able to increase the scope of our operations at a consistent pace and provide efficient and convenient offerings to our consumers. Further, due to our scale and presence across India, we have been able to develop processes that enable us to offer competitive deals to our consumers.

### ***Omni-channel solution using IT Systems***

Taking into consideration the changing landscape of the retail industry across the world, we have put together an omni-channel view of our customers at every touchpoint. Our customer identification process begins from identifying our existing customers both at physical stores and online stores or tagging new customers at each of these channels. This coupled with a centralized view of customer's product-preference from both these channels forms the bedrock of our customer journey that has been put together by a robust omni-channel platform built on Salesforce software.

Our enterprise application platform coupled with our Business Intelligence (BI) solution provides an integrated view of our data thereby aiding procurement and replenishment planning. Built on the mission of being a stakeholder centric

organization which in turn includes both our key stakeholders namely customers and suppliers, it has helped us in serving our customers in the furniture space with delivery Turn Around Time (TAT) of 72 hours only for our bestselling furniture in SKU's.

### ***Sizeable online presence in furniture space including on e-commerce market places in India***

Our online direct to customer sales are made through our e-commerce portal [www.hometown.in](http://www.hometown.in). We have been operating this website and have established a sizeable foothold in the online furniture space. Our e-commerce website [www.hometown.in](http://www.hometown.in) is developed using the modern technologies and is maintained and supported by an efficient team of engineers and technicians. We provide a very unique feature of 'Live video' demonstration, through which a consumer can complete their shopping from the comfort of their homes. Once a customer avails this option, a sales person through video call will give a live demonstration of the products thus aiding the customers in making the buying decision. We provide an omni-channel experience to our customer, by virtue of which when a customer walks to a store and selects some products, it gets added to customer's cart on HomeTown.in. Thereafter the customers can go back to their home, show the products to the family members and then make eventual purchase.

We also sell products through major e-commerce market places in India. We have optimized our supply chain for faster delivery for both our e-commerce and physical store operations. In addition to faster deliveries, we have capability to get the product assembled within 24-48 hrs of delivery thus leading to customer delight.

### ***Our Brand***

HomeTown offer trendy, affordable home products and solutions to Indian consumers. Our brand is known for high-quality, thoughtful design, competitive pricing and great experience. Our customers come to us for thoughtfully designed, functional products that are built to last, and that represents the true value of what our brand has to offer.

## **OUR STRATEGIES**

### ***Increasing our consumer base through consumer loyalty and expansion of our operations***

We intend to enhance our consumer base through continuously increasing our presence (both physical and online channel) in various cities across India and drive spending across various product segments. We are specifically focusing to achieve a larger share of consumption spending in our existing markets. As on March 31, 2023, we are operating with 33 stores in 24 cities and have presence on major e-commerce market places. We intend to increase our share in the consumer spending in India by adding categories to our existing product range to cater to consumers across Indian society in various home consumption spaces. We also plan to increase our presence online by including additional pin codes where the consumption patterns are promising.

Further, we intend to continuously increase our presence by identifying properties that we believe may be viable retail property spaces at strategic locations and enter into arrangements to lock such properties for our format to be launched in the future.

### ***Continue improving our operating efficiency and supply chain management***

Our business model and pricing strategy require us to maintain high levels of operational efficiency on a consistent basis. Further, we believe that supply chain management is critical to our business. Our supply chain management involves planning, merchandising, sourcing, standardization, vendor management, logistics, quality control, pilferage control, replacement and replenishment. We are, and will continue to consolidate our supply chain network to improve the inventory by improving stock movement, replenishment and fill rates.

We plan to further improve our operating efficiency and ensure efficient supply chain management by:

- continuing to refine our store operating systems based on the performance of our stores and feedback from our customers and local management teams;
- continuing to restructure the look-and-feel of the store with visual merchandising ensuring excellent in-store customer experience;

- investing further in our IT and data management systems to improve productivity and time savings thereby increasing our operating efficiency;
- continuing to strengthen our relationships with our suppliers through cooperation and closer coordination;
- expanding and upgrading our existing distribution centres to improve the efficiency of our inventory and supply management. We will continue to open new distribution centres in strategic locations to serve our existing and new stores when it is cost effective and efficient to do so; and
- continuing to absorb best industry practices.

***Expand our product portfolio and prioritize customer satisfaction through optimal product assortment***

Our store format offers wide range of products for home furniture and furnishing segment in India. We believe with our product offerings, our format has reached a critical mass and is being accepted amongst consumers. Our operations are closely connected with the consumer preferences and changing choices and accordingly, it is imperative for us to forecast and continuously identify the changing demands of our consumers. Towards this end, we have, and intend to continue to identify and evaluate consumer demand across regions and expand our product portfolio in terms of new brands and new products, in home retail business. In order to accomplish objective, we believe that we have a talented in-house team of designers who help with product creation right from the ground level, co-create products with our vendor design team and also visit trade shows and buy the best products for HomeTown customers. Our designers are guided by 3 principles –

- Design sensibility of our customers;
- Price point acceptable to our customers; and
- Global design trends.

***Continue to develop talent and skilled workforce and inculcate good business practices***

We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We have been successful in building such a team and intend to continue placing special emphasis on managing attrition and attracting, training and retaining our employees. As of March 31, 2023, we had 831 employees on roll who are working in different functions, we intend to recruit best available talent across various industries, train them as per our value system and provide them opportunities to learn, experiment and innovate.

We intend to continue to encourage our employees to be enterprising and contribute constructively to our business through effective training and management. Pursuant to our focus on effective training of our employees, we undertake various internal training programmes. Our HR policies focus on improving employee retention and their engagement level in the Company. We have also initiated diversity and gender inclusion hiring to promote positive employee experiences

***Advanced and scalable technology for online retail segment***

We believe that our advanced technology enables us to support a diverse range of products and services and provide complex, modular and customizable e-commerce solutions on a scalable platform capable of implementing large transaction volumes with minimal downtime. Our technology enables us to effectively offer our services across multiple media, channels and customer interfaces including digital downloading and streaming services, and providing application framework solutions for supply chain and inventory management. Our hosting and technology platform, incorporates digital product catalogue, content management, promotions handling, access to payment gateways, as well as inventory and logistics management, and is capable of being integrated into the vendor's IT infrastructure and third-party configurable software.

**OUR PRODUCTS**

We offer diversified and wide range of products in Furniture (Living, Dining, Bedroom, Essentials and Office), Homeware (Furnishings, Tableware, Décor, Kitchenware), Home Improvement (Shower solutions, Bath Tubs, Vanities, Accessories) and Electronics. We also offer end to end Modular solutions (Modular Kitchens, Kitchen accessories, Modular wardrobes, Wardrobe accessories) and customized interior solutions (design and build) with

latest design, focussing on ease of operations and style. All this combined with fine execution capabilities at a reasonable price makes an unmatched value proposition to the customer.

## OUR STORES AND WAREHOUSES

As of March 31, 2023, we operate our business through 33 stores spanning across 24 cities. We do not own any of the property from which we operate our stores and the same is taken on lease through various arrangements that include lease, leave and license.

### *City / Town wise stores and its numbers*

City	Stores	City	Stores
Ahmedabad	2	Mumbai	2
Asansol	1	Mangalore	1
Aurangabad	1	Mysore	1
Bengaluru	4	Nagpur	1
Bhopal	1	Nashik	1
Bhubaneswar	1	Noida	1
Chennai	1	Patna	1
Gurgaon	1	Pune	2
Guwahati	1	Siliguri	1
Hyderabad	1	Vijaywada	1
Kakinada	1	Vizag	1
Kolkata	3		
Lucknow	2		

### *City / Town wise Distribution Centres / Warehouses and their numbers*

City	Type	Number
Nagpur	Central Warehouse	1
Ahemadabad	Distribution Centre	1
Bhiwandi	Distribution Centre	1
Bengaluru	Distribution Centre	1
Kolkata	Distribution Centre	1
Mewat	Distribution Centre	1
Hyderabad	Distribution Centre	1
Chennai	Distribution Centre	1
Vizag	Distribution Centre	1
Pune	Distribution Centre	1
Aurangabad	Distribution Centre	1
Nashik	Distribution Centre	1
Mangalore	Distribution Centre	1
Mysore	Distribution Centre	1
Vijayawada	Distribution Centre	1
Bhopal	Distribution Centre	1
Raipur	Distribution Centre	1
Lucknow	Distribution Centre	1
Patna	Distribution Centre	1
Guwahati	Distribution Centre	1
Siliguri	Distribution Centre	1
Bhubaneswar	Distribution Centre	1

## OUR PROCESS AND MARKETING APPROACH

Our marketing efforts are focussed on driving a seamless and frictionless experience to our customers across channels and platforms. We are distinctly positioned to allow customers to shop how, where and when they want, and we believe our brand should be everywhere our customer is. From the moment our customer engages with our brand, whether in-store, on the website, on social media, newspaper ad or on-ground event, the overall experience communicates the brand's promise.

Our marketing strategy is mapped to the customer journey and we actively engage with our customers across the marketing streams - from awareness to purchase and beyond through traditional channels (print, radio, billboards) and new media platforms (digital, social media, mobile-marketing and email-marketing). Our marketing efforts are focussed on customer acquisition through sales and product promotions, and on customer retention through personalised content and product recommendations.

## **INTELLECTUAL PROPERTY**

Pursuant to the scheme of Arrangement between Future Retail Limited and Bluerock eServices Private Limited (the transferor companies), the "HomeTown" business undertaking and e-commerce business of the respective transferor companies were transferred to Praxis Home Retail Limited (the Company) by virtue of the order dated November 10, 2017 passed by the National Company Law Tribunal (NCLT), Mumbai bench. The said order of the NCLT was effective from November 20, 2017. Pursuant to the aforesaid order, trademarks and associated logos of "HomeTown" brand across various classes including 20, 21, 24, 27, 35, 37, 40, and 42 were transferred in the name of our Company. As on the date of the Letter of Offer, we are the registered owners of 12 trademarks.

## **COMPETITION**

The home retail market in India has become increasingly competitive in recent years. We face competition from various other retailers that operate stores in formats similar to ours as well as those retailers who sell retail products similar to the ones sold by us through small retail stores. These include standalone stores in the organized and unorganized sector, as well as other chains of stores including departmental stores. We face significant competition from the online retailers across home retail categories which led to a fragmented and highly competitive ecommerce market in India. However, we believe that with a nation-wide network of stores and our sizeable online presence through our website [www.hometown.in](http://www.hometown.in) and major e-commerce market places, provide us a competitive edge.

## **INFORMATION TECHNOLOGY ("IT")**

Our entire IT landscape is built to recognize the same customer at every touchpoint and offer a single view of the transaction history to every frontline staffs interacting with the customers, be it store-staffs or customer service personnel. This spawned an integrated IT architecture created in tandem with various other subsystems.

In addition to the customer journey, we have a robust business intelligence platform that provides an end-to-end analytical capability covering sales management, inventory management and operations. The span of integration done with Manthan also ensures predictive analysis.

Our online store [www.hometown.in](http://www.hometown.in) is built on a custom solution developed on REACT. This is tightly coupled with all our enterprise applications thereby offering a single view of all transactions, irrespective of the point of origination i.e., online sales or even offline sales.

## **HUMAN RESOURCES**

Human Resource is one of the critical support functions and forms another key element of the corporate backbone. As of March 31, 2023, we had 831 employees on roll located at head office, zonal offices, retail stores across the Country. Further, we also have employee persons on contract basis from time to time.

Our Company has a dedicated human resource team which takes care of acquisition, development and retention of skills and talent in a way that supports the accomplishment of our Company's goals and objectives. Our Company believes in creating a culture and environment that allows its people resources to utilize their skills, knowledge and leadership abilities and collectively in serving the consumers. We have employee initiatives that promote work life

balance and this goes a long way in boosting a positive culture. Some of these initiatives are birthday leave, bereavement leave along with financial support in case of a section of employees and focus on health and well being. We encourage performance and that is most evident in the various incentive programmes that we run at the store level. We strongly believe in equal opportunity and platforms for growth. While looking at filling vacant positions – internal employees at Praxis are given preference. Our robust and comprehensive Induction program, timely and seasonal product trainings, yearly career progression trainings are juxtaposed to the other behavioural, technical and functional training interventions that take place throughout the year.

## **INSURANCE**

We have insured our warehouses against fire & allied risks and our stocks against burglary and theft risks. We also have insurance policies in respect of marine cargo, money policy, fidelity policy, group personal accident policy, group life insurance policy, and medi-claim policy.

## OUR MANAGEMENT

### OUR BOARD OF DIRECTORS

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Letter of Offer, our Board comprises of 6 (six) Directors, of which 1 (one) director is designated as Managing Director, 3 (three) are Independent Directors including 1 (one) Independent Women Director and 2 (two) are Non-Executive and Non-Independent Directors. The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.

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

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
1.	<b>Maresh Shah</b>  <b>Address:</b> A/803-804, Maple Leaf, Raheja Vihar, Powai, Mumbai – 400072  <b>Designation:</b> Managing Director  <b>Occupation:</b> Service  <b>DIN:</b> 01488017  <b>Current Term:</b> Five years with effect from May 05, 2021  <b>Period of Directorship:</b> With effect from May 05, 2021  <b>Date of Birth:</b> July 01, 1968  <b>Nationality:</b> Indian	54	Nil
2.	<b>Harminder Sahni</b>  <b>Address:</b> B-1/301, World Spa West, Sector-30/41, Gurgaon – 122002  <b>Designation:</b> Chairperson and Independent Director  <b>Occupation:</b> Management Consultant  <b>DIN:</b> 00576755  <b>Current Term:</b> Five years with effect from March 26, 2021  <b>Period of Directorship:</b> With effect from March 26, 2021  <b>Date of Birth:</b> September 17, 1968  <b>Nationality:</b> Indian	54	1. Himatsingka Seide Limited 2. Tapio YFM Designs Private Limited 3. Tapio Creations Private Limited 4. Wazir Advisors Private Limited 5. Pep Technologies Private Limited

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
3.	<p><b>Jacob Mathew</b></p> <p><b>Address:</b> 53-3, Horamavu Agara, Doddabanaswadi, Bangalore – 560043</p> <p><b>Designation:</b> Independent Director</p> <p><b>Occupation:</b> Designer</p> <p><b>DIN:</b> 0080144</p> <p><b>Current Term:</b> Five years with effect from April 6, 2021</p> <p><b>Period of Directorship:</b> With effect from April 6, 2021</p> <p><b>Date of Birth:</b> March 26, 1961</p> <p><b>Nationality:</b> Indian</p>	62	1. Spring Health Water (India) Private Limited
4.	<p><b>Anou Singhvi</b></p> <p><b>Address:</b> 801 C-Wing, Raheja Atlantis, Ganpatrao Kadam Marg, Lower Parel, Delisle Road, Mumbai – 400 013</p> <p><b>Designation:</b> Independent Director</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 07572970</p> <p><b>Current Term:</b> Five years with effect from June 30, 2021</p> <p><b>Period of Directorship:</b> With effect from June 30, 2021</p> <p><b>Date of Birth:</b> October 18, 1973</p> <p><b>Nationality:</b> U.S national</p>	49	1. Worldwide Software Private Limited 2. Medrepo Technologies Private Limited
5.	<p><b>Samson Samuel</b></p> <p><b>Address:</b> Amanda-A, 1904, Hiranandani Meadows, Gladys Alvarez Road, Near Lokpuram, Thane – 400610</p> <p><b>Designation:</b> Non-Executive Non-Independent Director</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 07523995</p>	55	1. GTM Networks Private Limited 2. Leanbox Logistics Solutions Private Limited

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
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**Current Term:** Liable to retire by rotation.

**Period of Directorship:** With effect from March 14, 2023

**Date of Birth:** May 22, 1967

**Nationality:** Indian

6.	<b>Lynette Robert Monteiro</b>	50	1. Apollo Design Apparel Parks Limited 2. FLFL Lifestyle Brands Limited
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**Address:** C-3401, Ireo Victory Valley, Golf Course Extension Road, Gurjar Samrat Mihir Bhoj Chowk, Sector-67, Gurgaon – 122101 (HRY).

**Designation:** Additional Non-Executive Non-Independent Director\*

**Occupation:** Service

**DIN:** 07901400

**Current Term:** Liable to retire by Rotation.

**Period of Directorship:** With effect from April 13, 2023

**Date of Birth:** October 4, 1972

**Nationality:** Indian

*\*Subject to the approval of the Shareholders in the ensuing AGM of the Company or vide Postal Ballot within 3 months of appointment.*

#### Details of directorship in companies suspended or delisted

None of our Directors is, or was a director of any listed company during the last five years preceding the date of filing of this Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

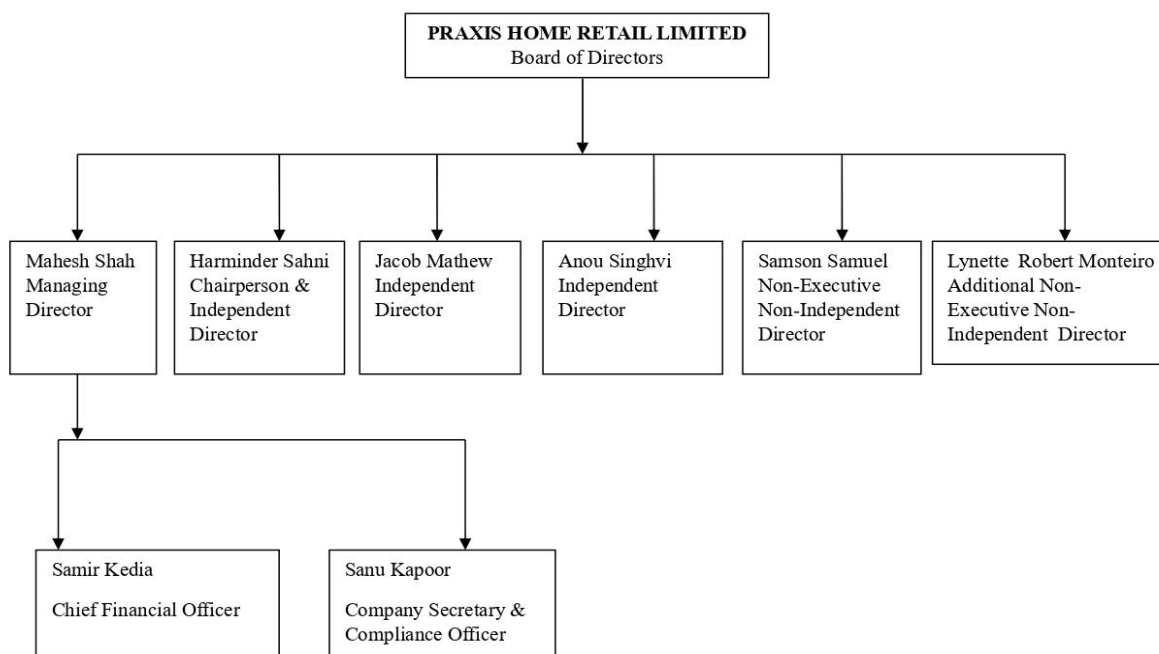
None of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company in the last ten years immediately preceding the date of filing of this Letter of Offer.

#### OUR KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Sl. No.	Name of key management personnel	Designation
1.	Mahesh Shah	Managing Director
2.	Samir Kedia	Chief Financial Officer
3.	Sanu Kapoor	Company Secretary and Compliance Officer

All our Key Managerial Personnel are permanent employees of our Company.

### Management Organisation Structure



## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

Sr. No.	Particulars
a.	Limited Review Unaudited Financial Results for the nine months period ended December 31, 2022.
b.	Audited Financial Statements as at and for the year ended March 31, 2022.

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# PRAXIS

## HOME RETAIL LIMITED

<b>Praxis Home Retail Limited</b> Regd. Office: iThink Techno campus, Jolly Board tower D, Ground floor, Kanjurmarg East, Mumbai- 400042 CIN: L52100MH2011PLC212866 (T)- 022-7106 8031; (F)- 022-7106 8032; Website: www.praxisretail.in; E-mail: investorrelations@praxisretail.in <b>Statement of Financial Results for the Quarter and Nine Months Ended December 31, 2022</b>							
(₹ in Lakhs)							
Sr. No.	Particulars	Quarter ended			9 months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
	a) Revenue from Operations	10,557.18	10,556.92	12,956.02	31,469.99	29,169.16	39,889.22
	b) Other Income	80.34	627.53	1,445.93	1,879.15	5,712.69	8,214.46
	<b>Total Income</b>	<b>10,637.52</b>	<b>11,184.45</b>	<b>14,401.94</b>	<b>33,349.14</b>	<b>34,881.85</b>	<b>48,103.68</b>
2	<b>Expenses</b>						
	a) Purchase of Stock in trade	4,190.77	4,691.11	11,176.52	13,754.22	22,309.35	28,801.83
	b) Changes in Inventories of Stock in trade - (Increase) / Decrease	1,978.81	2,031.55	(3,785.07)	5,616.09	(5,091.86)	(5,060.51)
	c) Employee Benefits Expenses	1,463.95	1,680.47	1,653.48	4,831.61	4,861.89	6,571.23
	d) Rent including Lease Rental	393.95	579.96	644.32	1,571.16	1,518.20	2,099.34
	e) Finance Costs	656.67	502.85	537.76	1,623.52	1,740.61	2,302.79
	f) Depreciation and Amortisation expenses	914.22	630.73	1,084.09	2,270.02	3,205.06	4,289.34
	g) Other Expenses	1,694.64	2,541.20	2,084.29	6,250.83	5,144.20	7,676.10
	<b>Total Expenses</b>	<b>11,293.01</b>	<b>12,657.87</b>	<b>13,395.39</b>	<b>35,917.45</b>	<b>33,687.45</b>	<b>46,680.12</b>
3	<b>Profit / (Loss) before Exceptional Items and Tax (1-2)</b>	(655.49)	(1,473.42)	1,006.56	(2,568.31)	1,194.40	1,423.56
4	Exceptional Items	-	1,724.16	-	1,724.16	-	-
5	<b>Profit / (Loss) before Tax and after Exceptional Items</b>	(655.49)	250.74	1,006.56	(844.15)	1,194.40	1,423.56
6	<b>Tax Expense</b>						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax Liability / (Asset)	-	-	-	-	-	-
	c) Earlier Years Tax	-	-	-	-	-	-
7	<b>Profit/(Loss) for the year/period (3-4)</b>	<b>(655.49)</b>	<b>250.74</b>	<b>1,006.56</b>	<b>(844.15)</b>	<b>1,194.40</b>	<b>1,423.56</b>
8	<b>Other Comprehensive Income/(Loss)</b>						
	(i) Items that will not be reclassified to Profit & Loss						
	(a) Remeasurements of Defined benefit plans	-	(21.71)	(5.00)	(21.71)	(30.00)	38.48
	(b) Income Tax relating to above	-	-	-	-	-	-
	<b>Other Comprehensive Income/(Loss) for the year/period</b>	<b>-</b>	<b>(21.71)</b>	<b>(5.00)</b>	<b>(21.71)</b>	<b>(30.00)</b>	<b>38.48</b>
9	<b>Total Comprehensive Income/(Loss) (5+6)</b>	<b>(655.49)</b>	<b>229.03</b>	<b>1,001.56</b>	<b>(865.86)</b>	<b>1,164.40</b>	<b>1,462.04</b>
10	Paid up Equity Share Capital (Face Value ₹ 5/- per share)	3,765.41	3,765.41	3,765.41	3,765.41	3,765.41	3,765.41
11	Other Equity						(3,688.84)
12	<b>Earnings per Equity Share (Face value of ₹ 5/- each)</b>						
	Basic EPS in ₹ (* not annualized for Quarter ended)	(0.87)	0.33	2.26	(1.12)	2.70	2.74
	Diluted EPS in ₹ (*not annualized for Quarter ended)	(0.87)	0.33	2.26	(1.12)	2.70	2.74



**PRAXIS HOME RETAIL LIMITED**

**CIN: L52100MH2011PLC212866**

Registered Office: iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai - 400042 IN

Tel: +91 22 6882 4900; Fax: +91 22 6882 4801; website: [www.praxisretail.in](http://www.praxisretail.in); email: [investorrelations@praxisretail.in](mailto:investorrelations@praxisretail.in)

### Notes:-

- The above financial results have been prepared in accordance with recognition and measurement principles of the Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. Further, these financial results also have been prepared in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended.
- The Company's business activity falls within a single primary business segment of "retail" and there are no separate reportable segments as per Ind AS 108 "Operating Segments". Company's operations are only confined in India.
- The Company has incurred a net loss of ₹ 844.15 lakhs during the period of nine months ended December 31, 2022. Further, the entire networth of the Company has been eroded due to losses incurred and its current liabilities exceed its current assets which indicate a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. In the previous financial year, the Company has raised Equity Capital through rights issue to improve its net worth. Further, the Company is committed to improve its operational efficiency and has taken various initiatives to boost sales and reduce cost. These initiatives will yield desired results and the management is confident that the networth will turn positive in the near future and yield sustainable cash flows to meet all its obligations. Accordingly, the financial results of the Company have been prepared on a going concern basis.
- The Ministry of Corporate Affairs vide notification dated July 24, 2020 and June 18, 2021, issued an amendment to Ind AS 116-Leases, by inserting a Practical Expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has elected to apply the Practical Expedient of not assessing the rent concessions as a lease modification for all the rent concession which are granted due to Covid-19 Pandemic and has recognized the impact of such rent concession in the Statement of Profit and Loss.  
Accordingly rent concession of ₹ Nil, ₹ Nil, ₹ 477.33 lakhs and ₹ 2,778.19 lakhs for the quarter ended December 31, 2022, September 30, 2022, December 31, 2021 and Year ended March 31, 2022 respectively are accounted under head other income.
- Exceptional items in the Financial Results for the quarter ended September 30, 2022 and nine months ended December 31, 2022 is of ₹ 1,724.16 lakhs, which is on account of write back of liabilities, which is as approved by the Board of Directors.
- Other income for the nine months ended December 31, 2022 includes ₹ 1,391.68 lakhs which is on account of change in the estimated tenure of the lease period pertaining to few stores.
- 9% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each ("NCRPs") aggregating to Rs. 630 lakhs held by Future Enterprises Limited ("FEL") were due for redemption on December 08, 2022. However, as per the Companies Act, 2013 and rules made thereunder, the redemption of any preference shares to be made out of only profits available to be distributed as dividend, free reserves of the Company or proceeds of any fresh issue of securities. As the Company has not earned any profit during the period under review and do not have any free reserves, and no fresh issue of any securities has been planned, the Company could not redeem the NCRPs. The said NCRPs would continue as unredeemed preference capital in accounts of the Company and the same shall be redeemed at the first available opportunity.
- The figures for the quarter ended December 31, 2022 and December 31, 2021 are the balancing figures between unaudited figures for the nine months ended December 31, 2022 and unaudited figures for the six months ended September 30, 2022 and between unaudited figures for the nine months ended December 31, 2021 and unaudited figures for the six months ended September 30, 2021, respectively.
- Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period/year.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 06, 2023. The results for the quarter and nine months ended December 31, 2022 have been reviewed by the statutory auditors.
- The financial results will be available on the website of the Company - "www.praxisretail.in" and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

Place : Mumbai  
Date : February 06, 2023



*Mahesh Shah*  
Mahesh Shah  
Managing Director

**PRAXIS HOME RETAIL LIMITED**

**CIN: L52100MH2011PLC212866**

Registered Office: iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai - 400042 IN  
Tel: +91 22 6882 4900; Fax: +91 22 6882 4801; website: [www.praxisretail.in](http://www.praxisretail.in); email: [investorrelations@praxisretail.in](mailto:investorrelations@praxisretail.in)

**Independent Auditor's Review Report on the quarterly and year to date Unaudited Financial Results of Praxis Home Retail Limited, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Praxis Home Retail Limited**

1. We have reviewed the accompanying statement of unaudited financial results of **Praxis Home Retail Limited** ('the Company') for the quarter and nine months ended December 31, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Material Uncertainty Related to Going Concern**

5. Attention is invited to note no. 3 of the Statement which states that the Company has incurred net loss of Rs. 844.15 lakhs during the period of nine months ended December 31, 2022 and, as of that date, the Company's current liabilities exceed its current assets which indicate a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. However, the accounts are prepared on a going concern basis for the reasons stated in the aforesaid note.

Our conclusion is not modified in respect of this matter.



**Emphasis of Matters**

6. During the current quarter, tenure of a lease rental agreement entered by the Company with a related party (Lessor) got completed. In the past, the Company has given security deposits of Rs. 10,100 lakhs pursuant to such agreement. The Company still holds the possession of the assets taken by it under this agreement for its usage. The Company is following up with the lessor to recover the amount of security deposits. As, the Company believes that these receivables are secured by the assets, which are in its possession, whose value as estimated by the management is higher than the security deposits, it has considered the security deposits as secured and good and fully receivable. Hence, it has not created any provision in the nature of expected credit loss (ECL) towards such receivable amount. This has been relied upon by us.
7. Attention is invited to note no. 7 of the Statement which states that the Company could not redeem the 9% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each ("NCRPs") aggregating to Rs. 630 lakhs held by Future Enterprises Limited ("FEL") which were due for redemption on December 08, 2022, for the reasons stated therein.

Our conclusion is not modified in respect of these matters.

**Other Matters**

8. Attention is drawn to the fact that the comparative financial results as stated in statement for the quarter and nine months ended December 31, 2021 were reviewed and for the year ended March 31, 2022 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on January 27, 2022 and May 14, 2022 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter and nine months ended December 31, 2021 and year ended March 31, 2022.

Our conclusion is not modified in respect of this matter.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E



**Amit Hundia**  
Partner  
Membership No. 120761  
UDIN: 23120761BGYVTN3930

Place: Mumbai  
Date: February 06, 2023

Praxis Home Retail Limited  
Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment	3	88.20	41.30
Capital Work-In-Progress	5	118.64	-
Right-of-use Assets	34(a)	10,381.88	14,264.09
Other Intangible Assets	4	16.37	25.53
Financial Assets			
Other Financial Assets	6	267.60	10,235.01
Other Non-Current Assets	7	148.62	-
Advance Tax Assets	8	38.15	57.89
<b>Total Non-Current Assets</b>		<b>11,059.46</b>	<b>24,623.82</b>
<b>2. Current Assets</b>			
Inventories	9	14,224.83	9,164.34
Financial Assets			
Trade Receivables	10	600.40	1,203.82
Cash and Cash Equivalents	11	649.30	482.46
Bank Balance other than Cash and Cash Equivalents above	12	3.31	3.31
Other Financial Assets	6	12,367.72	2,407.18
Other Current Assets	7	2,080.50	1,839.53
<b>Total Current Assets</b>		<b>29,926.06</b>	<b>15,100.64</b>
<b>Total Assets</b>		<b>40,985.52</b>	<b>39,724.46</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	13	3,765.41	1,519.16
Instruments entirely Equity in Nature	14	-	1,405.00
Other Equity	15	(3,688.84)	(9,327.90)
<b>Total Equity</b>		<b>76.57</b>	<b>(6,403.74)</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	17	823.96	1,643.34
Lease Liabilities	34(b)	8,021.86	10,510.19
Provisions	16	371.12	474.88
<b>Total Non-Current Liabilities</b>		<b>9,216.94</b>	<b>12,628.41</b>
<b>2. Current Liabilities</b>			
Financial Liabilities			
Borrowings	17	7,420.96	6,984.46
Trade Payables			
-Total Outstanding dues of Small and Micro Enterprises	18	2,272.16	1,404.56
-Total Outstanding dues of Creditors other than Small and Micro Enterprises	18	12,324.52	13,785.41
Lease Liabilities	34(b)	4,552.70	5,895.88
Other Financial Liabilities	19	2,639.17	2,579.22
Other Current Liabilities	20	2,436.84	2,800.29
Provisions	16	45.66	49.97
<b>Total Current Liabilities</b>		<b>31,692.01</b>	<b>33,499.79</b>
<b>Total Equity and Liabilities</b>		<b>40,985.52</b>	<b>39,724.46</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of Board of Directors

For Pathak H. D. & Associates LLP  
Chartered Accountants  
Firm Registration No. 107783W/W100593

Jigar T. Shah  
Partner  
Membership No.: 161851

Mahesh Shah  
Managing Director  
DIN:01488017

Samir Kedia  
Chief Financial Officer

Harminder Sahni  
Independent Director  
DIN: 00576755

Smita Chowdhury  
Company Secretary & Compliance Officer



Praxis Home Retail Limited  
Statement of Profit and Loss for The Year Ended March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income</b>			
Revenue From Operations	21	39,889.22	31,309.58
Other Income	22	8,214.46	6,557.95
<b>Total Income</b>		<b>48,103.68</b>	<b>37,867.53</b>
<b>Expenses</b>			
Purchase of Stock In Trade		28,801.83	16,337.16
Change in Inventories of Stock-In-Trade (Increase)/Decrease	23	(5,060.51)	8,441.53
Employee Benefits Expense	24	6,571.23	5,394.52
Rent including Lease Rentals		2,099.34	3,484.46
Finance Costs	25	2,302.79	3,422.57
Depreciation and Amortization Expense	3 & 4	4,289.34	5,678.84
Other Expenses	26	7,676.10	5,431.97
<b>Total Expenses</b>		<b>46,680.12</b>	<b>48,191.05</b>
<b>Profit/(Loss) Before Tax</b>		<b>1,423.56</b>	<b>(10,323.52)</b>
<b>Tax Expense</b>	37		
-Current Tax		-	-
-Deferred Tax Charge/(Credit)		-	-
-Earlier year's tax		-	(1.37)
<b>Profit/(Loss) For The Year</b>		<b>1,423.56</b>	<b>(10,322.15)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to statement of profit and loss</b>			
(a) Remeasurements of Defined benefit plans- Gain/(Loss)	30	38.48	152.57
(b) Income Tax relating to above		-	-
<b>Other Comprehensive Income/(Loss) For The Year</b>		<b>38.48</b>	<b>152.57</b>
<b>Total Comprehensive Income/(Loss) For The Year</b>		<b>1,462.04</b>	<b>(10,169.58)</b>
<b>Earnings Per Equity Share of Face Value of ₹ 5/- each</b>	32		
Basic		2.74	(36.61)
Diluted		2.74	(36.61)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Pathak H. D. & Associates LLP  
Chartered Accountants  
Firm Registration No. 107783W/W100593

*J. T. Shah*

Jigar T. Shah  
Partner  
Membership No.: 161851

Mumbai  
May 14, 2022



*MSH*

Mahesh Shah  
Managing Director  
DIN:01488017

*Samir Kedia*

Samir Kedia  
Chief Financial Officer

For and on behalf of Board of Directors

*W.P. S.*  
Harinder Sahni  
Independent Director  
DIN: 00576755

*Smita Chowdhury*

Smita Chowdhury  
Company Secretary & Compliance Officer



**Praxis Home Retail Limited**
**Statement of Cash Flow for The Year Ended March 31, 2022**

(₹ in Lakhs)

Sr No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A	<b>Cash Flows From Operating Activities</b>		
	Profit / (Loss) Before Tax	1,423.56	(10,323.52)
	<b>Adjustments For:</b>		
	Depreciation and Amortization Expenses	4,289.34	5,678.84
	Provision for Gratuity and Leave Encashment	97.84	184.83
	Finance Costs	2,253.79	3,377.61
	Unwinding Interest on Financial Instrument at Amortised Cost	49.00	44.97
	Employee stock option expenses	69.74	14.68
	Loss on Damaged/Shrinkage and Obsolete Inventory	267.10	912.05
	Write Back of Liabilities (Net)	(688.43)	(1,537.03)
	Rent Concessions	(2,445.23)	(4,979.51)
	<b>Cash Generated (Used in)/from before Working Capital Changes</b>	<b>5,316.71</b>	<b>(6,627.08)</b>
	<b>Adjustments For:</b>		
	Trade Receivables	603.42	806.38
	Loans, Other Financial Assets and Other Assets	(234.11)	271.16
	Inventories	(5,327.59)	7,529.48
	Trade Payables	2,540.31	4,034.15
	Other Financial Liabilities, Other Liabilities and Provisions	(544.91)	(973.59)
	<b>Cash Generated from / (Used in) Operations</b>	<b>2,353.83</b>	<b>5,040.50</b>
	<b>Income Tax (Paid)/Refund</b>	<b>19.75</b>	<b>34.97</b>
	<b>Net Cash Flows Generated from / (Used in) Operating Activities</b>	<b>2,373.58</b>	<b>5,075.47</b>
B	<b>Cash Flows From Investing Activities</b>		
	Payment for Purchase of Property, Plant and Equipment and Intangible Assets (Net of Capital Creditors)	(253.13)	(11.12)
	<b>Net Cash flow Generated from / (Used In) Investing Activities</b>	<b>(253.13)</b>	<b>(11.12)</b>
C	<b>Cash Flows From Financing Activities</b>		
	(Repayment)/Proceeds from Short term Borrowings (Net)	(431.88)	(1,202.69)
	(Repayment)/Proceeds from Long term Borrowings (Net)	-	1,098.64
	Proceeds from Rights Issue	4,948.54	-
	Payment of Lease Liability [includes ₹ 1,440.36 lakhs (March 31, 2021: ₹ 2,549.19 lakhs) on Unwinding Interest of Lease Liabilities]	(5,641.44)	(4,214.50)
	Interest Paid	(828.82)	(867.30)
	<b>Net Cash flow Generated from / (Used In) Financing Activities</b>	<b>(1,953.60)</b>	<b>(5,185.85)</b>
	<b>Net (Decrease) / Increase In Cash and Cash Equivalents</b>	<b>166.84</b>	<b>(121.50)</b>
	<b>Net (Decrease) / Increase In Cash and Cash Equivalents</b>	<b>166.84</b>	<b>(121.50)</b>
	Cash and Cash Equivalents (Opening Balance)	482.46	603.96
	Cash and Cash Equivalents (Closing Balance)	649.30	482.46

**Note:**

- 1) The accompanying notes are an integral part of the financial statements.
- 2) Changes arising from financing activities refer Note no. 38
- 3) Previous years' figures have been regrouped/rearranged wherever necessary

As per our report of even date attached

For and on behalf of Board of Directors

For Pathak H. D. &amp; Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593



Jigar T. Shah

Partner

Membership No.: 161851



Mahesh Shah

Managing Director

DIN:01488017



Samir Kedia

Chief Financial Officer



Harminder Sahni

Independent Director

DIN: 00576755



Smita Chowdhury

Company Secretary &amp; Compliance Officer



Mumbai

May 14, 2022



Praxis Home Retail Limited  
Statement of Change in Equity for The Year Ended March 31, 2022

(A) Equity Share Capital

₹ in lakhs

Balance as at April 01, 2021	Changes in Equity Share Capital during the year	Balance as at March 31, 2022
1,519.16	2,246.25	3,765.41

₹ in lakhs

Balance as at April 01, 2020	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
1,381.66	137.50	1,519.16

(B) Instruments entirely Equity in Nature

0.01% Compulsorily Convertible Debentures	₹ in lakhs
Balance as on April 01, 2020	4,320.00
Less : Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 45)	2,915.00
Balance as on March 31, 2021	1,405.00
Less : Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 45)	1,405.00
Balance as on March 31, 2022	-

(C) Other Equity

(₹ in lakhs)

Particulars	Retained Earnings	Securities Premium	Capital Redemption Reserve	Capital Reserve	Share- Based Payment Reserve (Refer Note No. 31)	Total
Balance as at April 01, 2021	(23,147.93)	5,807.50	5.00	7,968.34	39.16	(9,327.90)
Profit/(Loss) for the year	1,423.56	-	-	-	-	1,423.56
Re-measurement Gain/(Loss) on Defined Benefit Plans	38.48	-	-	-	-	38.48
Total Comprehensive Income For The Year	1,462.04	-	-	-	-	1,462.04
Addition during the year	-	-	-	-	69.74	69.74
Add: Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 45)	-	1,338.73	-	-	-	1,338.73
Addition during the year - Pursuant to Rights Issue (Refer Note no. 46)	-	2,768.55	-	-	-	2,768.55
Balance as at March 31, 2022	(21,685.89)	9,914.78	5.00	7,968.34	108.90	(3,688.84)

(₹ in lakhs)

Particulars	Retained Earnings	Securities Premium	Capital Redemption Reserve	Capital Reserve	Share- Based Payment Reserve (Refer Note No. 31)	Total
Balance as at April 01, 2020	(13,106.76)	3,030.00	5.00	7,968.34	152.90	(1,950.52)
Profit/(Loss) for the year	(10,322.15)	-	-	-	-	(10,322.15)
Re-measurement Gain/(Loss) on Defined Benefit Plans	152.57	-	-	-	-	152.57
Total Comprehensive Income For The Year	(10,169.58)	-	-	-	-	(10,169.58)
Addition during the year	-	-	-	-	14.68	14.68
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	128.41	-	-	-	(128.41)	-
Add: Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 45)	-	2,777.50	-	-	-	2,777.50
Balance as at March 31, 2021	(23,147.93)	5,807.50	5.00	7,968.34	39.16	(9,327.90)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Pathak H. D. & Associates LLP  
Chartered Accountants  
Firm Registration No. 107783W/W100593  
Jigar T. Shah  
Partner  
Membership No.: 161851



For and on behalf of Board of Directors

Mahesh Shah  
Managing Director  
DIN: 01488017  
Samir Kedia  
Chief Financial Officer

Harinder Sahni  
Independent Director  
DIN: 00576755  
Smita Chowdhury  
Company Secretary & Compliance Officer



Mumbai  
May 14, 2022

## Notes annexed to and forming part of the financial statements

### 1. Corporate Information

Praxis Home Retail Ltd ("PHRL" or "the Company") was originally incorporated on January 31, 2011 as GRN Energy Private Limited with the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Further, name of the Company was changed to GRN Retail Private Limited and a fresh certificate of incorporation was issued on December 21, 2016 by RoC. Furthermore, name of the Company was changed to Praxis Home Retail Private Limited and a fresh certificate of incorporation was issued on January 5, 2017 by RoC. Pursuant to the Composite Scheme of Arrangements under the relevant provisions of the Companies Act, 2013, the Company became a public Company domiciled in India.

The Company is engaged in the business of Home Retailing through departmental stores under various formats across the country.

The Company is a public limited Company which is listed on two recognised stock exchanges in India. The Company is incorporated and domiciled in India under the provisions of the Indian Companies Act, 1956. The registered office of the Company is located at Mumbai, Maharashtra, India.

These financial statements of the Company for the year ended March 31, 2022 were authorized for issue by the board of directors on May 14, 2022. Pursuant to the provisions of section 130 of the Act, the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

### 2. Significant Accounting Policies

#### 2.1 Compliance with Indian Accounting Standard (Ind AS):

The financial statements of the Company have been prepared and comply in all material aspects with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles. The policies set out below have been consistently applied during the period presented except where a newly issued accounting standard or revision in existing accounting standard requires change in accounting policy hitherto in use.

#### 2.2 Basis of Preparation

The financial statements are presented in 'Indian Rupees', which also is the Company's functional currency and all amounts, are rounded to the nearest Lakhs, with two decimals, unless otherwise stated.

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

#### 2.3 Basis of Measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- defined benefit plans - planned assets measured at fair value



## 2.4 Use of judgements, estimates & assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, the disclosure of contingent asset and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of such changes in the circumstances surrounding the estimates. Changes in estimate are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## 2.5 Revenue Recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

### Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

### Dividend Income

Dividend income is recognised when the Company's right to receive such dividend is established.

## 2.6 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses if any. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The Cost of Property, Plant and Equipment acquired in a business combination is recorded at fair value less cost



to sell.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted prospectively.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, Plant and Equipment are depreciated under the written down value method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

## 2.7 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the assets for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition.

Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful life of the assets is five years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.8 Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 2.9 Current and Non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

### Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle or
- ii) It is held primarily for the purpose of being traded or



- iii) It is expected to be realised within 12 months after the reporting date or,
- iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria

- i) It is expected to be settled in the Company's normal operating cycle or
- ii) It is held primarily for the purpose of being traded or
- iii) It is due to be settled within 12 months after the reporting date or,
- iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax asset and liabilities are classified as non-current assets and liabilities.

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's operating cycle is within a period of 12 months.

## 2.10 Fair value measurement

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.



Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for recurring and non-recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortized cost) (Refer note 27) and Quantitative disclosures of fair value measurement hierarchy (Refer note 27).

## 2.11 Derivatives

Derivatives including forward contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company does not designate their derivatives as hedges and such contracts are accounted for at fair value through profit or loss and are included in the Statement of Profit and Loss.

In respect of derivative transactions, gains / losses are recognised in the Statement of Profit and Loss on settlement.

On a reporting date, open derivative contracts are revalued at fair values and resulting gains / losses are recognised in the Statement of Profit and Loss.

## 2.12 Inventories

Inventories are valued at lower of cost and net realizable value. Costs of Inventories are computed on Weighted Average basis. Cost includes purchase cost, conversion cost and other costs incurred to bringing the inventory to its location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



## 2.13 Financial Instruments

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables, which are initially measured at transaction price.

### (A) Financial Assets:

#### a) Classification

The Company shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### b) Initial Recognition and Measurement

The Company recognizes financial asset and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are recognised at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial asset and financial liabilities that are not fair value through Profit or loss, are added to the fair value on initial recognition.

#### c) Subsequent Measurement

##### i) Financial asset at Amortized cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal outstanding. Interest income from these financial assets is included in other income using the effective interest rate method.

##### ii) Financial Asset at Fair Value through other comprehensive income (FVOCI)

Financial Asset is subsequently measured through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset and contractual terms of the financial asset give rise on specified dates to the cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. Further in cases where the Company has made irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

##### iii) Financial Asset at Fair value through Profit & Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.



#### **d) Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company measures the expected credit loss associated with its trade receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### **e) Derecognition of Financial Assets**

A financial asset is derecognised only when:

- Right to receive cash flow from assets have expired or,
- The Company has transferred the rights to receive cash flows from the financial asset or,
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to a third party under a “pass through” arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **(B) Financial Liabilities**

#### **a) Initial Recognition and Measurement**

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### **b) Subsequent measurement**

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

##### **i) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method.

##### **ii) Trade and Other Payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method



### c) Derecognition

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

### 2.14 Contributed Equity

Equity Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate that reflects current market assessment of the value of money and the risks specific to the liability.

### 2.16 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A Contingent asset is not recognized in financial statements, however, the same are disclosed where an inflow of economic benefit is probable.

### 2.17 Foreign currency transactions

#### a) Functional and presentation currency

The functional currency of the Company is the Indian Rupee. The financial Statements are presented in Indian Rupees.

#### b) Transactions, translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

All foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.



## 2.18 Earnings Per Share

Basic earnings per equity share are computed by dividing the net profit attributable to the Equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.19 Taxes on Income

Income tax expense for the year comprises of current tax and deferred tax.

### Current Tax

Current Income Tax for the current and prior period is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



## 2.20 Employee benefit

### (i) Short Term Employee Benefits

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

### (ii) Post-Employment Benefits

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident fund, superannuation fund etc.

#### Defined Benefit Plans

##### Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss. Re-measurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### Defined Contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation plan, a defined contribution scheme is administered by IRDA approved Insurance Companies.

### (iii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.



The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 2.21 Share-Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Refer note 31.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 2.22 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.23 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

The Company assesses at contract inception whether a contract is or contains a lease. That is, of the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Where the Company is the lessee:

The Company's lease asset classes primarily consists of leases for stores taken on lease. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of lease, the Company recognise a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangement in which it is a lessee except for leases with a term of twelve months or less (short-



term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on straight-line basis over the lease term. The lease liability is initially measured at amortised cost at the present value of the future lease payments.

#### **Where the Company is the Lessor:**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified the asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms. Initial direct costs incurred in negotiating and arranging on operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The Ministry of Corporate Affairs vide notification dated July 24, 2020 and June 18, 2021, issued an amendment to Ind AS 116-Leases, by inserting a Practical Expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has elected to apply the Practical Expedient of not assessing the rent concessions as a lease modification for all the rent concession which are granted due to Covid-19 Pandemic and has recognized the impact of such rent concession as other income in the Statement of Profit and Loss.

#### **2.24 Business Combination**

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Business combination between entities under common control is accounted for using the pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts. The only adjustments that are made are to harmonise accounting policies.

#### **2.25 Borrowing Costs**

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.



## 2.26 Warranty Costs

Costs of warranty include the cost of labour, material and related overhead necessary to repair a product during the warranty period. The warranty period is usually one to three years. Costs related to warranty are expensed in the period in which they are incurred.

## 2.27 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.28 Recent accounting pronouncement

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022:

- i. Ind AS 101 – First time adoption of Ind AS.
- ii. Ind AS 103 – Business Combination.
- iii. Ind AS 109 – Financial Instrument.
- iv. Ind AS 16 – Property, Plant and Equipment .
- v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets.
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statements.

## 2.29 Critical estimates and judgements

The areas involving critical estimates or judgements are:

- **Estimation of deferred tax assets recoverable**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has not recognized deferred tax asset which is primarily on account of unused brought forward losses, in the absence of the reasonable certainty that taxable income will be generated in the near future to offset the losses if any, incurred by the Company. Refer note 37 for amounts of such temporary differences on which deferred tax assets are not recognised.

- **Estimation of defined benefit obligation**

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the



complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 30 for key actuarial assumptions.

- **Impairment of trade receivables, loans and other financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer note 28 on financial risk management where credit risk and related impairment disclosures are made.

**Equity settled Equity-settled share based payments**

The Company initially measures the cost of equity settled transactions with employees using a Black Scholes Pricing Model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note no. 31.



## Notes annexed to and forming part of the financial statements

## 3. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Office Equipment	Furniture and Fixture	Computers	Plant & Machinery	Electrical Installation	Total
<b>Gross Carrying Amount</b>						
As At April 01, 2020	12.92	-	137.34	-	-	150.26
Additions	0.03	-	5.29	-	-	5.32
As At March 31, 2021	12.96	-	142.63	-	-	155.59
Additions	3.60	42.12	21.36	0.39	6.94	74.41
As At March 31, 2022	16.56	42.12	163.99	0.39	6.94	229.99
<b>Accumulated Depreciation</b>						
As At April 01, 2020	5.63	-	72.20	-	-	77.83
Depreciation for the Year	2.77	-	33.68	-	-	36.46
As At March 31, 2021	8.40	-	105.88	-	-	114.28
Depreciation for the Year	1.91	1.13	24.31	0.02	0.14	27.51
As At March 31, 2022	10.31	1.13	130.19	0.02	0.14	141.79
<b>Net Carrying Value</b>						
As At March 31, 2021	4.55	-	36.75	-	-	41.30
As At March 31, 2022	6.25	40.99	33.80	0.37	6.79	88.20

## 4. Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
<b>Gross Carrying Amount</b>		
As At April 01, 2020	100.66	100.66
Additions	-	-
As At March 31, 2021	100.66	100.66
Additions	0.90	0.90
As At March 31, 2022	101.56	101.56
<b>Accumulated Amortization</b>		
As At April 01, 2020	55.00	55.00
Amortisation expense for the Year	20.13	20.13
As At March 31, 2021	75.13	75.13
Amortisation expense for the Year	10.07	10.07
As At March 31, 2022	85.19	85.19
<b>Net Book Value</b>		
As At March 31, 2021	25.53	25.53
As At March 31, 2022	16.37	16.37

## Notes:-

- (1) Intangible assets are other than internally generated  
(2) Balance Useful life of Intangible assets - 2 to 5 years

## 5. Capital Work-In-Progress

(₹ in Lakhs)

Particulars	Total
As At April 01, 2021	-
Incurred during the year	170.85
Capitalized during the year	(52.21)
As at March 31, 2022	118.64

## Ageing for Capital Work-in-Progress as on March 31, 2022

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	118.64	-	-	-	118.64
Projects temporarily suspended	-	-	-	-	-
Total	118.64	-	-	-	118.64

## Ageing for Capital Work-in-Progress as on March 31, 2021

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Note - The Company do not have any Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.



Notes annexed to and forming part of the financial statements

13 Equity Share Capital		(₹ in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Authorised</b>			
10,00,00,000 equity shares of ₹ 5 each ( 31 March 2021: 7,54,00,000 equity shares of ₹ 5 each)	5,000.00	3,770.00	
6,30,00,000 preference shares of ₹ 100 each ( 31 March 2021: 6,30,00,000 preference shares of ₹ 100 each)	630.00	630.00	
<b>Issued</b>			
7,53,13,330 equity shares of ₹ 5 each ( 31 March 2021: 3,03,88,426, equity shares of ₹ 5 each)	3,765.67	1,519.42	
<b>Subscribed and Paid up</b>			
7,53,08,112 equity shares of ₹ 5 each ( 31st March 2021: 3,03,83,208, equity shares of ₹ 5 each)	3,765.41	1,519.16	

(i) Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
Opening Balance of Equity Shares of ₹ 5/- each	3,03,88,426	1,519.42	2,76,38,426	1,381.92
Add: Issue of Equity Shares of ₹ 5/- each pursuant to conversion of Compulsorily Convertible Debentures	13,25,471	66.27	27,50,000	137.50
Add : Shares issued during the year (Refer Note No. 46)	4,35,99,433	2,179.97	-	-
<b>Total Shares issued</b>	<b>7,53,13,330</b>	<b>3,765.67</b>	<b>3,03,88,426</b>	<b>1,519.42</b>
Less: Shares kept in abeyance (Refer Note No. iii below)	5,218	0.26	5,218	0.26
<b>Total Shares outstanding at the end of the year</b>	<b>7,53,08,112</b>	<b>3,765.41</b>	<b>3,03,83,208</b>	<b>1,519.16</b>

(ii) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 5/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may be declared by the company.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

(iii) Pursuant to the provisions of the Companies Act, 2013, the issue of 5,218 Equity Shares are kept in abeyance corresponding to the respective shareholders holding of 1,04,371 equity shares in Future Retail Limited.

(iv) Details of Shares pledged

Particulars	As at March 31, 2022	As at March 31, 2021
No. of Shares pledged by promoters	1,61,33,790	-
No. of Shares under Locked in	70,75,471	57,50,000

(v) Shares in the Company held by each shareholder holding more than 5 % shares and number of Shares held are as under:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Future Corporate Resources Private Limited	1,89,98,654	25.23	1,74,32,558	57.38
Surplus Finvest Private Limited	1,79,37,578	23.82	22,04,243	7.25
Mangal Bhansali & PACs	39,10,100	5.19	14,69,228	4.83
Bennett, Coleman & Company Limited and PACs	23,13,861	3.07	23,13,861	7.61

(vi) Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as at March 31, 2022 is as follows:

Name of Promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of Shares	Percentage of total shares	No. of Shares	Percentage of total shares	
Shri Kishore Biyani	251	0.00%	106	0.00%	0.00%
Future Corporate Resources Private Limited	1,89,98,654	25.23%	1,74,32,558	57.38%	-32.15%
<b>Total</b>	<b>1,89,98,905</b>	<b>25.23%</b>	<b>1,74,32,664</b>	<b>57.38%</b>	<b>-32.15%</b>

Disclosure of Shareholding of Promoters as at March 31, 2021 is as follows:

Name of Promoter	As at March 31, 2021		As at March 31, 2020		% change during the year
	No. of Shares	Percentage of total shares	No. of Shares	Percentage of total shares	
Shri Kishore Biyani	106	0.00%	106	0.00%	0.00%
Future Corporate Resources Private Limited	1,74,32,558	57.38%	1,46,82,558	53.13%	4.24%
<b>Total</b>	<b>1,74,32,664</b>	<b>57.38%</b>	<b>1,46,82,664</b>	<b>53.13%</b>	<b>4.24%</b>

(vii) Aggregate number of shares without payment being received in cash (pursuant to scheme of arrangement) during the period of five years immediately preceding the reporting date – 2,46,38,426 Equity Shares (March 31, 2021 - 2,46,38,426)

(viii) As at March 31, 2022, 12,80,500 No. of Equity Shares (March 31, 2021 No. of equity shares 75,500) are reserved for Issuance towards Outstanding Employee Stock Option granted. (Refer Note 31)

14 Instruments entirely Equity in Nature		(₹ in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
0.01% Compulsorily Convertible Debentures (in nature of Equity) face value of ₹ 1,00,000/- each. (Refer Note no. 45)			
<b>Opening Balance</b>	<b>1,405.00</b>	<b>4,320.00</b>	
Issued during the Year	-	-	
Less: Conversion of Compulsorily Convertible Debentures into Equity Shares	1,405.00	2,915.00	
<b>Closing Balance</b>	<b>-</b>	<b>1,405.00</b>	

Terms of the 0.01% Unsecured Compulsorily Convertible Debentures (CCD):

- 1) The tenor of Compulsorily Convertible Debentures is upto 18 months from the date of allotment, however the CCD can be converted into Equity Shares at the option of the investor at any time after allotment subject to necessary approval.
- 2) The Compulsorily Convertible Debentures are Non-Marketable.
- 3) The coupon rate is 0.01% per annum.
- 4) Conversion price - Each CCD shall be convertible into Equity Shares of face value of ₹ 5/- each, fully paid up of the Company, in one or more tranches at a conversion price of ₹106/- per equity share comprising of premium of ₹101/- per equity share.



Notes annexed to and forming part of the financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>15. Other Equity</b>		
<b>Capital Reserve</b>		
Opening Balance	7,968.34	7,968.34
Addition/(Appropriation) During The Year	-	-
Closing Balance	7,968.34	7,968.34
<b>Security Premium</b>		
Opening Balance	5,807.50	3,030.00
Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 45)	1,338.73	2,777.50
Pursuant to the Rights Issue (Refer Note no. 46)	2,768.55	-
Closing Balance	9,914.78	5,807.50
<b>Capital Redemption Reserve</b>		
Opening Balance	5.00	5.00
Addition/(Appropriation) During The Year	-	-
Closing Balance	5.00	5.00
<b>Share- Based Payment Reserve (Refer Note No. 31)</b>		
Opening Balance	39.16	152.90
Addition During The Year	69.74	14.68
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	-	(128.41)
Closing Balance	108.90	39.16
<b>Retained Earnings</b>		
Opening Balance	(23,147.93)	(13,106.74)
Profit/(Loss) For The Year	1,423.56	(10,322.16)
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	-	128.41
<b>Other Comprehensive Income/(Loss) For The Year</b>		
Re-measurement Gain/(Loss) on Defined Benefit Plans	38.48	152.57
Income Tax relating to above	-	-
Closing Balance	(21,685.89)	(23,147.93)
<b>Total</b>	<b>(3,688.84)</b>	<b>(9,327.93)</b>

**Nature and Purpose of Reserves:**

**a) Capital Reserve**

During the financial year ended March 31, 2018, the capital reserve of ₹ 7,968.34 Lakhs recognised due to demerger of retail hometown division, pursuant to the composite scheme of arrangement with Future Retail Limited.

**b) Capital Redemption Reserve**

During the financial year ended March 31, 2018, the capital redemption reserve of ₹ 5.00 Lakhs recognised due to demerger of retail hometown division, pursuant to the composite scheme of arrangement with Future Retail Limited.

**c) Security Premium**

Security premium is created to record a sum equal to the aggregate amount of its premium received on shares issued as per the Companies Act, 2013.

**d) Share- Based Payment Reserve**

This reserve relates to share options granted by the Company to its employees and directors under ESOP. Further information about share-based payments to employees is set out in Note no. 31.

**e) Retained earnings**

This represents the surplus / (deficit) of the Statement of Profit and Loss. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate Financial Statements of the Company and also considering the requirements of the Companies Act, 2013.



## Notes annexed to and forming part of the financial statements

16 Non-Current Liabilities - Provisions (₹ in Lakhs)				
Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits				
Gratuity	14.13	260.82	8.88	311.40
Compensated Absences	31.53	110.30	41.07	163.48
<b>Total</b>	<b>45.66</b>	<b>371.12</b>	<b>49.96</b>	<b>474.88</b>

17 Financial Liability-Borrowings (₹ in Lakhs)				
Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
<b>Secured</b>				
<u>Loans from Banks</u>				
- Working Capital Term Loan	-	823.96	-	1,098.64
- Current Maturities of Long term debt	274.68	-	-	-
<b>Loan from Others</b>	<b>4,902.58</b>	<b>-</b>	<b>5,184.46</b>	<b>-</b>
<b>Unsecured</b>				
Loan from Related Parties - Inter Corporate Deposits (Repayable on demand)	1,650.00	-	1,800.00	-
Current Maturity of Preference Shares	593.70	-	-	-
Preference Shares	-	-	-	544.70
<b>Total</b>	<b>7,420.96</b>	<b>823.96</b>	<b>6,984.46</b>	<b>1,643.34</b>

**Security:**

(A) The Working capital term loan is secured by way of 100% guaranteed by National credit guarantee trustee company Limited and second pari passu charge on the current assets and movable fixed assets (both present and future) of the Company. Principal is repayable within 48 equal monthly installments commencing from April'2022, Interest is payable at 9.25% per annum on monthly basis.

(B) Loan from Others is secured by way of pari passu charge on the current assets both present and future of the Company with a clause to route 2/3rd of card sales of the Company through Escrow account of lender. Interest is payable at 9.10 % per annum on monthly basis.

(C) 6,30,000 non-cumulative redeemable preference shares of ₹ 100/- each, bearing coupon rate of 9% p.a. were allotted on December 08, 2017 to the eligible shareholders of BlueRock eServices Private Limited. The preference shares are to be redeemed at the end of 60 months from the date of allotment and the Company will have the option to redeem the preference shares at any time after the expiry of 24 months from the date of allotment.

(D) Loan from Related Parties - Inter Corporate Deposits Interest is payable at 12% per annum

(E) Company is not required to furnish Quarterly returns or statements of current assets with banks as the same is secured by way of 100% guaranteed by National Credit Guarantee Trustee Company Limited.

18 Trade Payables (₹ in Lakhs)			
Particulars	As at March 31, 2022	As at March 31, 2021	
Total Outstanding dues of Small and Micro Enterprises	2,272.16	1,404.56	
Total Outstanding dues of Creditors other than Small and Micro Enterprises	12,324.52	13,785.41	
<b>Total</b>	<b>14,596.68</b>	<b>15,189.97</b>	

**Creditors ageing schedule as on March 31, 2022**

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	2,272.16	-	-	-	2,272.16
(ii) Others	3,142.43	4,658.36	1,790.19	2,733.54	12,324.52
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>5,414.59</b>	<b>4,658.36</b>	<b>1,790.19</b>	<b>2,733.54</b>	<b>14,596.68</b>

**Creditors ageing schedule as on March 31, 2021**

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	1,404.56	-	-	-	1,404.56
(ii) Others	8,430.42	2,202.16	416.37	2,736.46	13,785.41
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>9,834.98</b>	<b>2,202.16</b>	<b>416.37</b>	<b>2,736.46</b>	<b>15,189.97</b>

19 Other Financial Liabilities-Current (₹ in Lakhs)			
Particulars	As at March 31, 2022	As at March 31, 2021	
Salary and Employee benefits payable	88.56	489.74	
Unclaimed Share Money on Fraction Shares (Refer note 39)	3.31	3.31	
Interest accrued on borrowings	67.14	82.55	
Creditors for Capital Expenditure	91.55	2.16	
Other Payables	2,388.60	2,001.47	
<b>Total</b>	<b>2,639.17</b>	<b>2,579.22</b>	

20 Other Current Liabilities (₹ in Lakhs)			
Particulars	As at March 31, 2022	As at March 31, 2021	
Advances From Customers (including Gift Vouchers)	2,295.66	2,631.21	
Statutory dues payable	141.18	169.08	
<b>Total</b>	<b>2,436.84</b>	<b>2,800.29</b>	

Notes annexed to and forming part of the financial statements

**21 Revenue From Operations** (₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products	39,120.18	31,160.36
Other Operating Income		
- Commission Income	-	119.24
- Income from sale of Scrap	268.77	26.18
- Income from sale of entitlements (Refer Note 40)	500.00	-
- Other Income	0.27	3.80
<b>Total</b>	<b>39,889.22</b>	<b>31,309.58</b>

**22 Other Income** (₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Covid-19 Related Rent Concessions (Refer Note 34 & 40)	2,778.19	4,979.51
Covid-19 Related Other Concessions (Refer Note 40)	2,480.00	-
Recovery for damages (Refer Note 40)	1,635.13	-
Liabilities Written back	662.12	668.65
Excess Lease liabilities written back	26.31	868.37
Interest on Income Tax Refund	7.46	-
Other Miscellaneous Income	625.25	41.42
<b>Total</b>	<b>8,214.46</b>	<b>6,557.95</b>

**23 Change In Inventories of Stock-In-Trade (Increase)/Decrease** (₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Inventories</b>		
Stock-In-Trade	9,164.33	17,605.86
<b>Closing Inventories</b>		
Stock-In-Trade	14,224.83	9,164.33
<b>(Increase)/Decrease</b>	<b>(5,060.51)</b>	<b>8,441.53</b>

**24 Employee Benefits Expense** (₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages and Bonus	5,785.85	4,776.08
Contribution to Provident and Other Fund (Refer Note No. 30)	437.76	409.29
Employee Stock Option Expense (Refer Note No. 31)	69.74	14.68
Staff Welfare Expenses	277.88	194.48
<b>Total</b>	<b>6,571.23</b>	<b>5,394.52</b>

**25 Finance Costs** (₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest on Borrowings	798.20	819.85
Unwinding Interest on Lease Liabilities	1,440.36	2,549.19
Unwinding Interest on Financial Instrument at Amortised Cost	49.00	44.97
Other Finance Costs	15.23	8.57
<b>Total</b>	<b>2,302.79</b>	<b>3,422.57</b>

**26 Other Expenses** (₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Power & Fuel	795.11	829.37
Repairs and Maintenance	134.69	115.51
Insurance	39.84	72.50
Rates and Taxes	100.33	79.84
Travelling & Conveyance	267.38	135.19
Advertisement and Marketing	2,773.86	623.20
Inventory Shrinkage/Damage	194.49	32.15
Provision for Obsolete Inventory and Shrinkage	72.61	879.89
Legal & Professional	794.62	618.51
Balances with government authorities written off	217.73	-
Less : Reversal of Provision of doubtful advances	(217.73)	-
Inventory scrapped	939.66	-
Less : Reversal of Provision for slow moving inventory	(939.66)	-
Loss on Foreign Currency translation or transactions	103.78	34.96
Subvention and Credit Card Charges	1,043.78	838.57
Miscellaneous Expenses	1,355.61	1,172.27
<b>Total</b>	<b>7,676.10</b>	<b>5,431.97</b>



Notes annexed to and forming part of the financial statements

27. Fair value measurements:

(a) Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
	Amortised cost	Amortised cost
<b>Financial assets</b>		
Trade Receivables	600.40	1,203.82
Cash and cash equivalents	649.30	482.46
Bank Balance other than Cash and Cash Equivalents above	3.31	3.31
Other Financial Assets-Security Deposits	12,635.32	12,642.19
<b>Total financial assets</b>	<b>13,888.33</b>	<b>14,331.78</b>
<b>Financial liabilities</b>		
Borrowings	8,244.92	8,627.80
Lease Liabilities	12,574.56	16,406.07
Trade payables	14,596.68	15,189.97
Other financial liabilities	2,639.17	2,579.22
<b>Total financial liabilities</b>	<b>38,055.33</b>	<b>42,803.06</b>

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security deposits	-	-	12,635.32	12,635.32
<b>Total financial assets</b>	-	-	12,635.32	12,635.32
<b>Financial Liabilities</b>				
Borrowings	-	8,244.92	-	8,244.92
<b>Total financial liabilities</b>	-	8,244.92	-	8,244.92

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2021

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security deposits	-	-	12,642.19	12,642.19
<b>Total financial assets</b>	-	-	12,642.19	12,642.19
<b>Financial Liabilities</b>				
Borrowings	-	8,627.80	-	8,627.80
<b>Total financial liabilities</b>	-	8,627.80	-	8,627.80



**Note**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This is the case for long term borrowings which is included in this level.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(c) Valuation technique used to determine fair values**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis / Earnings / EBITDA multiple method.

**(d) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of lease liabilities, trade receivables, trade payables, advances to employees, advances from customers, other receivables, security deposits, unclaimed fractional share money, creditors for capital nature, employee payables and cash and cash equivalents are considered to have their fair values approximately equal to their carrying values.

**28. Financial Risk Management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors.

**(a) Credit Risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivable amounting to ₹ 600.40 Lakhs, and ₹ 1,203.82 Lakhs as on March 31, 2022 and March 31, 2021 respectively.

Since Company operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant.

**(b) Liquidity Risk**

i) The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

**ii) Maturity of Financial Liabilities**

The amounts disclosed below are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

March 31, 2022	Less than 1 year	More than 1 Year	Total
Interest bearing borrowings*	8,190.40	938.57	9,128.97
Trade Payables	14,596.68	-	14,596.68
Lease Liabilities	4,552.70	14,280.04	18,832.74
Other Financial Liabilities	2,639.17	-	2,639.17
<b>Total</b>	<b>29,978.95</b>	<b>15,218.61</b>	<b>45,197.56</b>



(₹ in Lakhs)			
March 31, 2021	Less than 1 year	More than 1 Year	Total
Interest bearing borrowings*	7,773.87	1,932.26	9,706.13
Trade Payables	15,189.97	-	15,189.97
Lease Liabilities	5,895.88	20,354.15	26,250.03
Other Financial Liabilities	2,579.22	-	2,579.22
<b>Total</b>	<b>31,438.94</b>	<b>22,286.41</b>	<b>53,725.35</b>

\*Includes contractual interest payment based on the interest rate prevailing at the reporting date.

#### (c) Market Risk

Market risk is the risk of changes in market prices – such as foreign exchange rate, interest rate, and equity prices – will affect the company's income or values of its holdings of financial statements. The company is not exposed to any significant currency risk and equity price risk.

#### (i) Interest Rate Risk Exposure

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowings	6,001.22	6,283.11
Fixed Rate Borrowings	1,650.00	2,344.70
<b>Total</b>	<b>7,651.22</b>	<b>8,627.80</b>

#### (ii) Sensitivity Analysis

Profit or Loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

(₹ in Lakhs)

Impact on Profit/(Loss) after tax	As at March 31, 2022	As at March 31, 2021
Interest rates increase by 100 basis points	60.01	62.83
Interest rates decrease by 100 basis points	(60.01)	(62.83)

#### (d) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods. Foreign exchange risk arises if recognised liabilities denominated in a currency that is not the functional currency of the Company. The Company hedges its foreign exchange risk using foreign exchange forward contracts within the guidelines laid down by risk management policy of the Company. Overall, Company always has a limited exposure to foreign currency risk.

Following table details the carrying amounts of the Company's unhedged foreign currency denominated monetary items at the end of the reporting period

(in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade Payable</b>		
US Dollar (USD)	10.21	1.27

A 5% strengthening in USD will decrease the profit for the year by ₹ 38.71 Lakhs (March 31, 2021 - ₹ 4.67 Lakhs) and a 5% weakening in USD will increase the profit for the year by ₹ 38.71 Lakhs (March 31, 2021 - ₹ 4.67 Lakhs). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.



## 29. Capital Risk Management

### (A) Risk Management

For the purpose of the Company's capital risk management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital risk management is to maximize the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. To maintain and adjust the capital structure, the company may return capital to shareholder or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	8,244.92	8,627.80
Less: Cash and Cash Equivalents	649.30	482.46
<b>Net Debt (A)</b>	<b>7,595.62</b>	<b>8,145.34</b>
Equity	3,765.41	1,519.16
Instruments entirely Equity in Nature	-	1,405.00
Other Equity	(3,688.84)	(9,327.90)
<b>Total Capital (B)</b>	<b>76.57</b>	<b>(6,403.74)</b>
<b>Capital and Net Debt (C = A + B)</b>	<b>7,672.19</b>	<b>1,741.60</b>
<b>Gearing Ratio (D = A/C)</b>	<b>0.99 times</b>	<b>4.68 times</b>

(B) Dividends: The Company has not paid any dividend during the year.

### 30. Disclosure under Ind AS 19 "Employee Benefits".

The Company has various employee benefit schemes covering different categories of employees based on their location of employment.

#### a) Defined Contribution plans:

(i) Provident Fund

(ii) State defined contribution plans - Employer's contribution to Employees state insurance

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 24: ₹ 366.82 Lakhs (March 31, 2021 - ₹ 286.44 Lakhs).

#### b) Defined Benefit plans:

The Company operates the following defined benefit plans:

##### (i) Gratuity

The Company has a defined benefit gratuity plan in India, governed by The Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. Inherent risk: The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at March 31, 2022. The following table sets forth the status of the various defined benefit plans of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.



<b>(a) Change in Present Value of Defined Benefit Obligations</b>		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation at the beginning of the year	320.28	383.49
Service Cost	48.82	97.82
Interest Cost	22.11	25.02
Benefits Paid	(77.79)	(33.49)
Re-measurement-Actuarial (gains)/losses	(38.48)	(152.57)
Defined Benefit Obligation at the end of the year	274.94	320.28
<b>(b) Net Defined Benefit Liability / (Assets)</b>		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation	274.94	320.28
Fair value of Plan Assets	-	-
(Surplus) / Deficit	274.94	320.28
Effects of Assets Ceiling	-	-
Net Defined Benefit Liability / (Assets)	274.94	320.28
<b>(c) Total Expenses Recognised in the Statement of Profit and Loss</b>		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Current Service Cost	48.82	97.82
Net interest on the net defined benefit liability/assets	22.11	25.02
Total Expenses Recognised in the Statement of Profit and Loss	70.93	122.84
<b>(d) Remeasurement effects recognised in Other Comprehensive Income (OCI)</b>		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Actuarial (Gains)/Losses	22.35	(17.15)
Gain / (Loss) from change in financial assumptions	(75.81)	(41.77)
Gain / (Loss) from change in demographic assumptions	14.98	(93.65)
Total (Gain) / Loss included in OCI	(38.48)	(152.57)



(e) Reconciliation of Amounts in Balance Sheet		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation at the beginning of the year	320.28	383.49
Defined Benefit cost included in Profit and Loss	70.93	122.84
Total amount included in OCI	(38.48)	(152.57)
Benefits paid	(77.79)	(33.49)
Defined Benefit Obligation at the end of the year	274.94	320.28
(f) Reconciliation of Amounts in Statement of Other Comprehensive Income		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
OCI (Income) / Loss at the beginning of the year	(31.58)	120.99
Total Remeasurement included in OCI	(38.48)	(152.57)
OCI (Income) / Loss at the end of the year	(70.06)	(31.58)
(g) Expected Maturity Profile of Defined Benefit Obligation		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	14.12	8.88
Year 2	19.68	11.23
Year 3	20.49	16.43
Year 4	25.53	17.17
Year 5	31.39	22.60
Years 6 to 10	213.18	210.16
Above 10 Years	2,133.03	3,936.63
(h) Assumptions		
Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.23%	7.00%
Expected rate of Salary increase	2% flat	4% flat
Mortality Rate	IALM (2012-14) ultimate	IALM (2012-14) ultimate
Withdrawal Rate	Service < 5 Years : 28% Service > 5 Years : 3%	Service < 5 Years : 30% Service > 5 Years : 2%
Retirement age	58 Years	58 Years
(i) Sensitivity Analysis		
(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate		
Discount Rate -100 basis points	305.99	366.67
Discount Rate +100 basis points	248.45	281.59
Salary increase rate		
Rate -100 basis points	248.17	281.98
Rate +100 basis points	305.83	365.05



**Notes annexed to and forming part of the financial statements**

**31. Share-Based Payments**

**(a) Scheme Details**

**Praxis SVAR Plan - 2018**

The ESOP Plan titled as Praxis Home Retail Limited Share Value Appreciation Rights, Plan – 2018 ("Praxis SVAR Plan - 2018") was approved by the Board of Directors at its meeting held on August 6, 2018 and the same was also passed by way of a special resolution by the Shareholders of the Company in terms of erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014 at the annual general meeting held on September 18, 2018. In aggregate, 9,75,000 stock options were covered under the Praxis SVAR Plan – 2018.

During the year 2018-19, the Nomination and Remuneration Committee ("NRC") of the Company had granted 4,66,500 options under the Praxis SVAR Plan - 2018 to director and employees of the Company. The options granted are convertible into equal number of equity shares of face value ₹ 5/- each. The exercise price of each option is ₹ 176/- (including ₹ 171/- as share premium). The options were subject to a minimum vesting period of 1 (one) year from the date of grant.

Thereafter, during the financial year 2019-20, 2020-21 & 2021-22, no stock options were granted under Praxis SVAR Plan - 2018.

**Praxis Employee Stock Option Plan -2021**

The ESOP Plan titled as Praxis Home Retail Limited, Employee Stock Option Plan – 2021 ("ESOP - 2021") was approved by the Board of Directors at its meeting held on October 27, 2021 and the same was also passed by way of a special resolution by the Shareholders of the Company in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 by way of postal ballot approved on December 12, 2021. In aggregate, 20,00,000 stock options were covered under the ESOP – 2021.

During the year 2021-22, the Nomination and Remuneration Committee ("NRC") of the Company has granted 12,05,000 options under the ESOP Plan – 2021 to director and employees of the Company. The options granted are convertible into equal number of equity shares of face value Rs.5/- each. The exercise price of each option is Rs.5/-. The options were subject to a minimum vesting period of 1 (one) year from the date of grant.

The following share-based payment arrangements are in existence during the financial year 2021-22.

Option Series	Number of Options Granted	Grant Date	Vesting Date	Exercise Price (₹)	Fair Value at Grant Date (₹)
Praxis SVAR Plan - 2018	2,48,000	27-03-2019	*	176.00	67.38
Praxis SVAR Plan - 2018	1,14,750	27-03-2019	**	176.00	88.40
Praxis Employee Stock Option Plan -2021	12,05,000	27-01-2022	***	5.00	65.15

*Option can be Exercised within three years from the date of Vesting of Options.*

\* The options granted shall vest over a period of 3 years from the date of the grant (in the ratio of 40% in Year 1, 40% in Year 2 and 20% in Year 3) in the manner specified in the resolution passed by the NRC while granting the options.

\*\* The options granted shall vest over a period of 5 years from the date of the grant (in the ratio of 15% in Year 1, 15% in Year 2, 20% in Year 3, 20% in Year 4 and 30% in Year 5) in the manner specified in the resolution passed by the NRC while granting the options.

\*\*\* The options granted shall vest over a period of 3 years from the date of the grant (in the ratio of 40% in Year 1, 30% in Year 2 and 30% in Year 3) in the manner specified in the resolution passed by the NRC while granting the options.

**(b) Movement of Share Option**

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	75,500	3,62,750
Granted During the year	12,05,000	-
Expired /cancelled during the year	-	2,87,250
Exercised during the year	-	-
Outstanding at the end of the year	12,80,500	75,500
Exercisable at the end of the year	37,750	22,650

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,697 days (2021 : 1,585 days)

**(c) Fair Value on Grant Date**

The fair value on the grant date is determined using "Black Scholes Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.



Method and Assumptions used to estimate the fair value of options granted during the previous year:

Particulars	Praxis SVAR Plan - 2018		Praxis Employee Stock Option Plan - 2021
	For 3 year vesting period	For 5 year vesting period	For 3 year vesting period
Risk Free Interest Rate	6.83%	7.12%	5.72%
Expected Life	3.3 Years	5.85 Years	3.4 Years
Expected Volatility	46.10%	46.10%	55.94%
Dividend Yield	0.00%	0.00%	0.00%
Exercise Price	176.00	176.00	5.00

**(d) Compensation Expenses arising on account of the Share Based Payments**

₹ in lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Expenses arising from equity – settled share-based payment transactions	69.74	14.68

**32. Earnings Per Share (EPS)**

Statement of Calculation of Basic and Diluted EPS is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(Loss) for the year (Rs in Lakhs)	1,423.56	(10,322.15)
Weighted average number of Equity Share for Basic EPS	5,19,31,355	2,81,98,276
Nominal Value per Equity Share (Rs)	5/-	5/-
Earning/(Loss) per Equity Share - Basic (Rs)	2.74	(36.61)
Weighted average number of Equity Share for Diluted EPS	5,19,31,355	2,81,98,276
Nominal Value per Equity Share (Rs)	5/-	5/-
Earning/(Loss) per Equity Share - Diluted (Rs)	2.74	* (36.61)

\* In calculating diluted earning per share, Conversion of Compulsorily Convertible Debentures (CCDs) is not considered since the impact of the same is anti dilutive.

**33. Assets pledged as security for Exclusive and Paripassu charge**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Assets</b>		
<b>Non-Financial Assets</b>		
Property, Plant and Equipment	88.20	41.30
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade receivables	600.40	1,203.82
Cash and bank balances	649.30	482.46
Bank Balance other than Cash and Cash Equivalents above	3.31	3.31
Other financial assets	12,367.72	2,407.18
<b>Non-Financial Assets</b>		
Inventories	14,224.83	9,164.34
Other current assets	2,080.50	1,839.53
<b>Total assets pledged as security</b>	<b>30,014.26</b>	<b>15,141.94</b>

**34. Leases:-**

The Company has lease contracts for office, store premises and warehouses used in its operations, which has lease terms between 3 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company also has certain leases of offices, store premises and warehouses with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Company has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from April 1, 2019. This has resulted in recognizing a right of use assets an amount equal to the lease liability of Rs. 31,456.44 lakhs as at April 1, 2019.



(a) Carrying amounts of Lease assets recognised (₹ in lakhs)						
Particulars	March 31, 2022			March 31, 2021		
	Office Equipments	Buildings	Total	Office Equipments	Buildings	Total
Opening Balance	3,174.01	11,090.08	14,264.09	5,078.43	21,880.79	26,959.22
Additions	-	503.43	503.43	-	-	-
Deletions	-	(133.87)	(133.87)	-	(7,072.83)	(7,072.83)
Depreciation Expenses	(1,904.42)	(2,347.35)	(4,251.77)	(1,904.42)	(3,717.88)	(5,622.30)
Balance at the end of the year	1,269.59	9,112.29	10,381.88	3,174.01	11,090.08	14,264.09

(b) Carrying amounts of lease liabilities and the movements during the year (₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance (Buildings and Office Equipments)	16,406.07	28,747.35
Additions	503.43	-
Finance Charge accrued during the year	1,440.36	2,549.19
Payment of Lease Liabilities	(5,615.13)	(4,214.50)
Liabilities transferred to Vendor's Account	-	(2,734.76)
Deletions	(160.18)	(7,941.21)
Balance at the end of the year	12,574.56	16,406.07
Current	4,552.70	5,895.88
Non-current	8,021.86	10,510.19

The effective interest rate for lease liabilities is 10.15% as on 31 March 2022 (10.15% as on March 31, 2021)

(c) The following are the amounts recognised in statement of profit and loss (₹ in lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense of Lease assets	4,251.77	5,622.30
Interest expense on Lease liabilities	1,440.36	2,549.19
Expense relating to short term leases/Variable Lease Payments (included in Rent including Lease Rentals)	2,099.34	3,484.46
Fixed rentals	-	-
Total amount recognised in statement of profit and loss	7,791.48	11,655.95

(d) Covid-19 Related Rent Concessions :

The Ministry of Corporate Affairs vide notification dated July 24, 2020 and June 18, 2021, issued an amendment to Ind AS 116-Leases, by inserting a Practical Expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has elected to apply the Practical Expedient of not assessing the rent concessions as a lease modification for all the rent concession which are granted due to Covid-19 Pandemic and has recognized the impact of such rent concession in the Statement of Profit and Loss.

Accordingly rent concession of ₹ 2,778.19 lakhs and ₹4,979.51 lakhs for the year ended March 31, 2022 and March 31, 2021 respectively are accounted under the head other income.

(e) Following table provides information on the Company's variable Lease payments including the magnitude in relation to fixed payments (₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fixed rent	4,902.15	5,734.15
Variable rent with minimum payment	891.59	1,889.55
Variable rent only	1,188.55	1,549.22

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(f) Set out below are future rental payments in respect of lease for Premises, Stores and Warehouses are as follows:- ₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
The total future minimum lease rent payable at the Balance Sheet date :		
- For a period not later than one year	4,552.70	5,895.88
- For a period later than one year and not later than 5 years	8,822.39	12,496.06
- For a period later than five years	5,457.65	7,858.09



Notes annexed to and forming part of the financial statements

**35. Segment Reporting**

The Company is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment & as such there is no separate reportable segment. Presently the company's operations are predominantly confined in India.

**36. Disclosure under Micro, Small and Medium Enterprise Development Act, 2006**

Particulars	March 31, 2022	March 31, 2021
Principal amount due to suppliers as at the year end	2,272.16	1,404.56
Interest accrued, due to suppliers on the above amount, and unpaid as at the year end	45.59	33.77
Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of Interest due and payable for the period of delay in making the payment, which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act	45.59	33.77
Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers	45.59	33.77
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED	45.59	33.77

**37. Income Tax Expense**

**(i) Income Tax recognised in Statement of Profit and Loss**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Income Tax expense</b>		
Current Tax	-	-
Deferred Tax :		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Earlier Year's Tax	-	(1.37)
Income Tax relating to Other Comprehensive Income	-	-
<b>Total Income Tax Expense/(Income)</b>	-	(1.37)

**(ii) Reconciliation of Tax Expenses**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(Loss) before tax	1,423.56	(10,323.52)
Applicable Tax Rate	26.00%	26.00%
Tax at the Indian tax rate	370.13	(2,684.11)
<b>The effect of amounts which are not deductible in calculating taxable income</b>		
Expenses not allowed for tax purposes	192.64	486.48
Utilisation of bought forward losses	(562.77)	-
Business loss on which no deferred tax asset is recognized	-	2,197.63
Earlier year's tax	-	1.37
Reversal of Deferred Tax asset recognised during the previous years	-	-
Tax Expense charged to the Statement of Profit and Loss	-	1.37

**(iii) Amount on which Deferred Tax Assets not Recognised**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unused Tax Losses	29,002.67	32,313.94
<b>Deferred Tax Assets</b>	<b>7,540.69</b>	<b>8,401.62</b>



(iv) Year wise expiry of such losses as at March 31, 2022 is as under:

(₹ in Lakhs)	
Particulars	As at March 31, 2022
Expiring within 1 year	6,256.98
Expiring within 1 to 5 years	6,531.48
Expiring within 5 to 8 years	15,759.10
Without expiry limit	455.11
<b>Total</b>	<b>29,002.67</b>

(v) Components of Deferred Tax Assets

(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets on account of :</b>		
Unabsorbed brought forward losses	7,540.69	8,401.62
Property plant and Equipment	(22.22)	11.29
Provisions	(15.43)	(12.77)
<b>Closing balance</b>	<b>7,503.04</b>	<b>8,400.14</b>

38. Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - Statement of cash flows

(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Long term Borrowings</b>		
Opening Balance (A)	1,643.34	499.73
Availed during the year (B)	-	1,098.64
Transferred to current maturities (C)	819.38	-
<b>Changes in Fair Value</b>		
- Impact of Effective Rate of Interest (D)	-	44.97
- Impact of fair value measurement (E)	-	-
<b>Closing Balance (F = A + B - C + E + F)</b>	<b>823.96</b>	<b>1,643.34</b>
<b>Short term Borrowings</b>		
Opening Balance (A)	6,984.46	8,669.62
- Current		
Availed during the year (B)	1,750.00	2,100.00
Repaid During the year (C)	2,181.88	3,302.69
Transferred (D)	-	482.47
Transferred from current maturities (E)	819.38	-
<b>Changes in Fair Value</b>		
- Impact of Effective Rate of Interest (F)	49.00	-
- Impact of fair value measurement (G)	-	-
<b>Closing Balance (H = A + B - C - D + E + F + G)</b>	<b>7,420.96</b>	<b>6,984.46</b>
<b>Interest Expenses</b>		
Opening Interest accrued on borrowings (A)	82.55	121.42
Interest Expense (B)	2,302.79	3,422.57
Closing Interest accrued on borrowings (C)	67.14	82.55
<b>Changes in Fair Value</b>		
- Impact of Effective Rate of Interest (D)	49.00	44.97
<b>Interest paid (F = B + A - C - D)</b>	<b>2,269.20</b>	<b>3,416.47</b>

39. Unclaimed Fractional Share Money

Pursuant to the Composite Scheme of Arrangement as stated above, the Company had appointed a Trustee M/s Anant Gude & Associates, to deal with the fractional shares of the Company. The total number of fractional shares worked out to 17,061 equity shares. Accordingly, on April 4, 2018 the Trustee sold 17,061 equity shares for a total value of ₹ 35.47 Lakhs. As per the certificate received from the Trustee, out of the total warrants issued towards disbursement of amount pertaining to fractional shares, ₹ 3.31 Lakhs of the value is still pending to be claimed by the shareholders. The balance amount has been shown as current financial liability in the financial statements.



**40. Related Party Disclosure :**

As per Ind AS – 24 “Related Party Disclosure” the Company’s related parties and transactions with them in the ordinary course of business are disclosed below:

**(a) Parties where control exists :**

(i) Holding Company till October 11, 2021	Future Corporate Resources Private Limited
(ii) Investing Party w.e.f. October 12, 2021	Future Corporate Resources Private Limited
(iii) Person having influence over Holding Company/Investing Party	Shri Kishore Biyani

**(b) Other related parties where transactions have taken place during the year**

(i) Enterprises over which Companies/individual described in (a) have control/significant influence	1. Future Retail Limited
	2. Future Lifestyle Fashions Limited
	3. Future Generali India Insurance Company Limited
	4. U2L Learning Solutions Limited (f.k.a. Future Sharp Skills Limited)
	5. Future Supply Chain Solutions Limited
	6. Future Enterprises Limited
	7. Future Market Networks Limited
	8. Future Consumer Limited
	9. Future Brands Limited
	10. Nufuture Digital (India) Limited
	11. City Centre Mall Nashik Private Limited
	12. Future Coupons Limited
	13. Surplus Finvest Private Limited
	14. Future Brands Limited
	15. Future Media (India) Limited
	16. Future Ideas Company Limited

**(c) Key Management Personnel :**

Mr. Sandeep Sharma (CEO) from April 6, 2021 up to May 31, 2021  
 Mr. Mahesh Shah (Managing Director) w.e.f May 5, 2021  
 Mr. Vikash Kabra (Dy. Chief Financial Officer) upto January 27, 2022  
 Mr. Samir Kedia (Chief Financial Officer) w.e.f. January 27, 2022  
 Ms. Smita Chowdhury (Company Secretary and Compliance Officer)



1. Transaction with Related Parties				
(₹ in Lakhs)				
Nature of Transactions	Holding Company (upto October 11, 2021)	Investing Party (w.e.f October 12, 2021)	Enterprises over which Companies/individual described in (a) have control/significant influence	Key Management Personnel
Purchases	-	-	2,630.06	-
	-	-	(4,967.44)	-
Sales	-	-	133.27	-
	-	-	(26.20)	-
Sale of Gift Voucher**	-	-	550.00	-
	-	-	-	-
Sale of Entitlements	-	-	500.00	-
	-	-	-	-
Other Income	-	-	335.15	-
	-	-	-	-
Covid-19 Related Rent Concessions	-	-	2,060.96	-
	-	-	(3,209.28)	-
Covid-19 Related Other Concessions	-	-	2,480.00	-
	-	-	-	-
Advertisement and Marketing Expenses	-	-	-	-
	(38.59)	-	-	-
Rent including Lease Rentals	-	-	3,937.37	-
	-	-	(5,274.22)	-
Other Expenses	-	-	90.09	-
	-	-	(372.49)	-
Insurance Premium	-	-	43.07	-
	-	-	(112.55)	-
Interest Expenses	18.05	2.07	207.30	-
	(11.80)	-	(33.81)	-
Inter-Corporate Deposit - Taken	-	-	1,750.00	-
	(400.00)	-	(1,700.00)	-
Inter-Corporate Deposit - Repaid	-	300.00	1,600.00	-
	(100.00)	-	(200.00)	-
Conversion of Compulsorily Convertible Debentures into Equity Shares	1,405.00	-	-	-
	(2,915.00)	-	-	-
Claim for recovery of damages	-	-	1,635.13	-
	-	-	-	-
Assignment of Liability	-	-	130.97	-
	-	-	-	-
Liabilities Transferred	-	-	-	-
	-	-	(482.26)	-
Expenses incurred in behalf of related parties/Debit note raised	-	-	122.99	-
	-	-	(215.96)	-
Remuneration to Key Managerial Personnel and Directors *	-	-	-	349.77
	-	-	-	(199.70)
<b>Closing Balance as on March 31, 2022</b>				
Security Deposit Receivable	-	-	10,149.74	-
	-	-	(10,149.74)	-
Trade Payable/Other Payable	-	-	7,564.65	-
	-	-	(9,380.86)	-
Advance given	-	-	341.43	-
	(100.56)	-	(348.38)	-
Inter-Corporate Deposit - Taken (including interest accrued)	-	-	1,682.61	-
	(309.86)	-	(1,531.27)	-



\* Remuneration does not include post-employment benefits, as they are determined on an actuarial basis for the Company as a whole.

\*\* Shown as Other Current Liability (Refer Note 20).

Note: Previous year figures are given in parenthesis.

## 2. Significant Related Party Transactions

A. Purchases includes purchase from Future Retail Limited ₹ 194.87 lakhs (2021: ₹ 76.58 lakhs) & Freight, C&F and Warehousing services includes payment to Future Supply Chain Solutions Limited ₹ 2,435.19 lakhs (2021: ₹ 4,890.86 lakhs).

B. Sales includes sale to Future Retail Limited ₹ 133.26 lakhs (2021: ₹ 26.20 lakhs)

C. Sale of entitlements income from Future Coupons Limited ₹ 500.00 lakhs (2021 : ₹ Nil)

D. Other Income (includes margin claim income) from Future Retail Limited ₹335.15 lakhs (2021 : ₹ Nil)

E. Advertisement and Marketing expenses paid/payable to Future Corporate Resources Private Limited ₹ Nil (2021: ₹ 38.59 lakhs)

F. Rent including Lease rentals includes amount paid/payable to Future Lifestyle Fashions Limited ₹ 860.48 lakhs (2021: ₹ 2,052.49 lakhs), Future Retail Limited ₹ 545.49 lakhs (2021: ₹ 791.80 lakhs), Future Market Networks Limited ₹ 174.92 lakhs (2021: ₹ 331.93 lakhs), City Centre Mall Nashik Pvt. Ltd. ₹ 52.48 lakhs (2021: ₹ 34.60 lakhs) and Future Enterprises Limited ₹ 2,304.00 lakhs (2021: ₹ 2,304.00 lakhs).

G. Claim for recovery of damages include claim made to Future Supply Chain Solutions Limited ₹1,635.13 lakhs (2021 : ₹ Nil).

H. Covid-19 Related Rent Concessions includes from Future Lifestyle Fashions Limited ₹ 232.13 lakhs (2021: ₹ 1,131.32 lakhs), Future Retail Limited ₹ 100.84 lakhs (2021: ₹ 349.95 lakhs), Future Enterprises Limited ₹ 1,728.00 lakhs (2021: ₹ 1,728.00 lakhs) and Future Market Networks Limited ₹ Nil (2021: ₹ 240.60 lakhs ).

I. Covid-19 Related Other Concessions includes from Future Supply Chain Solutions Limited ₹ 2,480.00 lakhs (2021 : ₹ Nil).

J. Other Expenses includes amount paid/payable to U2L Learning Solutions Limited (f.k.a Future Sharps Skills Limited) ₹ 57.31 lakhs (2021: ₹ Nil), Nufuture Digital (India) Limited ₹ Nil (2021: ₹ 16.19 lakhs), Future Lifestyle Fashions Limited ₹ Nil (2021: ₹ 157.96 lakhs), Future Media (India) Limited ₹ Nil (2021: ₹ 1.09 lakhs), City Centre Mall Nashik Pvt. Ltd. ₹ 30.36 lakhs (2021: ₹ 27.52 lakhs).

K. Insurance Premium paid to Future Generali India Insurance Company Limited ₹ 43.07 lakhs (2021: ₹ 112.55 lakhs)

L. Interest expenses include interest paid/payable to Future Corporate Resources Private Limited ₹ 20.12 lakhs (2021: ₹ 11.80 lakhs), Surplus Finvest Private Limited ₹ 207.30 lakhs (2021 : ₹ 33.81 lakhs)

M. Inter-Corporate Deposit Taken from Future Corporate Resources Private Limited ₹ Nil (2021: ₹ 400.00), Surplus Finvest Private Limited ₹ 1,750.00 lakhs (2021 : ₹ 1,700.00 lakhs)

N. Inter-Corporate Deposit Repaid to Future Corporate Resources Private Limited ₹ 300.00 lakhs (2021: ₹ 100.00 lakhs), Surplus Finvest Private Limited ₹ 1,600.00 lakhs (2021 : ₹ 200.00 lakhs)

O. Conversion of Compulsorily Convertible Debentures into Equity Shares, issued to Future Corporate Resources Private Limited ₹ 1,405.00 lakhs (2021: ₹ 2,915.00 lakhs)

P. Managerial Remuneration includes Mr. Viraj Didwania ₹ Nil (2021: ₹ 135.89 lakhs), Mr. Mahesh Shah ₹ 258.65 lakhs (2021 : ₹ Nil), Mr. Sandeep Sharma ₹ 8.20 lakhs (2021 : ₹ Nil), Mr. Samir Kedia ₹ 26.96 lakhs (2021: ₹ Nil), Mr. Anil Chandak ₹ Nil (2021: ₹ 34.18 lakhs) , Ms. Smita Chowdhury ₹ 14.62 lakhs (2021: ₹ 9.86 lakhs) and Mr. Vikash Kabra ₹ 23.02 lakhs (2021: ₹ 2.33 lakhs) & Director Sitting fees paid to Mr.Sarda Shrirang Kisanlal ₹ 3.40 lakhs (2021: ₹ 3.60 lakhs), Mr. Jacob Mathew ₹ 5.20 lakhs (2021 : ₹ Nil), Mr. Harminder Sahni ₹ 4.40 lakhs (2021 : ₹ Nil), Ms. Anou Singhvi ₹ 2.70 lakhs (2021 : ₹ Nil), Ms. Avni Biyani ₹ 2.10 lakhs (2021 : ₹ Nil), Ms. Sridevi Badiga ₹ 0.50 lakhs (2021: ₹ 0.60 lakhs), Mr. Shantanu Chandravadan Shah ₹ Nil (2021: ₹ 4.00 lakhs), Mr. Pankaj Bhargava ₹ Nil (2021: ₹ 4.74 lakhs) & Mr.S.Subramanian ₹ Nil (2021: ₹ 4.50 lakhs).

Q. Security Deposit receivable from Future Enterprises Limited, amounting to ₹ 10,100.00 lakhs (2021: ₹ 10,100.00 lakhs) and Future Market Network Limited, amounting to ₹ 49.74 lakhs (2021: ₹ 49.74 lakhs).

R. Trade Payables/Other Payable includes payable to Future Supply Chains Solutions Limited of ₹ 2,612.61 lakhs (2021: ₹ 5,888.20 lakhs), Future Lifestyle Fashions Limited ₹ 2,123.58 lakhs (2021: ₹ 1,704.93 lakhs), Future Retail Limited ₹ 670.26 lakhs (2021: ₹ 385.08 lakhs), Future Enterprises Limited ₹ 1,724.16 lakhs (2021 : ₹ 1,148.16 lakhs), Future Market Networks Limited ₹ 280.61 lakhs (2021: ₹117.32 lakhs) and Nufuture Digital (India) Limited of ₹ 112.87 lakhs (2021: 112.87 lakhs).

S. Inter-Corporate Deposit Taken (including Interest accrued) Outstanding from Future Corporate Resources Private Limited ₹ Nil (2021: ₹ 309.86 lakhs), Surplus Finvest Private Limited ₹ 1,682.61 lakhs (2021: ₹ 1,531.27 lakhs)

T. Advances given includes Advances to Future Enterprises Limited ₹ 331.97 lakhs (2021 : ₹ 339.62 lakhs:) and Future Corporate Resources Private Limited ₹ Nil (2021 : ₹ 100.56 lakhs).



**41. Payment to the Auditors (excluding GST)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
For Statutory Audit	22.00	22.00
For Limited Review	9.00	9.00
For Certifications	12.50	-
<b>Total</b>	<b>43.50</b>	<b>31.00</b>

**42. Contingent Liabilities**

(i) The Company has not provided for Income Tax demand of ₹ 113.80 lakhs (2021: ₹113.80 lakhs) which is pending before CIT Appeals.

(ii) On November 27, 2020, The Company has received demand notice from the Directorate General of Anti Profiteering department wherein the department has stated that the Company has contravened the provisions of Section 171(1) of the Central Goods and Service Tax Act, 2017 and the benefit of the rate reduction in GST from 28% to 18% was not passed on to the recipients by increasing the base price of the products. As per the report the total amount of profiteering covered for the period 15.11.2017 to 30.09.2019 has been worked out to ₹ 368 Lakhs. The Company has submitted its reply on January 18, 2021 to National Anti-Profiteering Authority (GST). The Company was granted personal hearing in the matter by National Anti-Profiteering Authority (GST) on April 7, 2022. Pursuant to the said hearing, the Company has submitted its reply vide letter date April 12, 2022 to emphasize the fact that the benefit of GST rate change was duly passed on to the customers. Final order is awaited in this regard.

(iii) On April 12 2021, the Company received a notice from its vendor wherein the party filed an application under IBC Code with NCLT towards alleged non-payment of its dues (including interest) ₹ 100.65 lakhs, however the total outstanding as per the Company books amounts to ₹ 0.83 lakhs. The matter is sub judice. The next hearing is scheduled on June 23, 2022.

**43.** Costs of warranty include the cost of labour, material and related overhead necessary to repair a product during the warranty period. The Company has deployed an in-house staff for to repair the products under warranty period. The Company being a trader have back to back warranty agreements with the parties for all the products it sales. Further the Company's cost on stores and spares based on the actual expenses incurred itself is not material and is further insignificant related to products which are under warranty period of more than one year. Hence the Company does not make any provision for warranties in accordance with in accordance with Ind AS 37 and expense out the cost on an actual basis.

**44.** The entire network of the Company has been eroded due to losses incurred in the previous years and its current liabilities exceed its current assets which indicate a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern. The Company has already raised Equity Capital through rights issue to improve its net worth. Further the Company is committed to improve its operational efficiency and has taken various initiatives to boost sales and reduce cost. These initiatives are already yielding desired results and the management is confident that the network will turn positive in the near future and yield sustainable cash flows to meet all its obligations. Accordingly, the financials of the Company have been prepared on a going concern basis.

**45.** During the year ended March 31, 2022, the Company converted the balance 1,405 Compulsorily Convertible Debentures (CCDs) at a face value of ₹ 1,00,000 each amounting to ₹ 1,405 Lakhs into 13,25,471 Equity shares at an issue price of ₹ 106 per share (including share premium of ₹ 101 per share) amounting to ₹ 1,405 Lakhs. Accordingly the equity share capital and securities premium has been increased by ₹ 66.27 Lakhs and ₹ 1,338.73 Lakhs respectively.

**46.** The Company in its Letter of Offer dated September 9, 2021 offered 4,35,99,433 Equity shares by way of rights issue at a face value of Rs. 5 each and a price of Rs. 11.35 per equity share (including a premium of Rs 6.35 per equity share). The issue opened on September 21, 2021 and closed on October 5, 2021. The Rights Issue received a gross subscription of 206.69% of the issue size. The Company allotted 4,35,99,433 equity shares of face value of Rs. 5 each on the basis of allotment approved by Committee of Directors of the Board of Directors of the Company on October 12, 2021, aggregating to Rs. 4,948.54 Lakhs including Securities Premium of Rs. 2,768.56 Lakhs. There has been no deviation in the use of proceeds of the Rights Issue from the objects stated in the Letter of Offer.



47. The current financial year has been a challenging year for our business. The year began amidst a strict lockdown post the emergence of the Coronavirus (Covid-19) towards the end of the last financial year. The economy gradually opened post June 2021 and the second half of the year was progressing towards recovery. However, a much stronger wave of Covid-19 infections hit the country towards the end of current financial year and has once again resulted in significant disruption to our business as several cities and towns have announced restrictions. As of now, the company believes this pandemic may not impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimise the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

#### 48. Other Statutory informations

i. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ii. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

iii. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

iv. As per Section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.

v. During the year the company is not declared wilful defaulter by any bank or financial institution or other lender.

#### 49. Ratio Analysis

Particulars	*	March 31, 2022	March 31, 2021
i) Current Ratio (times)	(4)	0.94	0.45
ii) Debt Equity Ratio (times)	(5)	107.68	(1.35)
iii) Debt Service Coverage Ratio (times)	(1)	1.16	(0.19)
iv) Return on Equity (%)	(1)	-45.00%	-778.27%
v) Inventory Turnover Ratio (times)	(2)	2.03	1.61
vi) Trade Receivables Turnover Ratio (times)	(2)	2.64	1.35
vii) Trade Payables Turnover Ratio (times)	(3)	3.87	2.24
viii) Net Capital Turnover Ratio (times)	(6)	(22.59)	(1.70)
ix) Net Profit Margin (%)	(1)	3.57%	-32.97%
x) Return on Capital Employed (%)	(1)	44.78%	-310.28%
xi) Return on Investment		NA	NA

Ratios have been computed as under:

i) Current Ratio = Current Assets / Current Liabilities

ii) Debt Equity Ratio = Total Debt / Shareholders' Equity

iii) Debt Service Coverage Ratio = Earnings available for debt service / Debt service

iv) Return on Equity = Net Profit after tax / Average Shareholders' Equity

v) Inventory Turnover Ratio = COGS / Average Inventory

vi) Trade Receivables Turnover Ratio = Net Credit Sales / Average Receivables

vii) Trade Payables Turnover Ratio = Total Purchases / Average Payables

viii) Net Capital Turnover Ratio = Net Sales / Working Capital

ix) Net Profit Margin = Net Profit after tax / Net Sales

x) Return on Capital Employed = EBIT / Capital Employed

xi) Return on Investment = Income generated from investment / Average investments



- \*(1) Improvement was primarily on account of achievement of profitability in FY21-22.  
 (2) Improvement was primarily on account of increase in revenue from operations.  
 (3) Improvement was primarily on account of increase in purchase of stock-in-trade and decrease in trade payables.  
 (4) Improvement was primarily on account of increase in current assets and decrease in current liabilities.  
 (5) Increase in the ratio was primarily on account of decrease in debt and significant increase in shareholders' equity.  
 (6) Improvement was primarily on account of increase in operational revenue and decrease in working capital.

#### 50. Previous year figures

Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's presentation.

As per our report of even date attached

**For Pathak H. D. & Associates LLP**

Chartered Accountants

Firm Registration No. 107783W/W100593

*J T Shah*

**Jigar T. Shah**

Partner

Membership No.: 161851



Mumbai

May 14, 2022

**For and on behalf of Board of Directors**

*MSH*  
**Manesh Shah**

Managing Director

DIN:01488017

*Samir Kedia*

**Samir Kedia**

Chief Financial Officer

*H S Sahni*  
**Harinder Sahni**

Independent Director

DIN: 00576755

*Smita Chowdhury*

**Smita Chowdhury**

Company Secretary & Compliance Officer



## MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, non circumstances have arisen since March 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

### **Non redemption of Preference Shares issued by the Company:**

Pursuant to the Order passed by the Mumbai Bench of National Company Law Tribunal, (“NCLT”) dated November 10, 2017, a Composite Scheme of Arrangement was executed between Future Retail Limited (“FRL”), Bluerock eServices Private Limited (“Bluerock”), Praxis Home Retail Limited (“Praxis” or “the Company”) and their respective shareholders.

As per the clause 16 of the said order, as a consideration the Company has issued 6,30,000 (Six Lakhs Thirty Thousand only) 9% Redeemable Preference Shares of ₹100 each to the member of Bluerock as on the record date for a period of 60 Months from the date of allotment. Consequently, the Company has issued and allotted 6,30,000 (Six Lakhs Thirty Thousand only) 9% Redeemable Preference Shares of ₹100 each to Future Enterprises Limited (“FEL”), being the member of Bluerock on December 08, 2017 which are due for redemption on December 07, 2022.

Further, proviso to section 55 of the Companies Act, 2013 specifies that the Preference Shares shall be redeemed out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption.

Because of the Non-availability of profit, the Company was not able to redemption the said preference shares due for redemptions and the same has been categorised as unredeemed preference shares in the financial statements of the Company

Except as set out below, we declare and confirm that there have been no adverse events that have occurred in the last one year which have affected the operations of the Company:

### **The National Company Law Tribunal Order under the Insolvency and Bankruptcy Code, 2016**

Under section 9 of Insolvency and Bankruptcy Code 2016 (“IBC”), a petition has been filed by M/s. Konzept Interiors, operational creditor of the Company on April 17, 2021 under section 9 of IBC. The matter has been put up with Mumbai Bench V and several hearings were done on different dates, but the matter is still pending before the NCLT.

*[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]*

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Limited Review Unaudited Financial Results and Audited Financial Information. For details see “Financial Statements” on page 75.

### Accounting Ratios

Particulars	Based on Unaudited Financial Results <sup>#</sup>	Based on Unaudited Financial Results <sup>#</sup>	Based on Audited Financial Statements	Based on Audited Financial Statements
	For the nine month period ended December 31, 2022 <sup>^</sup>	For the nine month period ended December 31, 2021 <sup>^</sup>	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Basic earnings per share (₹)	(1.12)	2.70	2.74	(36.61)
Diluted earnings per share (₹)	(1.12)	2.70	2.74	(36.61)
Return on Net Worth (%) <sup>*</sup>	(9.54)	(14.38)	(17.78)	(71.60)
Net Asset Value per Equity Share (₹)	(11.75)	(11.03)	(10.63)	(47.45)
EBITDA (₹ in lakhs)	1,325.20	6,140.06	8,015.69	(1,222.11)

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable / Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Net Profit/(Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ Net worth at the end of the period / year.
Net asset value per Equity Share	Net Worth divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Net Profit/(Loss) for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss.

### Calculation of Return of Net Worth

*(In ₹ lakh, unless otherwise specified)*

Particulars	For the nine month period ended December 31, 2022 <sup>#</sup>	For the nine month period ended December 31, 2021 <sup>#</sup>	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit/ (Loss) after Tax (before OCI) (A)	(844.15)	1,194.40	1,423.56	(10,322.15)
Net Worth (B)	(8,845.57)	(8,303.33)	(8,005.70)	(14,416.27)
Return of Net Worth (A/B) (%) <sup>^</sup>	(9.54)	(14.38)	(17.78)	(71.60)

### Calculation of Net asset value per Equity Share

*(In ₹ lakh, unless otherwise specified)*

Particulars	As at December 31, 2022 <sup>#</sup>	As at December 31, 2021 <sup>#</sup>	As at March 31, 2022	As at March 31, 2021
Net Worth (A) (₹ in lakhs)	(8845.57)	(8,303.33)	(8,005.70)	(14,416.27)

No. of Shares (B)* (in numbers)	7,53,08,112	7,53,08,112	7,53,08,112	3,03,83,208
Net Assets Value [(A x 100,000) / B]	(11.75)	(11.03)	(10.63)	(47.45)

#unaudited subject to limited review

#### Calculation of EBITDA

(In ₹ lakh, unless otherwise specified)

Particulars	For the nine month period ended December 31, 2022 <sup>#</sup>	For the nine month period ended December 31, 2021 <sup>#</sup>	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit / (Loss) after Tax	(844.15)	1,194.40	1,423.56	(10,322.15)
Add: Taxes	-	-	-	(1.37)
Add: Interest	1,623.52	1,740.61	2,302.79	3,422.57
Add: Depreciation	2,270.02	3,205.06	4,289.34	5,678.84
Less: Exception Item	(1,724.16)	-	-	-
EBITDA	1,325.23	6,140.06	8,015.69	(1,222.11)

#unaudited subject to limited review

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 75.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 16 and 13, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards like IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, (i) the financial information for Financial Year 2022 included herein is based on the Audited Financial Statements and (ii) Unaudited Financial Results of our Company for the nine-month period ended December 31, 2022 included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 75.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "India Home Furniture Market 2022-2028" dated March 30, 2023 prepared and released by Mordor Intelligence Private Limited. Certain data in this Letter of Offer is based on reports prepared by third party sources and management estimates. Neither we, nor the Lead Manager, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and Other Information – Market and Industry Data" beginning on page 11.*

### OVERVIEW OF OUR BUSINESS

Our Company operates brick and mortar stores of home furniture and home fashion in the brand name of "HomeTown" and caters to home retail segment in India. This retail format brings together under one roof, a wide range of furniture (both office and home furniture), home furnishing goods, kitchenware, other home related accessories and quality services including complete home design, modular kitchen among others, giving customers a great in-store experience. In addition, an exciting range of accessories, such as clocks, wall hangings and décor make it a complete one stop shop for all home needs. As on March 31, 2023, HomeTown has a pan India presence with 33 stores, across 24 cities in India. Our Company also operates a web portal for online sale of our products through the website [www.hometown.in](http://www.hometown.in) and also has its presence on the major e-commerce market places in India through which our Company sells a wide range of products across furniture, furnishings, décor, tableware and kitchenware.

### SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 16. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Factors affecting the home retail industry;
- Increasing competition in the Industry, our business is competitive, and our success is dependent upon our ability to compete against others, including some that have greater resources than we have;
- Our Ability to attract New Customers, Retain Existing Customers and Increase Repeat Purchases;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Our Ability to Attract and Maintain Brand Relationships and Manage Our Mix of Product Offerings
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

### SIGNIFICANT ACCOUNTING POLICIES

For details about our key significant accounting policies, see section titled "Financial Information" on page 75.

### CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “Financial Information” on page 75, there has been no change in accounting policies during the nine months’ period ended December 31, 2022 and during the Fiscal ended March 31, 2022.

## RESERVATIONS, QUALIFICATIONS, MATTER OF EMPHASIS, ADVERSE REMARKS / OTHER OBSERVATIONS IN CARO

The following is the summary of qualifications/ reservation /emphasis of matters/ adverse remarks / other observations in Companies Auditor's Report Order (CARO), 2020, (as applicable) during the nine-month period ended December 31, 2022 and for the Fiscal ended March 31, 2022:

Financial Period	Qualifications / Reservation /Matter of Emphasis/ Adverse Remarks/ Other Observations in CARO																				
For the nine period ended December 31, 2022	<p>We draw attention to Note no. 4 of the Statement which states that the Company's net worth is eroded due to losses incurred during the period as well as in previous years which indicate a material uncertainty that may cast a doubt on the company's ability to continue as a going concern. However, the accounts are prepared on a going concern basis for the reasons stated in the aforesaid note. Our conclusion on the Statement is not modified in respect of this matter.</p> <p>We draw attention to Note no. 7 of the Statement, as regards to the management evaluation of impact of COVID-19 on the future performance of the Company. Our conclusion on the Statement is not modified in respect of this matter.</p>																				
For the year ended March 31, 2022	<p><b>Material Uncertainty Related to Going Concern</b></p> <p>We draw attention to Note 44 of the financial statements, wherein the Company’s net worth is eroded due to losses incurred during the year as well as previous year, which indicate a material uncertainty exists that may cast a significant doubt on the Company’s ability to continue as a going concern. However, for the reasons more fully described in the aforesaid note the accounts of the Company have been prepared as a Going Concern. Our opinion is not modified in respect of this matter.</p>																				
	<p><b>Emphasis of Matter</b></p> <p>We draw attention to Note 47 of the financial statements, as regards to the management evaluation of impact of COVID–19 on the future performance of the Company. Our opinion is not modified in respect of this matter.</p>																				
	<p><b>Under CARO 2020</b></p> <p><b>vii(c):</b> According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax, sales tax, customs duty, excise duty and value added tax as at March 31, 2022 which have not been deposited on account of a dispute except for income tax dues for the following:</p> <table><tr><th>Name of the statute</th><th>Nature of Dues</th><th>Amount (₹ in Lakhs)</th><th>Period to which it relates</th><th>Forum where the dispute is pending</th></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>34.13<sup>1</sup></td><td>AY 2018-19</td><td>CIT (Appeals), Mumbai</td></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>50.72<sup>2</sup></td><td>AY 2019-20</td><td>CIT (Appeals), Mumbai</td></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>28.96<sup>3</sup></td><td>AY 2020-21</td><td>CIT (Appeals), Mumbai</td></tr></table> <p><i>Includes <sup>1</sup> ₹6.82 Lakhs, <sup>2</sup> ₹10.14 Lakhs and <sup>3</sup> ₹5.79 lakhs paid by our Company is under protest.</i></p>	Name of the statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where the dispute is pending	Income Tax Act, 1961	Income tax	34.13 <sup>1</sup>	AY 2018-19	CIT (Appeals), Mumbai	Income Tax Act, 1961	Income tax	50.72 <sup>2</sup>	AY 2019-20	CIT (Appeals), Mumbai	Income Tax Act, 1961	Income tax	28.96 <sup>3</sup>	AY 2020-21	CIT (Appeals), Mumbai
Name of the statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where the dispute is pending																	
Income Tax Act, 1961	Income tax	34.13 <sup>1</sup>	AY 2018-19	CIT (Appeals), Mumbai																	
Income Tax Act, 1961	Income tax	50.72 <sup>2</sup>	AY 2019-20	CIT (Appeals), Mumbai																	
Income Tax Act, 1961	Income tax	28.96 <sup>3</sup>	AY 2020-21	CIT (Appeals), Mumbai																	

## PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

## ***Income***

Our Income comprises of:

### ***Revenue from operations***

Revenue from operations comprises of revenue from sale of products and revenue from other operating income which includes commission income, income from sale of scrape, income from sale of entitlements and other income.

### ***Other Income***

Other income primarily comprises of certain non-recurring income such as covid-19 related rent and other concessions, recovery from damages, liabilities written back, excess lease liabilities written back, Interest on Income Tax refund and other miscellaneous income.

### ***Expenses***

Our expenses primarily comprise purchase of stock in trade, changes in inventories of stock-in-trade, employee benefit expenses, rent expense including lease rentals, finance costs, depreciation and amortization expenses and other expenses.

### ***Purchase of stock-in-trade***

The purchase of stock-in-trade comprises of purchase of finished goods.

### ***Changes in inventories of stock-in-trade***

Changes in inventories of stock-in-trade comprises of difference in closing balance *vis-a-vis* opening balance of stock in trade.

### ***Employee benefit expense***

Employee benefit expense consists of salaries, wages, bonus, contribution to provident fund & other funds, employee stock option expense and staff welfare expenses.

### ***Rent including lease rentals***

Rent including lease rentals comprises of expenses on account of lease contracts for office, store premises and warehouses used in our operations, which has lease terms between nine and thirty years.

### ***Finance costs***

Finance cost comprises of interest on borrowings, unwinding interest on lease liabilities, unwinding interest on Financial Instrument at amortised cost and other finance cost.

### ***Depreciation and Amortization Expense***

Depreciation and amortization expense comprise of depreciation expense of lease assets, plant and equipment, furniture & fixture, office equipment, computers.

### ***Other expenses***

Other expenses comprise of expenses related to power and fuel, repairs and maintenance, insurance, rates and taxes, travelling and conveyance, advertisement and marketing, inventory shrinkage/damage, provision for obsolete inventory and shrinkage, legal and professional, balances with government authorities written off excluding reversal of provision of doubtful advances, inventory scrapped excluding reversal of provision for slow moving inventory, loss on foreign currency translation/transactions, subvention and credit card charges and

miscellaneous expenses.

### ***Tax expenses***

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax charge / (credit) is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

### **Results of our Operations**

The following table sets forth certain information with respect to our results of operations for the periods indicated:

#### **Nine-month period ended December 31, 2022 compared to nine-month period ended December 31, 2021**

(₹ in lakhs)

	<b>Particulars</b>	<b>Nine-month period ended December 31, 2022</b>	<b>% of total income</b>	<b>Nine-month period ended December 31, 2021</b>	<b>% of total income</b>
<b>1.</b>	<b>Income</b>				
	Revenue from operations	31,469.99	94.37	29,169.16	83.62
	Other Income	1,879.15	5.63	5,712.69	16.38
	<b>Total income</b>	<b>33,349.14</b>	<b>100%</b>	<b>34,881.85</b>	<b>100%</b>
<b>2.</b>	<b>Expenses</b>				
	a) Purchase of Stock in trade	13,754.22	41.24	22,309.35	63.96
	b) Changes in inventories of stock-in-trade	5,616.09	16.84	(5,091.86)	-14.60
	c) Employee benefits expense	4,831.61	14.49	4,861.89	13.94
	d) Rent including Lease Rental	1,571.16	4.71	1,518.20	4.35
	e) Finance Costs	1,623.52	4.87	1,740.61	4.99
	f) Depreciation and Amortisation	2,270.02	6.81	3,205.06	9.19
	g) Other Expenses	6,250.83	18.74	5,144.20	14.75
	<b>Total expenses</b>	<b>35,917.45</b>	<b>107.70</b>	<b>33,687.45</b>	<b>96.58</b>
<b>3.</b>	<b>Profit/(Loss) before exceptional items and Tax</b>	<b>(2,568.31)</b>	<b>-7.70</b>	<b>1,194.40</b>	<b>3.42</b>
<b>4.</b>	<b>Exceptional Items</b>	<b>1,724.16</b>	<b>5.17</b>	<b>-</b>	<b>-</b>
<b>5.</b>	<b>Profit/(Loss) before Tax and after exceptional items</b>	<b>(844.15)</b>	<b>-2.53</b>	<b>1,194.40</b>	<b>3.42</b>
<b>6.</b>	<b>Tax Expenses</b>	<b>-</b>		<b>-</b>	
<b>7.</b>	<b>Net Profit/(Loss) for the period/year</b>	<b>(844.15)</b>	<b>-2.53</b>	<b>1,194.40</b>	<b>3.42</b>
<b>8.</b>	<b>Other Comprehensive Income/(Loss) for the period</b>	<b>(21.71)</b>	<b>-0.07</b>	<b>(30.00)</b>	<b>-0.09</b>
<b>9.</b>	<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(865.86)</b>	<b>-2.60</b>	<b>1,164.40</b>	<b>3.34</b>

### **Total Income**

Our total income decreased by 4.39% to ₹33,349.14 lakhs for the nine-month period ended December 31, 2022 from ₹34,881.85 lakhs for the nine-month period ended December 31, 2021. The changes are due to following reasons:

### **Revenue from operations**

Our revenue from operations increased by 7.89% to ₹31,469.99 lakh for the nine-month period ended December 31, 2022 from ₹29,169.16 lakhs for the nine-month period ended December 31, 2021 primarily because increase in sale of our products post restoration of business subsequent to uplifting of lockdown restrictions imposed by the Government Agencies on account of the Covid-19 pandemic.

### **Other income**

Our other income decreased by 67.11% to ₹1,879.15 lakh for the nine-month period ended December 31, 2022 from ₹5,712.69 lakhs for the nine-month period ended December 31, 2021. The decrease is attributable to the fact that concessions which were provided by landlords during the Covid-19 pandemic and service providers during nine-month period ended December 31, 2021 are no longer extended in nine-month period ended December 31, 2022 due to resumption of normal business.

### **Expenses**

Our total expenses increased by 6.62% to ₹35,917.45 lakh for the nine-month period ended December 31, 2022 from ₹33,687.45 lakhs for the nine-month period ended December 31, 2021, due to following reasons:

#### **Purchase of Stock in trade**

Our cost of goods sold comprises purchase of stock-in-trade and changes in inventory of stock-in-trade. Our purchase of stock in trade decreased by 38.35% to ₹13,754.22 lakh for the nine months' period ended December 31, 2022 from ₹22,309.35 lakhs for the nine-month period ended December 31, 2021, primarily due to our focus on rationalising the purchases and liquidating the existing inventory.

#### **Changes in inventories of stock in trade**

Our inventories of stock in trade stood at 5,616.09 lakhs for the nine months' period ended December 31, 2022 as compared to (5,091.86) lakh for the nine-month period ended December 31, 2021 due to liquidation of existing inventory available with the Company.

#### **Employee benefit expense**

Our employees benefit expense marginally decreased by 0.62% to ₹4,831.61 lakh for nine-month period ended December 31, 2022 from ₹4,861.89 lakhs for nine-month period ended December 31, 2021 primarily on account of corresponding decrease/ reduction in the remuneration paid to the employees.

#### **Rent including Lease Rental**

Our expenses for rent including lease rental marginally increased by 3.49% to ₹1,571.16 lakh for nine-month period ended December 31, 2022 from ₹1,518.20 lakhs for nine-month period ended December 31, 2021, primarily due to opening of 8 new stores in nine-month period ended December 31, 2022.

#### **Finance cost**

Our finance cost decreased by 6.73 % to ₹1,632.52 lakhs for nine-month period ended December 31, 2022 from ₹1,740.61 lakhs for nine-month period ended December 31, 2021 due to repayment of loans from Banks and NBFC during nine-month period ended December 31, 2022.

#### **Depreciation and amortisation expense**

Our depreciation and amortisation expenses decreased by 29.17% to ₹2,270.02 lakh for nine-month period ended December 31, 2022 from ₹3,205.06 lakhs for nine-month period ended December 31, 2021, primarily on account of change in the estimated tenure of the lease period pertaining to few stores covered under Ind AS 116 – Leases.

#### **Other Expenses**

Our other expenses increased by 21.51% to ₹6,250.83 lakh for nine-month period ended December 31, 2022 from ₹5,144.20 lakhs for nine-month period ended December 31, 2021, primarily due to every store being operational in nine-month period ended December 31, 2022 as compared to partial operations during nine-month period ended December 31, 2021 due to Covid-19 pandemic restrictions.

#### **Exceptional item:**

The reported exceptional item of ₹1,724.16 lakhs on account of write back of liabilities, which is as approved by the Board of Directors.

### Profit/(Loss) for the period

Our loss for the nine month the period ended December 31, 2022 stood at ₹(844.15) lakhs as compared to profit of ₹1,194.40 lakhs for nine-month period ended December 31, 2021 due to the abovementioned reasons.

### Period ended March 31, 2022 compared to period ended March 31, 2021

	Particulars	Fiscal 2022	% of total income	Fiscal 2021	% of total income
<b>1.</b>	<b>Income</b>				
	Revenue from operations	39,899.22	82.94	31,309.58	82.68
	Other Income	8,214.46	17.08	6,557.95	17.32
	<b>Total income</b>	<b>48,103.68</b>	<b>100.00</b>	<b>37,867.53</b>	<b>100.00</b>
<b>2.</b>	<b>Expenses</b>				
	Purchase of Stock in trade	28,801.83	59.87	16,337.16	43.14
	Changes in inventories of stock-in-trade	(5,060.51)	-10.52	8,441.53	22.29
	Employee benefits expense	6,571.23	13.66	5,394.52	14.25
	Rent including Lease Rental	2,099.34	4.36	3,484.46	9.20
	Finance Costs	2,302.79	4.79	3,422.57	9.04
	Depreciation and Amortisation	4,289.34	8.92	5,678.84	15.00
	Other Expenses	7,676.10	15.96	5,431.97	14.34
	<b>Total expenses</b>	<b>46,680.12</b>	<b>97.04</b>	<b>48,191.05</b>	<b>127.26</b>
<b>3.</b>	<b>Profit/(Loss) before Tax</b>	<b>1,423.56</b>	<b>2.96</b>	<b>(10,323.52)</b>	<b>-27.26</b>
<b>4.</b>	<b>Tax Expenses</b>	-	-	-	-
	-Current Tax	-	-	-	-
	-Deferred Tax	-	-	-	-
	-Earlier year's tax	-	-	(1.37)	-
<b>5.</b>	<b>Profit and loss for the year</b>	<b>1,423.56</b>	<b>2.96</b>	<b>(10,322.15)</b>	<b>-27.26</b>

### Total Income

Our total income increased by 27.03% to ₹48,103.68 lakhs for the Fiscal 2022 from ₹37,867.53 lakhs for the Fiscal 2021. The changes are due to following reasons:

### Revenue from operations

Our revenue from operations increased by 27.43% to ₹39,899.22 lakh for the Fiscal 2022 from ₹31,309.58 lakhs for the Fiscal 2021. This was due to the fact that during Fiscal 2021 our stores were non-operational for most part of the year due to lockdown restrictions imposed by the Government Agencies on account of the Covid-19 pandemic resulting to loss of sales as compared to Fiscal 2022 where our Company has experienced more sales as most of the stores were operational with restrictions as per the direction of Government of India post Covid-19 pandemic.

### Other income

Our other income increased by 25.26% to ₹8,214.46 lakh for the Fiscal 2022 from ₹6,557.95 lakhs for the Fiscal 2021 primarily on account of higher concessions provided by landlords on account of the Covid-19 pandemic and service providers and claim for recovery of damages in Fiscal 2022.

### Expenses

Our total expenses decreased by 3.14% to ₹46,680.12 lakh for the Fiscal 2022 from ₹48,191.05 lakhs for the Fiscal 2021, due to following reasons:

### Purchase of Stock in trade

Our purchase of stock in trade increased by 76.30% to ₹28,801.83 lakh for the Fiscal 2022 from ₹16,337.16 lakhs for the Fiscal 2021, primarily due to increased purchases post recovery of business after lifting of lockdown restrictions imposed by the Government Agencies on account of the Covid-19 pandemic in fiscal 2022 as compared to Fiscal 2021.

#### **Changes in inventories of stock in trade**

Our inventories of stock in trade stood at ₹(5,060.51) lakh for the Fiscal 2022 as compared to ₹8,441.53 lakhs for the Fiscal 2021, primarily due to increase in purchases as the business recovered post Covid-19 pandemic.

#### **Employee benefit expense**

Our employees benefit expense increased by 21.81% to ₹6,571.23 lakh for the Fiscal 2022 from ₹5,394.52 lakhs for the Fiscal 2021, primarily due to partial salary pay out in Fiscal 2021 during Covid-19 pandemic as compared to full salary payout in Fiscal 2022.

#### **Rent including Lease Rental**

Our expenses for rent including lease rental decreased by 39.75% to 2,099.34 lakh for Fiscal ended 2022 from ₹3,484.46 lakhs for the Fiscal 2021, primarily due to change in commercial terms for few existing stores and closing down of 3 stores in Fiscal 2022.

#### **Finance cost**

Our finance cost decreased by 32.72% to ₹2,302.79 lakh for the Fiscal 2022 from ₹3,422.57 lakhs for the Fiscal 2021 due to Ind AS 116 – Leases impact whereby the notional interest is calculated on Financial Liability (Present Value of Lease payments), which keeps decreasing year on year.

#### **Depreciation and amortisation expense**

Our depreciation and amortisation expenses decreased by 24.47% to ₹4,289.34 lakh for the fiscal 2022 from ₹5,678.84 lakhs for Fiscal 2021, primarily due to Ind AS 116 – Leases impact whereby the amortisation is calculated on Financial Asset (Present Value of Lease payments), which keeps decreasing year on year.

#### **Other Expenses**

Our other expenses increased by 41.31% to ₹7,676.10 lakh for the Fiscal 2022 from ₹5,431.97 lakhs for Fiscal 2021, primarily due to fully operational stores in fiscal 2022 as compared to fiscal 2021 where stores were closed for most part of the year on account of lockdown restrictions imposed by the Government Agencies on account of the Covid-19 pandemic.

#### **Profit/ (Loss) for the period**

Our profit for the Fiscal 2022 stood at ₹1,423.56 lakhs as compared to ₹(10,323.52) lakhs for the Fiscal 2021 due to the abovementioned reasons.

#### **Related Party Transactions**

For details, please see the chapter titled “*Financial Statements*” beginning on page 75.

#### **Significant developments after March 31, 2022 that may affect our future results of operations**

Other than as disclosed below and in this Letter of Offer, there have been no significant developments after March 31, 2022 that may affect our future results:

#### **Non redemption of Preference Shares issued by the Company:**

Pursuant to the Order passed by the Mumbai Bench of National Company Law Tribunal, (“NCLT”) dated November 10, 2017, a Composite Scheme of Arrangement was executed between Future Retail Limited (“FRL”),

Bluerock eServices Private Limited (“**Bluerock**”), Praxis Home Retail Limited (“**Praxis**” or “**the Company**”) and their respective shareholders.

As per the clause 16 of the said order, as a consideration the Company has issued 6,30,000 (Six Lakhs Thirty Thousand only) 9% Redeemable Preference Shares of ₹100 each to the member of Bluerock as on the record date for a period of 60 Months from the date of allotment. Consequently, the Company has issued and allotted 6,30,000 (Six Lakhs Thirty Thousand only) 9% Redeemable Preference Shares of ₹100 each to Future Enterprises Limited (“**FEL**”), being the member of Bluerock on December 08, 2017 which are due for redemption on December 07, 2022.

Further, proviso to section 55 of the Companies Act, 2013 specifies that the Preference Shares shall be redeemed out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption.

Because of the Non-availability of profit, the Company was not able to redemption the said preference shares due for redemptions and the same has been categorised as unredeemed preference shares in the financial statements of the Company

Except as set out below, we declare and confirm that there have been no adverse events that have occurred in the last one year which have affected the operations of the Company:

#### **The National Company Law Tribunal Order under the Insolvency and Bankruptcy Code, 2016**

Under section 9 of Insolvency and Bankruptcy Code 2016 (“**IBC**”), a petition has been filed by M/s. Konzept Interiors, operational creditor of the Company on April 17, 2021 under section 9 of IBC. The matter has been put up with Mumbai Bench V and several hearings were done on different dates, but the matter is still pending before the NCLT.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

*Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and /or our Promoters; (ii) material violations of statutory regulations by our Company and /or our Promoters; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of the “Policy for Determination of Materiality of Events and Information” adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations (“Materiality Policy”).*

*In this regard, please note the following:*

- 1. Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Letter of Offer or the Abridged Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount equal to or exceeding 5 % of the total income of the Company as per the audited financial statements of the Company for the immediately preceding financial year (being ₹ 2,405.18 lakh, 5% of ₹ 48,103.68 lakh as on March 31, 2022) (“Materiality Threshold”), and / or (ii) is otherwise determined to be material in terms of the Materiality Policy.*
- 2. Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.*

*All terms defined herein in a particular litigation disclosure pertain to that litigation only.*

#### **Litigations involving our Company**

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

#### **A. Proceedings involving issues of moral turpitude or criminal liability**

##### *i. Criminal Litigations initiated against our Company*

As on the date of this Letter of Offer, there are no criminal litigations initiated against our Company.

##### *ii. Criminal Litigations initiated by our Company*

As on the date of this Letter of Offer, there are no criminal litigations initiated by our Company.

#### **B. Matters involving material violations of statutory regulations by our Company**

As on the date of this Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Company.

#### **C. Economic offences where proceedings have been initiated against our Company**

As on the date of this Letter of Offer, there are no economic offences initiated against our Company.

#### **D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**

### *Civil Litigations initiated against our Company*

As on the date of this Letter of Offer, there are no outstanding civil litigations initiated against our Company exceeding the materiality threshold.

### *Civil Litigations initiated by our Company*

As on the date of this Letter of Offer, there are no outstanding civil litigations initiated by our Company exceeding the materiality threshold.

### *Tax Proceedings initiated against our Company*

As on the date of this Letter of Offer, there are no outstanding tax proceedings initiated against our Company exceeding the materiality threshold.

### **Proceedings involving material violations of statutory regulations by the Promoters and our Company**

- a) SEBI has conducted an investigation in the scrip of Future Retail Limited (“**FRL**”) in relation to the trading during the period March 10, 2017 to April 20, 2017 on the basis of unpublished price sensitive information (“**UPSI**”) in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) read with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “**PIT Regulations, 2015**”). It was alleged that the scrip of FRL were traded on the basis of the composite scheme of arrangement between FRL, Bluerock eServices Private Limited (“**BSPL**”), the Company and its respective shareholders (“the **Scheme**”). A show cause notice bearing SCN No. SEBI/HO/IVD/ID3/OW/P/2020/2778 dated January 21, 2020 (“**SCN**”), was issued by SEBI to Kishore Biyani, Anil Biyani, Future Corporate Resources Private Limited (collectively referred to as “our **Promoters**”) and others (“**Noticees**”). SEBI vide its order dated February 3, 2021 (“**Order**”) *inter alia*, restrained our Promoters and other Noticees from (a) accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities or being associated with the securities market in any manner for a period of one (1) year, from the date of the Order (b) from buying, selling or dealing in the securities of FRL for a period of two (2) years and levied the penalties upon them. Aggrieved by the Order, Noticees have challenged the Order before the Securities and Appellate Tribunal (“**SAT**”). Vide its order dated February 15, 2021, SAT has granted a stay on the SEBI Order, till April 12, 2021. The matter had been sub-judice and it got finally heard on April 18, 2023 and April 19, 2023. The final order of the SAT has been reserved and the matter is pending before SAT.
- b) SEBI vide its order dated April 28, 2023 (“**Order**”) *inter alia*, levied monetary penalty of ₹20 lakhs on our Promoters and members of our Promoter Group for violation of Regulation 3 (3) and 3 (2) read with Regulation 25 (5) of SEBI Takeover Regulations. On December 12, 2019, our Company allotted 7,500 Compulsorily Convertible Debentures (“**CCDs**”) to one of its Promoter FCRL. Equity Shares to 30,00,000 were allotted to FCRL on February 11, 2020, pursuant to exercise of the conversion option of 3,180 CCDs by FCRL, out of the 7,500 CCDs initially allotted to it. Subsequently, the shareholding of FCRL in the Company increased from 1,16,82,558 Equity Shares (47.43%) (Quarter ending December 2019) to 1,46,82,558 Equity Shares (53.13%) registering an increase of 5.71% in shareholding as on February 11, 2020. Therefore, FCRL along with the persons acting in concert allegedly were required to make a public announcement of the open offer under Regulation 3 (3) and 3 (2) read with Regulation 25 (5) of SEBI Takeover Regulations. However, it is alleged that FCRL along with the persons acting in concert failed to make a public announcement of an open offer in respect of the allotment of 30,00,000 equity shares to FCRL on February 11, 2020.

## **GOVERNMENT AND OTHER APPROVALS**

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations (“**Approvals**”) for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the stores and warehouses are located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses for reducing the current liabilities by repaying part of its outstanding trade payables and for general corporate purposes, no government and regulatory approval pertaining to the Object of the Issue will be required.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on March 14, 2023, pursuant to Section 62 (1) (a) and other applicable provisions of the Companies Act, 2013.

The Committee of the Directors of the Board of Directors of the Company in its meeting held on May 24, 2023 has resolved to issue Equity Shares to the Eligible Equity Shareholders at an Issue Price of ₹10 per Equity Share (including a premium of ₹5 per Equity Share), in the ratio of 13 Rights Equity Shares for every 20 Equity Shares, as held on the Record Date being May 30, 2023. The Issue Price of ₹10 per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

This Letter of Offer has been approved by the Committee of Directors of our Board on May 26, 2023.

Our Company has received in-principle approvals from BSE and NSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to their letters dated May 19, 2023 and May 3, 2023, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circular.

Our Company has been allotted the ISIN INE546Y20022 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see “*Terms of the Issue*” on page 143.

### Prohibition by the SEBI

Except as disclosed below, none of our Company, our Promoters, members of our Promoter Group and our Directors are prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority:

SEBI vide its order dated February 3, 2021 (“**Order**”), has prohibited and restrained our Promoters, Kishore Biyani and Future Corporate Resources Private Limited, and one of the members of our Promoter Group, Anil Biyani from accessing the securities market and prohibited them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one (1) year from the date of the Order and also levied penalties upon them with respect to the investigation conducted in the scrip of Future Retail Limited (“**FRL**”) to ascertain whether certain persons/entities had traded during the period March 10, 2017 to April 20, 2017 on the basis of unpublished price sensitive information in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 read with the SEBI PIT Regulations. SEBI issued a separate show cause notice bearing SCN No. SEBI/HO/IVD/ID3/OW/P/2020/2778 dated January 21, 2020 (“**SCN**”). Aggrieved by the Order, our Promoters and Anil Biyani, member of the Promoter Group have challenged the Order before the Securities and Appellate Tribunal (“**SAT**”). Vide its order dated February 15, 2021, SAT has granted a stay on the SEBI Order, till April 12, 2021. The matter had been sub-judice and it got finally heard on April 18, 2023 and April 19, 2023. The final order of the SAT has been reserved and the matter is pending before SAT. For further details, refer to chapter titled “*Outstanding Litigation and Defaults*” beginning on page 131.

Neither our Promoters nor our Directors have been declared as Fugitive Economic Offenders.

### Association of our Directors with the securities market

None of our Directors are associated with the securities market.

### Prohibition by RBI

Neither our Company, nor our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

### Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

### **Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

### **Applicability of the SEBI ICDR Regulations**

The present Issue being of less than ₹5,000 Lakhs, Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in).

### **Compliance with clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in compliance with the provisions specified in clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, to the extent applicable, in terms of the disclosures made in this Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- a) Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable, for the last one year immediately preceding the date of filing of this Letter of Offer with the BSE and NSE;
- b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and NSE; and
- c) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

### **Disclaimer Clause of SEBI**

As required, a copy of the Letter of Offer will be submitted to SEBI.

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, PRIME SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, PRIME SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED May 26, 2023 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - a. THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
  - b. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - c. THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID.- COMPLIED WITH
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOT APPLICABLE
5. WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. – NOT APPLICABLE, BEING A RIGHTS ISSUE.
6. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. – NOT APPLICABLE, BEING A RIGHTS ISSUE.
7. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE

OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE. - NOT APPLICABLE, BEING A RIGHTS ISSUE.

8. NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE
9. THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION. - COMPLIED WITH TO THE EXTENT APPLICABLE
10. FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
  - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND
  - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI. - COMPLIED WITH
11. WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. - NOTED FOR COMPLIANCE
12. IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018.- NOT APPLICABLE, BEING A RIGHTS ISSUE.

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

#### **Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager, namely Prime Securities Limited, accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or any other material issued by or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

We and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with the SEBI.

**Applicants will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Rights Equity Shares.**

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in the future receive, compensation.

### **Cautions**

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

### **Disclaimer with respect to jurisdiction**

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of this Issue is BSE.

### **Disclaimer Clause of BSE**

BSE Limited ("the Exchange") has given, vide its letter dated May 19, 2023 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the

Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Disclaimer Clause of NSE**

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. Ref.No: NSE/LIST/35281 dated May 3, 2023 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever

### **Selling Restrictions**

The distribution of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this the Letter of Offer, Abridged Letter of Offer, Entitlement Letter or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form only to email addresses of such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form, shall not be sent the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges. Accordingly, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer /Abridged Letter of Offer and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights

Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

**The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.**

#### **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**")), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

**We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form**

to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

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

### **Filing**

This Letter of Offer is being filed with the Stock Exchanges i.e. BSE and NSE as per the provisions of the SEBI ICDR Regulations, Further, in terms of SEBI ICDR Regulations, our Company shall file the copy of this Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

### **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

### **Investor Grievances arising out of this Issue:**

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e. Link Intime India Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

**Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see “Terms of the Issue” on page 143.**

Investors may contact the Registrar to the Issue at:

**Link Intime India Private Limited**  
C-101, 1st Floor, 247 Park,

LBS Marg, Surya Nagar, Gandhi Nagar  
Vikhroli (West)  
Mumbai – 400 083  
Maharashtra, India.

**Telephone:** +91 8180 811 4949

**E-mail:** [praxis.rights@linkintime.co.in](mailto:praxis.rights@linkintime.co.in)

**Investor grievance E-mail:** [praxis.rights@linkintime.co.in](mailto:praxis.rights@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Contact Person:** Sumeet Deshpande

**SEBI Registration No.:** INR000004058

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

**The contact details of the Company Secretary are as follows:**

**Company Secretary and Compliance Officer:**

**Sanu Kapoor**

iThink Techno Campus,  
Jolly Board Tower D, Ground Floor,  
Kanjurmarg (East), Mumbai 400 042,  
Maharashtra, India

**Telephone:** +91 22 6882 4900

**E-mail:** [investorrelations@praxisretail.in](mailto:investorrelations@praxisretail.in)

## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with ASBA Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.*

### OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

#### 1. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

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

1. our Company at [www.praxisretail.in](http://www.praxisretail.in);
2. the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in);
3. the Lead Manager at [www.primesec.com](http://www.primesec.com)
4. the Stock Exchange at [www.bseindia.com](http://www.bseindia.com); and
5. the Registrar’s web-based application platform at [www.linkintime.co.in](http://www.linkintime.co.in).

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.linkintime.co.in](http://www.linkintime.co.in)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. Our

Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

## **2. Facilities for Application in this Issue:**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together the “SEBI Rights Issue Circulars”), all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please see “*Procedure for Application through the ASBA Process*” on page 153.**

**ASBA facility:** Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in their respective ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please see “*Procedure for Application through the ASBA Process*” on page 153.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “*Terms of the Issue - Grounds for Technical Rejection*” on page 161. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 155.

## **3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

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

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical

form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; (f) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copy of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. May 14, 2023, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

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

#### **4. Other important links and helpline:**

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.linkintime.co.in](http://www.linkintime.co.in)
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: [www.linkintime.co.in](http://www.linkintime.co.in)
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [www.linkintime.co.in](http://www.linkintime.co.in)
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: [praxis.rights@linkintime.co.in](mailto:praxis.rights@linkintime.co.in)

#### **Renouncees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

#### **Basis for this Issue**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

#### **Rights Entitlements**

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialised form or appears in the register of members of our Company as an equity shareholder in respect of our Equity Shares held in physical form, as on the Record Date, are entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

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

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical

form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.linkintime.co.in](http://www.linkintime.co.in)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited in their demat accounts.

**Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (“Issue Materials”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see “Notice to Investors” on page 9.**

## **PRINCIPAL TERMS OF THIS ISSUE**

### **Face Value**

Each Rights Equity Share will have the face value of ₹5.

### **Issue Price**

The Rights Equity Shares are being offered at a price of ₹10 per Rights Equity Share (including a premium of ₹5 per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

### **Rights Entitlements Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 13 Rights Equity Shares for every 20 fully paid-up Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rule and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, please see “*Procedure for Renunciation of Rights Entitlements*” on page 154.

### ***Credit of Rights Entitlements in dematerialised account***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing

Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or the Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; (f) the ownership of the Equity Shares currently under dispute, including any court proceedings;.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by June 14, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.linkintime.co.in](http://www.linkintime.co.in)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 151.**

### ***Trading of the Rights Entitlements***

In accordance with the ASBA Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE546Y20022. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The transfer through On Market Renunciation and Off Market Renunciation will be settled through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from June 6, 2023 to June 9, 2023 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date. For details, please see “*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on page 154. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the

Issue Closing Date. For details, see “*Procedure for Application*” on page 151.

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

### **Payment Schedule of Rights Equity Shares**

The Issue Price of ₹10 per Rights Equity Share (including premium of ₹5 per Rights Equity Share) shall be payable at the time of application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 13 Rights Equity Shares for every 20 fully paid-up Equity Shares held as on the Record Date. As per ASBA Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 20 Equity Shares or is not in the multiple of 20 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 25 Equity Shares, such Equity Shareholder will be entitled to 16 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

### **Ranking**

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

### **Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/PREF/CP/FIP/142/2023-24 dated May 19, 2023 and from the NSE through letter bearing reference number NSE/LIST/35281 dated May 3, 2023.

Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the

listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 540901) and NSE (Scrip Code: PRAXIS) under the ISIN: INE546Y01022. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL. The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (four) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

### **Subscription to this Issue by our Promoter and our Promoter Group**

For details of the intent and extent of subscription by our Promoter and the Promoter Group, please see the chapter titled “*Capital Structure - Intention and extent of participation by our Promoters and Promoter Group*” on page 42.

### **Rights of Holders of Rights Equity Shares of our Company**

Subject to applicable laws, the holders of Rights Equity Shares shall have the following rights on the Rights Equity Shares:

- i. The right to receive dividend, if declared;
- ii. The right to vote in person, or by proxy;
- iii. The right to receive surplus on liquidation;
- iv. The right to free transferability of Rights Equity Shares;
- v. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law
- vi. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights on such Rights Equity Shares in this Issue.**

## **GENERAL TERMS OF THE ISSUE**

### **Market Lot**

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

### **Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant and follow the process therein.

### **Arrangements for Disposal of Odd Lots**

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

### **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

### **Notices**

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send/dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

### **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 read with FEMA Rules, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and/or non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with

the Application details and send it to the Registrar at [praxis.rights@linkintime.co.in](mailto:praxis.rights@linkintime.co.in). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Entitlement Letter and Application Form shall be sent/ dispatched to the non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at [praxis.rights@linkintime.co.in](mailto:praxis.rights@linkintime.co.in)

## PROCEDURE FOR APPLICATION

### How to Apply

**In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please see “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 158.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” beginning on page 155.

**The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc.* in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.**

### Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian

addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlements Letter shall be sent through e-mail or physical delivery, as applicable, at least three days before the Issue Opening Date.

**Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [www.linkintime.co.in](http://www.linkintime.co.in). Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at [www.praxisretail.in](http://www.praxisretail.in);
- (ii) the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in);
- (iii) the Lead Manager at [www.primesec.com](http://www.primesec.com);
- (iv) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com);

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

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. **Please note that Applications made with payment using third party bank accounts are liable to be rejected**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB..

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN could lead to rejection of the Application. For details, please see “Grounds for Technical Rejection” on page 161. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. **Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.** For details, see “*Application on Plain Paper under ASBA process*” on page 155.

#### **Options available to the Eligible Equity Shareholders**

The Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

#### **PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS**

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

#### ***Self-Certified Syndicate Banks***

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

**Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.**

The Company, its directors, employees, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

#### **Acceptance of this Issue**

Investors may accept this Issue and apply for the Rights Equity Shares by (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00

p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the heading “*Application on Plain Paper under ASBA process*” on page 155.

### **Additional Rights Equity Shares**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the heading “*Basis of Allotment*” on page 165.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.**

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Pursuant to the SEBI Rights Issue Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

### **Procedure for Renunciation of Rights Entitlements**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

**THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS**

#### ***(a) On Market Renunciation***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

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

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from June 6, 2023 to June 9, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchange under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

***(b) Off Market Renunciation***

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

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

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

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

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

**Application on Plain Paper under ASBA process**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

**Applications on plain paper will not be accepted from any address outside India.**

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges or the Lead Manager to provide requisite details. Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be

entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Praxis Home Retail Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total application amount paid at the rate of ₹10 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. Additionally, all such Applicants are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “**United States**”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (“**Regulation S**”), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

*I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in).

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

### **Mode of payment**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

### **APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date,

to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [www.linkintime.co.in](http://www.linkintime.co.in)

#### **Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The Eligible Equity Shareholders can access the Application Form from:
  - i. Our Company at [www.praxisretail.in](http://www.praxisretail.in);
  - ii. the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in)
  - iii. the Lead Manager at [www.primesec.com](http://www.primesec.com); and
  - iv. the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., at [www.linkintime.co.in](http://www.linkintime.co.in)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.praxisretail.in](http://www.praxisretail.in));

- d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. .

**PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE.**

**FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 166.**

#### **General instructions for Investors**

- (a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

- (b) Please read the instructions on the Application Form sent to you.
- (c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 155.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (j) Applications should not be submitted to the Bankers to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), our Company or the Registrar or the Lead Manager.
- (k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.**
- (m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will

be addressed to the first Applicant.

- (p) All communication in connection with Application for the Rights Equity Shares, including any change in contact details address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

***Do's:***

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- (e) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (f) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (g) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (h) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (i) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

- (j) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (k) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Entitlement Letter.

***Don'ts:***

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.
- (f) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (g) Do not send your physical Application to the Lead Manager, the Registrar, the Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Lead Manager, Registrar, Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other

SCSB.

- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Application from Investors that are residing outside India as per the depository records.
- (r) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

Our Company may, in consideration with the Lead Manager and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

**Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue**

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR AS ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY THE INVESTOR AS ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSTORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

**Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.**

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar or the Company. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the

Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**The Allotment advice and the intimation of unblocking of ASBA Account or refund (if any) would be sent/ dispatched to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

### **Modes of Payment**

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

#### *Mode of payment for Resident Investors*

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

#### *Mode of payment for Non-Resident Investors*

As regards the Application by non-resident Investors, the following conditions shall apply:

1. NR Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

*Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Entitlements Letter and the Application Form shall be sent to their e-mail addresses or their Indian address, as applicable, if they have provided their Indian address to our Company. The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard. In the event that the e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company, our Company will make reasonable efforts to dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and Entitlements Letter by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.*

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

### **Notes:**

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making

such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

### Multiple Applications

In case where multiple Applications are made in respect of the same Rights Entitlements using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. For details, please see “*Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications shall be treated as multiple Applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of our Promoters or members of Promoter Group for subscribing any unsubscribed portion of this Issue as described in “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*” on page 42.

### Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is June 14, 2023, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the heading, “*Basis of Allotment*” on page 165.

Please note that on the Issue Closing Date, (i) the Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number

### Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. **However, the Application, whether made through ASBA Process cannot be withdrawn after the Issue Closing Date.**

### Issue Schedule

<b>Issue Opening Date</b>	Tuesday, June 6, 2023
<b>Last date for On Market Renunciation*</b>	Friday, June 9, 2023
<b>Issue Closing Date<sup>#</sup></b>	Wednesday, June 14, 2023

<b>Finalisation of Basis of Allotment (on or about)</b>	Wednesday, June 21, 2023
<b>Date of Allotment (on or about)</b>	Wednesday, June 21, 2023
<b>Date of Credit (on or about)</b>	Monday, June 26, 2023
<b>Date of Listing (on or about)</b>	Friday, June 30, 2023

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

*# Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., June 14, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

Our Board or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

### **Basis of Allotment**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- i. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

### **Allotment Advice or Refund/ Unblocking of ASBA Accounts**

Our Company will email Allotment advice, refund intimations or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company requisite interest as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **Payment of Refund**

#### ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

#### ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### **Allotment Advice or Demat Credit of Securities**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### ***Receipt of the Rights Equity Shares in Dematerialized Form***

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.**

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed an agreement dated October 12, 2017 with NSDL and an agreement dated October 11, 2017 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

## **PROCEDURE FOR APPLICATIONS BY CERTAIN CATEGORIES OF INVESTORS**

### **Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

- i. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

### **Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue.

Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Impersonation**

**As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:**

***“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 Lakhs or with both.

### **Payment by stockinvest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

### **Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

### **Utilisation of Issue Proceeds**

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of this Issue referred to under (1) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
3. Details of all unutilized monies out of this Issue referred to under (1) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

### **Undertakings by our Company**

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment;
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants;
6. Adequate arrangements shall be made to collect all ASBA Applications;
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

### **Important**

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Praxis Home Retail Limited - Rights Issue**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

#### **Link Intime India Private Limited**

C 101, 1<sup>st</sup> Floor, 247 Park, LBS Marg, Surya Nagar, Gandhi Nagar  
Vikhroli (West), Mumbai – 400083, Maharashtra, India.

**Telephone:** +91 810 811 4949

**E-mail:** praxis.rights@linkintime.co.in

**Investor grievance E-mail:** praxis.rights@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Sumeet Deshpande

**SEBI Registration No.:** INR000004058

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (*i.e.* at [www.linkintime.co.in](http://www.linkintime.co.in)). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 4918 6200.

This Issue will remain open for a minimum 7 days. However, our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

### **Restrictions on Foreign Ownership of Indian Securities**

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“**DPIIT**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes

all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. As per Regulation 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue securities on rights basis to non-resident shareholders including additional securities under the rights issue. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended, issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. If an NR or NRI Investor has specific approval from the RBI, in connection with their shareholding, they should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares.

The Rights Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## SECTION VIII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection would be available at the registered office of the Company between 10 a.m and 5 p.m on all working days.in from the date of this Letter of Offer until the Issue Closing Date.

#### A. Material Contracts for the Issue

1. Issue Agreement dated April 17, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated April 17, 2023 between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated May 24, 2023 amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

#### B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated January 31, 2011 and fresh certificate of incorporation consequent upon last change of name dated June 21, 2017.
3. Scheme of Arrangement between Future Retail Limited or Bluerock eServices Private Limited and Praxis Home Retail Limited and their respective Shareholders and creditors - under Sections 230 to 232 read with Section 66 of the Companies Act, 2013, as amended and duly sanctioned by Mumbai bench of National Company Law Tribunal on November 10, 2017.
4. Order dated November 10, 2017 of the National Company Law Tribunal approving the Scheme, effective from November 20, 2017.
5. Information Memorandum dated January 29, 2018 for listing of 2,46,33,208 equity shares of ₹5 each of the Company.
6. Industry report titled “*India Home Furniture Market 2022-2028*” report dated March 30, 2023 prepared by Mordor Intelligence Private Limited.
7. Copy of Audited Financial Statements for the Fiscal 2022
8. Copies of annual report of our Company for Fiscals 2022, 2021, 2020.
9. Resolution of our Board dated March 14, 2023 approving the Issue.
10. Resolution of our Committee of Directors dated May 24, 2023, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
11. Consents of our Directors, Company Secretary and Compliance Officer, Deputy Chief Financial Officer, Statutory Auditor, Lead Manager, Banker to the Company, Banker to the Issue, Legal Advisor to the Issue, Mordor Intelligence for Indutry report and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
12. The audit report dated December 31, 2022 and limited review report dated February 6, 2023, of the Statutory Auditors along with the Audited Financial Statements for the year ended March 31, 2022 and Unaudited Financial Statements for the quarter ended December 31, 2022 included in this Letter of Offer.
13. Statement of Special Tax Benefits dated April 19, 2023 from the Independent Chartered Accountants M/s DMKH & Co., Chartered Accountants.

14. Tripartite Agreement dated October 12, 2017 between our Company, NSDL and the Registrar to the Issue.
15. Tripartite Agreement dated October 11, 2017 between our Company, CDSL and Registrar to the Issue.
16. In-principle approval issued by the BSE dated May 19, 2023 and the NSE dated May 3, 2023.
17. Due diligence certificate dated May 26, 2023, addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Equity Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

<hr/> <b>Mahesh Shah</b> <b>Managing Director</b>	<hr/> <b>Harinder Sahni</b> <b>Chairperson and Independent Director</b>
<hr/> <b>Jacob Mathew</b> <b>Independent Director</b>	<hr/> <b>Anou Singhvi</b> <b>Independent Director</b>
<hr/> <b>Samson Samuel</b> <b>Non-Executive Non-Independent Director</b>	<hr/> <b>Lynette Robert Monteiro</b> <b>Additional Non-Executive Non-Independent Director</b>

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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**Samir Kedia**  
**(Chief Financial Officer)**

**Date: May 26, 2023**

**Place:**