



# ANNUAL REPORT 2023-24







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## INVESTOR INFORMATION

CIN : L52100MH2011PLC212866  
NSE Symbol : PRAXIS  
BSE Code : 540901  
AGM Date : September 28, 2024

**Disclaimer:** This document contains statements about expected future events and financials of Praxis Home Retail Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

## WHAT WE DO

Discover HomeTown, where bespoke home essentials meet aesthetic elegance. We believe in creating homes that constitutes all the three key elements – functionality, style and uniqueness. Our collection of bespoke Furniture, curated Home Décor, customisable Modular Kitchens and Wardrobes, and Home Interior services, provide our customers an end-to-end solution for all their home requirements.



Our physical locations and digital platforms allow us to seamlessly guide our customers in transforming their space into a haven they'll fondly call home. HomeTown has a national footprint in over 24 cities with 31 stores and Interior Design Studios to provide our customers with an all-encompassing experience that addresses every facet of their lifestyle requirements.

Our commitment to a hassle-free and personalized shopping experience remains steadfast as we extend our offering from bespoke Furniture, tastefully crafted home interiors to customisable modular kitchens and versatile modular wardrobes. Complementing home interiors, we also curate an extensive range of hand-picked home décor and furnishings that would amplify home environment and reflect our customers personal style. From elegant grandeur to Earthy tones and contemporary style, our stores and digital platforms reflect our vision of providing full home interiors and packages designed to our customers taste.





At our **Interior Design Studios**, we provide end-to-end customisable solutions at every store, wherein every customer can reimagine their home and visualise the space in 3D before it comes to life.

Stepping into the digital age, HomeTown has embraced an omni-channel business strategy, seamlessly blending our store experience with our online platforms. Providing flexibility to our customers, we make sure that our product range is within reach – whether they're shopping from the comfort of their home or in store. Our approach reflects our ongoing commitment to creating personalized, beautiful homes. With HomeTown, turning any space into a dream home is as convenient as it is inspiring.

#### Our furniture collections are divided into four design themes:

**Modern:** New York style meets Japanese Zen with warm textures, industrial metal, terra cotta tones, and mosaic patterns.

**Plush:** Rich fabrics and elegant designs with luxurious textures and accents of gold and vibrant colors.

**Indian:** Indian cultural elements blended with global sophistication, featuring geometric patterns and colorful motifs for an earthy, elegant look.

**Classics:** Timeless designs with a blend of vintage elegance and modern functionality, featuring rich wood finishes, vibrant colours and sophisticated detailing for a refined, enduring aesthetic.

We also feature the exclusive kids' furniture brand, **Smartsters**, at our stores showcasing fun and thoughtful designs for children's rooms.



MODERN



PLUSH



INDIAN



CLASSICS



SMARTSTERS



Scan the QR  
to browse [hometown.in](https://www.hometown.in)

# OUR VALUES

We work to create value beyond profit, putting our customers and stakeholders at the centre of our decision-making.



## INDIANNESS

Believing in the Indian way and in oneself



## LEADERSHIP

In thought and in business



## INTROSPECTION

Continuous learning, self-development and personal excellence



## RESPECT

In dealing with everyone within and outside the organisation







**FLOW**

Learn and be inspired from the universal laws of nature



**HUMILITY**

In dealing with everyone within and outside the organisation



**ADAPTABILITY**

Proactive in meeting challenges emerging from changing business scenarios

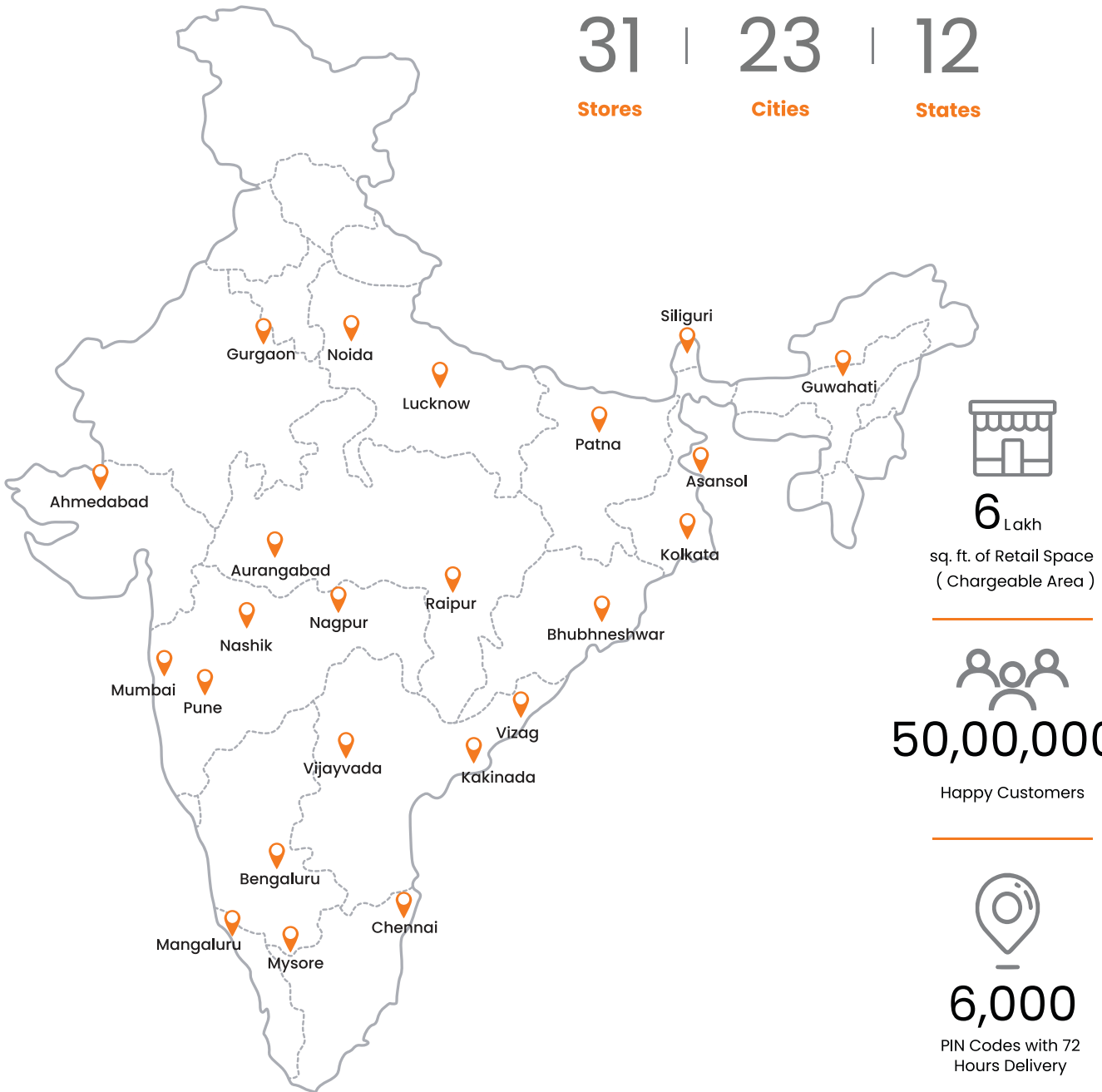


**POSITIVITY**

Positive details of your life



# OUR NATIONAL FOOTPRINT



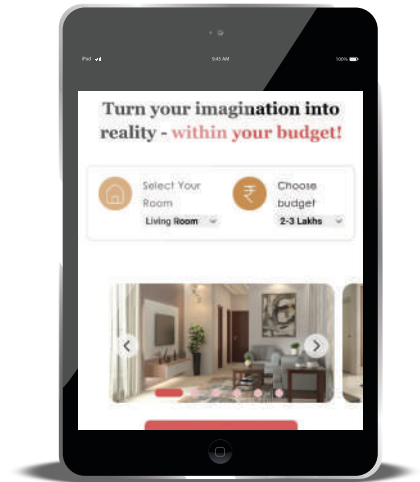
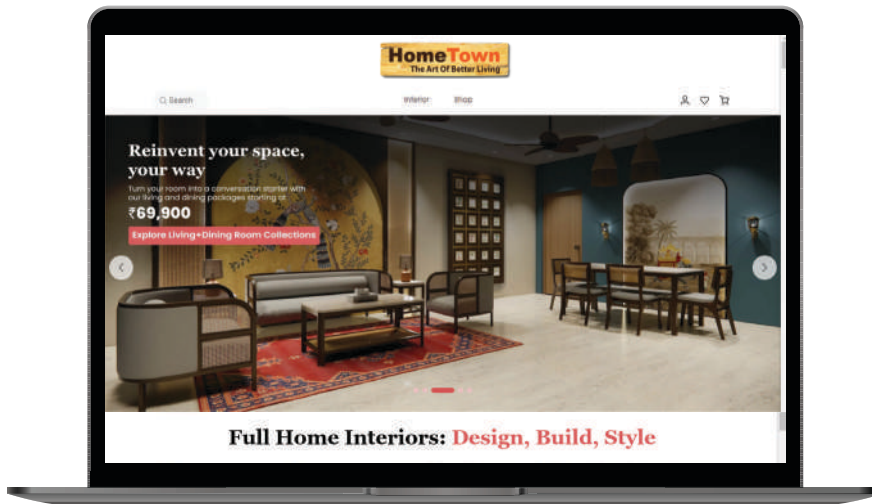
Disclaimer: This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.



# OUR DIGITAL FOOTPRINT.

Embracing the digital era with innovation and agility, HomeTown has adopted a digital-first approach, revolutionizing how customers engage with our brand and explore, personalize, and purchase from our extensive range of home solutions. This strategic shift sets a benchmark for seamless, digitally-enabled home shopping experiences, meeting and exceeding the expectations of the modern consumer.

At HomeTown, we have constructed an end-to-end tech-enabled ecosystem to streamline and enhance our operations. This ecosystem integrates various platforms to support different facets of our business.



## Infurnia:

A modern design software enables our designers to generate 3D designs, instant working drawings, and high-quality renders in real-time. Enhancing our capabilities, our interior designers can meet client specifications and design expectations with precision and efficiency.

**OUR MARKETPLACE PARTNERS:** Amazon | Pepperfry | Flipkart



# INTRODUCING ROOM PACKAGES

Recently, Hometown has launched an innovative Room Package offer to meet the evolving needs of our consumers. This program offers customizable furniture solutions for living rooms, living + dining rooms, and bedrooms, blending aesthetics, functionality, and comfort seamlessly.

Our Room Packages allow customers to choose from a wide range of tailored sets designed to fit specific rooms and styles, ensuring each home reflects its residents' unique taste.

Available nationwide at all Hometown stores, these packages are supported by trained staff who assist customers in selection and customization. Our robust marketing strategy, utilizing both online and offline channels, has effectively raised awareness and facilitated easy access to these offerings.

Since the launch, we have observed significant growth in consumer interest and sales. The convenience and personalized touch of our packages have resonated well with customers. To build on this success, we plan to enhance our online presence, organize in-store events, and continuously integrate customer feedback to refine and expand our offerings.

The Home Package initiative marks a significant advancement in our mission to better serve our customers. By providing customizable and stylish furniture solutions, we have enhanced the shopping experience and strengthened our market position. We are excited about future prospects and remain committed to delivering exceptional value through innovative offerings.



**LIVING ROOM PACKAGE**  
starting at  
**₹44,900\***



**LIVING + DINING  
ROOM PACKAGE**  
starting at  
**₹69,900\***



**BEDROOM PACKAGE**  
starting at  
**₹29,900\***



# VOICES FROM OUR VALUED CLIENTS

**Pratima Wankhede** ★★★★★

**HomeTown** Nagpur

It is always an awesome experience to visit Home Town. Staff is very helping. Products are very beautiful and unique.

**Dr. R. K. Gupta** ★★★★★

**HomeTown** Chennai, Tamilnadu

Absolutely stunning & awesome ambience, one can go crazy with home furniture & embellishments. Display is easy on the eyes, staff is cooperative and friendly and the entire place has possibly all that one can ever desire for one's dream home. The only improvement that can possibly be done is in the prices... items should be more reasonably priced. Overall, an absolute home- owner's delight !

**Amol Shendre** ★★★★★

**HomeTown** Kandivali, Mumbai

Very delicate and magnificient and very unique collection in home town have good prices in one place.

**Imon Banerjee** ★★★★★

**HomeTown** Kolkata, West Bengal

The place is excellent with a wide range of quality furniture at reasonable prices. The staff is friendly, especially Manoj, who is polite and considerate. He helps you find the best deals and offers the best results to match your needs. They have great rocking chairs there, definitely a rarity nowadays. The prices are fairly reasonable as well. Overall, highly recommended!

**Shibani Sanyal** ★★★★★

**HomeTown** Ahmedabad, Gujarat

Hometown is an excellent store for all kinds of home products. Their collection is huge, very helping attitude and very convenient place. Strongly recommend this place.

# THE YEAR IN REVIEW: FROM THE CEO'S DESK

## Dear Shareholders

I am thrilled to present our Annual Report for the fiscal year ended March 2024. This year has been marked by remarkable progress and stronger bonds with our customers, partners, and our invaluable team.

The strategic vision laid out in 2022 and 2023 has been a resounding success. Our steadfast commitment to engaging with stakeholders, understanding their needs, and delivering seamless experiences has paid off. Our exceptional team has provided outstanding service, driving significant business growth.

We launched several new campaigns this year, each aimed at propelling our company's growth, and I am proud to report their success.

Looking ahead, we are excited to continue this momentum, innovate, and strive for excellence.

## Future Outlook

As we venture into 2024, our objective is to position HomeTown as the definitive leader in home solutions. With a robust presence of over 31 stores across more than 23 cities, we are strategically poised to expand our footprint, ensuring that housing solutions are accessible to a wider demographic across India.

Our alliances with major e-commerce giants have been instrumental in launching exclusive online ranges. This strategic move, combined with our unwavering commitment to innovation in areas such as providing precise product information, securing key vendor partnerships, and optimizing customer relationship management, reflects our dedication to delivering a superior online shopping experience.

Looking forward, our ambition is to transform the way we create value for our customers. We are focused on a proactive approach to our product assortment, pricing strategy, and distribution channels, ensuring they are finely tuned to meet and exceed customer expectations by capitalizing on emerging market trends and shifting consumer preferences. Additionally, we are investing significantly in advanced training and skill development programs for our employees,

equipping them to thrive in a dynamic and competitive business environment.

With a confident outlook for both the Indian economy and our brand, we foresee a robust and sustained recovery. Driven by a clear strategic vision, unwavering resolve, and consistent execution, we anticipate a strong growth trajectory through each quarter and beyond, particularly as we approach the festive season.

In conclusion, I extend my deepest gratitude for your continued support and confidence in us. As we advance towards an exciting new chapter of establishing HomeTown as a household name nationwide, we remain committed to delivering substantial value to our customers and stakeholders. With a spirit of resilience and strategic foresight, we are prepared to navigate the future, transforming challenges into strategic opportunities.



"In the vibrant realm of home retail, innovation is our beacon. This year, guided by a profound understanding of our customers' evolving desires, we have redefined our strategies and broadened our horizons. Our focus remains unwavering: to establish Hometown as the ultimate destination for home shopping.

At Hometown, we believe in the transformative power of home. Our mission is to touch hearts with our exquisite designs and strategic initiatives. We are dedicated to empowering our customers on their journey towards creating homes that reflect their dreams, offering curated selections, embracing the latest trends, and delivering personalized solutions."

- Swetank Jain  
CEO & Whole-time Director



# CORPORATE INFORMATION

## Mr. Mahesh Shah

Non-Executive- Non-Independent Director  
& Chairman  
DIN: 01488017

## Mr. Swetank Jain

Chief Executive Officer & Whole-time Director  
DIN: 08859745

## Mr. Jacob Mathew

Non-Executive-Independent Director  
DIN: 00080144

## Ms. Anou Singhvi

Non-Executive-Independent Director  
DIN: 07572970

## Mr. Samson Samuel

Non-Executive -Non-Independent Director  
DIN: 07523995

## Ms. Lynette Robert Monteiro

Non-Executive-Non-Independent Director  
DIN: 07901400

## Mr. Samir Kedia

Chief Financial Officer

## Ms. Sanu Kapoor

Head Legal & Company Secretary



## REGISTERED & CORPORATE OFFICE

2<sup>nd</sup> Floor, Knowledge House, Shyam Nagar,  
Off Jogeshwari-Vikhroli Link Road,  
Jogeshwari-East, Mumbai-400060,  
Maharashtra, India.  
Website: [www.praxisretail.in](http://www.praxisretail.in)

## INVESTOR EMAIL-ID

[investorrelations@praxisretail.in](mailto:investorrelations@praxisretail.in)

## CORPORATE IDENTITY NUMBER

L52100MH2011PLC212866

## STATUTORY AUDITORS

M/s. Singhi & Co.  
Chartered Accountants  
(Firm Registration No. 302049E)

## SECRETARIAL AUDITOR

Anant Gude & Associates  
Practicing Company Secretary  
ACS No. 7219 / CP No. 18623

## DEPOSITORIES

National Securities Depository  
Limited (NSDL)  
Central Depository Services (India)  
Limited (CDSL)

## BANKERS

RBL Bank Limited  
State Bank of India  
HDFC Bank Limited

## SHARE TRANSFER AGENT

Link Intime India Private Limited  
C-101, Embassy 247, LBS Marg,  
Vikhroli (West), Mumbai - 400083  
Tel. No. + 91 22 4918 6000, 8108116767  
Fax No. + 91 22 4918 6060  
website: [www.linkintime.co.in](http://www.linkintime.co.in)

## STOCK EXCHANGES WHERE THE COMPANY'S EQUITY SHARES ARE LISTED

BSE Limited (BSE)  
National Stock Exchange of India  
Limited (NSE)



# MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis (MDA) provides a complete overview of the financial position through the financial statements and a summary of our business performance and the eco-system it operates in. Management Discussion and Analysis comprises of:

- Economy Overview
- Industry Overview
- Overview of Indian Home Furniture Market
- Opportunities and threats
- Business / Operational Overview
- Human Resources
- Risks and Internal Adequacy
- Internal Control Systems and their Adequacy
- Performance Overview

Some of the statements in this MDA may be forward- looking. The future performance of such statements may differ from those stated in the MDA. Such probable difference can be on account of various factors such as changes in the macro-economic environment, Government regulations, tax regimes, impact of competition, and demand-supply constraints.

## **Economy Overview**

The Year 2024 continued to surprises such as the resilience of the labour market in the US and the Eurozone, the extent of monetary tightening, geopolitical conflicts, volatility in energy and food prices and the higher inflation. Performance of the US economy continued to be muted throughout FY 2024. Despite challenges, global GDP expanded by an estimated 3.2% (World Economic Outlook, April 2024). Central banks across the globe implemented controlled interest rate hikes to arrest the inflation, however, its impact weighed on economic growth. Fortunately, these measures prevented global recession and resulted in decrease in inflation towards the end of the year.

## **INDIAN ECONOMY**

The country's remarkable growth rate of 8.4% in the third quarter of the fiscal year 2024 surpassed all expectations, as market analysts had penciled in a slower growth this quarter, between 6.6% and 7.2%. Deloitte's projected growth for the quarter was between 7.1% and 7.4% (as published in January 2024). With substantial revisions to the data from the past three quarters of the fiscal year, India's GDP growth already touched 8.2% year over year (YoY) in these quarters.

## **Outlook**

According to IMF, emerging markets are going to contribute four-fifth of global growth this year, with India alone expected to play the role of a global growth engine with more than 15 per cent. The Indian economy is predicted to grow at 6.3% in FY24 which may go upto 7% if the Global uncertainties recede. The average inflation (Consumer Price Index) is expected to stay around 5.2 percent, which is below the upper tolerance band. Industry is predicted to outperform other sectors with 6.8% real GDP growth. Service sector is expected to maintain its growth momentum at 6.6%. With enhanced capex by Government of Rs.10 lakh crores as announced in the last union budget, the strong private consumption and investment is expected to push the growth momentum further and boost demand. However, the downside risks emanating from the potential spike in oil prices and the weak global environment due to ongoing geopolitical crisis in Ukraine need to be considered.

## **INDUSTRY OVERVIEW**

The retail industry continued its turnaround momentum recording strong growth rates. It is projected to expand to \$4.5 trillion by the end of the decade, driven by sociodemographic and economic factors such as

urbanisation, income growth and a shift from the unorganised to the organised segment. The sector is also emerging as one of the largest sectors in the economy with significant contribution to Indian GDP and employments. India's high growth potential compared to global peers has made it a highly favorable investment destination.

### **Market Segmentation**

The organized retail which makes up about 10–12% of total market share and includes supermarkets, hypermarkets, and specialty stores, and unorganized retail, which dominates with nearly 88–90% share, encompassing traditional family-run stores, kirana stores etc. E-commerce is a rapidly expanding segment, propelled by increased internet penetration, smartphone usage and digital payment adoption.

### **Key Trends**

Digital transformation is significantly altering retail operations through innovations in payment systems, supply chain management, and customer engagement, with omnichannel retailing becoming increasingly prevalent. Indian consumers are shifting towards brand-consciousness, quality and convenience, with a notable rise in online shopping, particularly among younger demographics and urban populations.

### **Challenges**

**Regulatory Environment:** The complex regulatory environment and frequent policy changes can hinder business operations, particularly for foreign companies.

**Infrastructure:** Inadequate infrastructure, especially in rural areas, affects supply chain efficiency and increases operational costs.

**Competition:** Intense competition from both organized and unorganized sectors pressures profit margins, while e-commerce giants challenge traditional retail businesses, leading to market consolidation.

**Technology Adoption:** Smaller retailers and those in unorganized sectors often lack the resources to adopt new technologies, affecting their competitiveness.

### **Future Outlook**

The Indian economy is expected to maintain its positive growth trajectory in the forthcoming years. Significant investments in infrastructure, supported by strong fiscal strategies and continuous policy improvements are expected to bolster the Indian economy. Additionally, a growing young workforce and targeted development initiatives are augmenting growth among key Indian sectors, promoting sustainable long-term economic growth. The country is expected to record a surge in private investments as global economic conditions are expected to improve and gradually easing of monetary policies across the globe is long overdue especially in developed countries.

### **FURNITURE RETAIL INDUSTRY**

India's furniture market is a dynamic industry that contributes significantly to both local consumption and exports. With largest population on planet, India provides a large consumer base as well as a developing middle class with increasing disposable income. The Indian furniture market is predicted to rise at a CAGR of 10.9% to reach US\$ 32.7 billion by 2026, according to Trade Promotion Council of India. Major demand factors include increased urbanisation, rising house decoration and refurbishment, rising disposable incomes, changes in lifestyle and consumer taste and a surge in e-commerce. According to Lattice, the Indian furniture market is anticipated to be worth Rs. 1.20 lakh crore by FY28. It includes a diverse range of products, with wooden furniture emerging as the primary contributor to both the domestic and export markets. The commercial sector is further subdivided into non-contracting and contracting. Traditional workmanship combined with modern designs provide a varied range of alternatives that cater to changing taste. Sustainability is increasingly important, with a growing demand for eco-friendly furniture made from materials like reclaimed wood and bamboo. Customization trends are strong, especially in the premium segment, as consumers seek personalized furniture options. Smart furniture, featuring wireless charging and built-in speakers, is gaining popularity, particularly in the office segment. Additionally, local artisans and small manufacturers are leveraging online marketplaces to reach broader audiences, further intensifying the competitive landscape. The trend towards customization and

sustainable products is pushing retailers to innovate continuously, while smart furniture solutions are becoming a differentiator in the market.

### **Market Drivers**

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 have also showcased the rising demand for luxury housing complexes. The growth in the residential real estate industry over the last few decades has propelled the growth of home furniture market. 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. Residential real estate in India is experiencing a surge in demand due to the rising middle class and government initiatives promoting affordable housing. The Government's flagship scheme Pradhan Mantri Awas Yojana (PMAY) and ambitious plans to build smart cities in India would drive further demand for home furniture and decor. Multi-functional furniture & homeware is growing 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.

### **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 imported 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.

### **THREATS**

#### **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.

### **BUSINESS/OPERATIONAL 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. 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:

#### **Experienced professional management team and motivated workforce**

Our business is consumer driven. 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.

#### **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 centers, city distribution centers and the central warehouse ensure that the products reach the consumers, safely and timely. 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.

### **Enhanced Online Presence in the Furniture Market, Including E-Commerce Marketplaces 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](http://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 in its new avatar is built upon the core brand thought of 'Discover Tasteful Living'. To discover and awaken tasteful living is to plant a seed of tastefulness in the consumer's mind facilitating the consumer to discover their unique aesthetic style and bring different design sensibilities into coherence. We want to go beyond mere home upgrades and instead, ignite a new perspective on living spaces. We believe in the power of design to express individuality and provide endless possibilities for shaping and defining homes. Our expert interior designers empower our clients to explore and discover their own design sensibilities by

integrating immersive 3D visualisation, thereby delivering home designs that reflect our client's unique personality and taste. With our comprehensive services encompassing full home interiors – interior design + execution + home styling with our own curated range of furniture, decor, and furnishings, we aim to elevate homes by democratizing design and making it truly accessible.

### **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. 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, 2024, we had 692 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 a diversified and wide range of products in Furniture (Living, Dining, Bedroom, Essentials and Office), Homeware (Furnishings, Tableware, Décor, Kitchenware). 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, focusing 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**

As of March 31, 2024, we operate our business through stores spanning across pan India. 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 etc.

### **Our Process and Marketing Approach**

Our marketing efforts are focused 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 focused on customer acquisition through sales and product promotions, and on customer retention through personalized 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, 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 e-commerce 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**

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.

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, 2024, we had 692 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 programs 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.

### **RISKS AND ADEQUACY**

Risk and Concerns: The Company recognises that risk is an inherent part of every business. The current economic environment in combination with significant growth ambitions of the Company carries with it an evolving set of risks. Company recognises that these risks need to be managed to protect its customers, employees, shareholders and other stakeholders in the society to achieve our objectives and ensuring sustainable growth of the business. Key risk areas are periodically reviewed by the Senior Management of the Company.

Nevertheless, the Company periodically reviews risks, and provide an integrated approach for identifying, assessing, mitigating, monitoring and reporting of various risks associated with the business of the Company.

The Audit Committee has been entrusted by the Board with the primary responsibility to monitor and review risk



management, assessment and minimization procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risks which the Company may be exposed to. During the year under review, the Company has voluntarily constituted a Risk Management Committee to mitigate the risks involved with foreign exchange exposure.

Further, the Audit Committee has delegated the Internal Auditors with the role of risk management, assessment and minimization procedures and also periodically reviews with them the existing procedures and measures to improve the same.

The Company has in place adequate internal financial controls with reference to financial statements and proactively tracks all changes on the regulatory front and make sure our systems and processes are in compliance of the same. The general economic and political conditions in India, Indian monetary and fiscal policies, state of the economy also have impact on our business. An important element of our business is our procurement strategy which is largely import oriented. The Company closely tracks developments in this area and taking proactive steps to mitigate risks arising as a result of any import related policy changes.

### **Insurance**

We have insured our warehouses and stores 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.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal controls and risk management processes that are commensurate with the nature of business, and size and complexity of its operations.

Appropriate internal control policies and procedures are designed to ensure sound management of our Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance and have been set up to provide reasonable assurance on:

- Effectiveness and efficiency of its operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

The compliance with these policies and procedure is ingrained into the management review process. Deviations from laid-down processes and policies are addressed through systemic process. The Company continuously assesses effectiveness of its internal controls across multiple functions and locations through internal audit. Standard operating procedures have been laid down for important processes across functions.

The internal audit program, significant audit findings, adequacy of internal controls and the financial and risk management processes are regularly reviewed by the Audit Committee. Proactive steps are taken to ensure compliance with various upcoming regulations by the Compliance team. The Company also encourages the employees to adopt fair, compliant and ethical practices. Praxis continues to stay committed to the areas of control and compliance, to ensure the highest standards of governance.

### **PERFORMANCE OVERVIEW**

#### **Review of Financial Performance of the Company for the year under review**

Your Company's Audited Financial Statements are prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. Your Company has made a loss of Rs.8,571.25 lakhs as per Audited Financial Statements for Financial Year ended March 31, 2024.

#### **Review of the Financial Performance**

##### **Total Revenue**

Total revenue for the Financial Year ended March 31, 2024 was Rs.22,593.93 lakhs as compared to Rs.39,541.66 lakhs for the Financial Year ended March 31, 2023 (FY 2023), representing decrease of 42.86%.

Total Expenses: Our total expenditure for the FY 2024 was Rs.30,326.66 lakhs as compared to Rs.44,753.33 lakhs for the FY 2023, representing a decrease of 32.24%.

**Total expenditure comprises of:****Purchase of Stock-in-Trade**

The purchase of stock in trade for the FY 2024 was Rs.10,316.80 lakhs as compared to Rs.14,126.32 lakhs for the FY 2023.

**Changes in Inventories of Stock-in-Trade**

The changes in inventories of stock-in-trade – (Increase)/Decrease for the FY 2024 were Rs.1,053.26 lakhs as compared to Rs.7,331 lakhs for the FY 2023.

**Employee Benefit Expenses**

Employee benefit expense for the FY 2024 was Rs.4,355.29 lakhs as compared to Rs.6,036.86 lakhs for the FY 2023.

**Finance Costs**

Finance costs for the FY 2024 was Rs.2,206.50 lakhs as compared to Rs.2,175.98 lakhs for the FY 2023.

**Depreciation and Amortization Expense**

Depreciation and amortization expense for the FY 2024 was Rs.3,629.13 lakhs as compared to Rs.3,602.62 lakhs for the FY 2023.

**Profit/(Loss) After Tax and Exceptional Items**

The loss after tax and exceptional items for the FY 2024 was Rs.8,571.25 Lakhs as compared to Rs.2,101.39 Lakhs for the FY 2023.

**Financial Review**

Particulars	FY 2024	FY 2023
Turnover (Including other Income) (Rs. in Lakh)	22,593.93	39,541.66
Return on Net Worth (%)	(61.58)	(21.28)
Net Assets Value per Share (Rs.)	(3.45)	(2.37)
Earnings per Share (Rs.)	(7.35)	(2.68)

**Details of Significant Ratio Changes**

Ratio	2023-24	2022-23	% change	Reason for change
Inventory Turnover (Days)	199	177	12%	Refer Note 1
Interest Coverage Ratio (Times)	(2.50)	(1.40)	-80%	Refer Note 2
Current Ratio (Times)	0.67	0.75	-11%	Refer Note 3
Debt Equity Ratio (Times)	(1.72)	(2.97)	42%	Refer Note 4
Debtors Turnover (Times)	0.63	1.60	-61%	Refer Note 5
Operating Profit Margin (%)	48.22	44.42	9%	N.A.
Net Profit Margin (%)	(35.22)	(13.50)	-161%	Refer Note 6
Return on Net Worth (%)	(61.58)	(21.28)	-189%	Refer Note 6
EPS (Rs.)	(7.35)	(2.68)	-174%	Refer Note 6

**Note:**

1. Due to decrease in inventories.
2. Due to increase in losses incurred by the Company.
3. Due to decrease in current assets and increase in current liabilities.
4. Due to decrease in borrowings and negative shareholders' equity.
5. Due to decrease in credit sales.
6. Due to losses incurred by the Company during FY 2024.

**Cautionary Statement**

The statements in the Management Discussion and Analysis section describing the Company's objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results, are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.

For and on behalf of the Board of Directors

**Praxis Home Retail Limited**

Mahesh Shah

**Director**

DIN: 01488017

**Place:** Mumbai

**Date:** May 23, 2024



# BOARD'S REPORT

To  
The Members,

Your Directors are pleased to present the Thirteenth Annual Report of Praxis Home Retail Limited ("**the Company**") together with the Audited Financial Statements for the Financial Year ("**FY**") ended March 31, 2024.

## FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	FY 2023-24	FY 2022-23
Revenue from Operations	21,957.77	38,604.55
Other Income	636.16	937.11
<b>Total Income</b>	<b>22,593.93</b>	<b>39,541.66</b>
Profit / (Loss) before Depreciation and Amortization Expense & Tax expense and after exceptional items	(4,942.11)	1,501.23
Less: Depreciation and Amortization expense	3,629.13	3,602.62
Profit / (Loss) before Tax and after exceptional items	(8,571.25)	(2,101.39)
Profit / (Loss) after Tax and exceptional items	(8,571.25)	(2,101.39)
Other Comprehensive Income/(Loss) for the Year	(49.11)	(61.7)
Total Comprehensive Income/(Loss) for the Year	(8,620.35)	(2,163.09)

## FINANCIAL PERFORMANCE

During the year under review, the total income for FY 2023-24 was Rs.22,593.93 Lakh, lower by 42.81% over the previous year's total income of Rs.39,541.66 Lakh in FY 2022-23. The Loss after Tax for FY 2023-24 was Rs.8,571.25 Lakh as compared to Loss after Tax of Rs.2,101.39 for FY 2022-23.

## DIVIDEND AND RESERVES

In view of losses, your Directors are unable to recommend any dividend for the FY under review. Further, there is no amount proposed to be transferred to any reserves.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR TILL THE DATE OF THIS REPORT

There were no material changes and commitments affecting the financial position of the Company from the date of closure of the Financial Year under review till the date of signing of this Report except as disclosed in this Report. There has been no change in the nature of business of your Company.

## SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture and associate companies.

## PUBLIC DEPOSITS

The Company has not accepted any fixed deposits from the public and/or Members as such, no amount in the nature of principal or interest on deposits from public and/or Members were outstanding as of March 31, 2024.

## SHARE CAPITAL

During the year under review, the Company had issued and allotted:

- 4,91,85,572 fully paid-up Equity Shares of Rs.5/- each at a price of Rs.10/- (including a share premium of Rs.5/- per Equity Share) aggregating to Rs.4,918.56 Lakhs on June 22, 2023 under a Right Issue;
- 1,00,000 fully paid-up Equity Shares face value of Rs.5/- each of the Company on June 13, 2023, pursuant to exercise of stock options by the eligible employees under ESOP Plan 2021;

3. 2,62,500 fully paid-up Equity Shares face value of Rs.5/- each of the Company on January 27, 2024, pursuant to exercise of stock options by the eligible employees under ESOP Plan 2021.

As a result of such allotments, the paid-up Equity Share Capital of the Company increased to Rs. 62,60,90,920/- divided into 12,52,18,184 Equity Shares of face value Rs.5/- each fully paid-up and 6,30,000 Preference Shares of the face value of Rs.100/- each.

On August 3, 2023, the Company allotted 4,00,00,000 share warrants on preferential basis at an issue price of Rs.16 per share warrant aggregating to Rs.64 Crore. As per the terms of the issue and in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, such share warrants would be converted into equity shares within a period of 18 months from the date of allotment. A statement as at March 31, 2024 as required under regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Financial Statements.

### **CORPORATE GOVERNANCE**

Pursuant to Regulation 34 of the SEBI Listing Regulations, Report on Corporate Governance alongwith the certificate from a Practicing Company Secretary certifying compliance with conditions of Corporate Governance is annexed to this Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the Listing Regulations is provided in a separate section and forms part of this Report which includes the state of affairs of the Company.

### **MEETINGS OF THE BOARD**

During the year under review, 7 (seven) Meetings of the Board of Directors were held, details of which are given in the Corporate Governance Report which forms a part of this Annual Report.

### **COMMITTEES OF THE BOARD**

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following Committees have been constituted by the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Committee of Directors
- Share Transfer Committee

During the year, the Risk Management Committee was dissolved as the same is not mandatorily required pursuant to SEBI LODR Regulations and its functions were entrusted to the Audit Committee. Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Report. Further, during the year under review, all recommendations made by the various committees have been accepted by the Board.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors of the Company hereby confirms that:

- I. in the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the Financial Year ended March 31, 2024;
- III. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- IV. they have prepared the annual accounts for the Financial Year ended March 31, 2024 on a going concern basis;
- V. they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- VI. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Ms. Lynette Monteiro was appointed as an Additional Non-Executive Non-Independent Director of the Company on April 13, 2023. Her appointment was also approved by the shareholders through Postal Ballot. In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Lynette Monteiro is liable to retire by rotation at the ensuing annual general meeting and being eligible, offers herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the Notice.

Mr. Mahesh Shah resigned from the position of Managing Director w.e.f. October 31, 2023 and continued as a non-executive non-independent Director. He was also appointed as Chairman of the Board of Directors w.e.f. November 01, 2023.

Mr. Harminder Sahni resigned from the position of directorship w.e.f. March 20, 2024. The Board of Directors places on record its appreciation for contributions made by them during their tenure.

Mr. Samson Samuel was appointed by the shareholders of the Company as Non-Executive Non-Independent Director of the Company w.e.f. April 16, 2023.

Mr. Swetank Jain was appointed as Chief Executive Officer and Whole-time Director of the Company w.e.f. September 01, 2023.

#### **Independent Directors**

Pursuant to the provisions of Section 149(7) of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed there under and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

None of the Directors of your Company is disqualified for being appointed as Director, as specified in Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended.

#### **Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024 are:

- Mr. Swetank Jain - Chief Executive Officer & Whole-time Director;
- Mr. Samir Kedia - Chief Financial Officer
- Ms. Sanu Kapoor - Company Secretary

#### **PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

During the year, annual performance evaluation of the Board and Committees of the Board, individual Directors of the Company, was carried out as per the criteria and process approved by Nomination and Remuneration Committee, which is in line with the SEBI Guidance Note on Board Evaluation.

The Board discussed upon the outcome of performance evaluation and concluded that they were satisfied with the overall performance of the Board and Committees of the Board and Directors individually. The Board also assessed the fulfilment of the independence criteria by the Independent Directors of the Company and their independence from the management as specified in the Listing Regulations.



Mr. Harminder Sahni, Independent Director was the Chairman of the Board till October 31, 2023 and Mr. Mahesh was appointed as the Chairman with effect from November 01, 2023. Accordingly, the performance evaluation of the chairman was carried out in respect of financial year 2023-24.

The performance evaluation of the Non-Independent Directors and the performance of the Board as a whole was discussed at the separate meeting of the Independent Directors as well.

#### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Please refer to the paragraph on familiarisation programme in the Corporate Governance Report.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on website at [https://www.praxisretail.in/assets/download/4.Remuneration\\_Policy\\_Final.pdf](https://www.praxisretail.in/assets/download/4.Remuneration_Policy_Final.pdf)

#### **VIGIL MECHANISM**

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for redressal. The establishment of Vigil Mechanism is available on the website of the Company at <https://www.praxisretail.in/assets/download/Vigil-Mechanism-and-Whistle-Blower-Policy.pdf>

#### **RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL**

The Company has a robust risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring, and reporting of various risks associated with the business of the Company. The erstwhile Risk Management Committee was entrusted by the Board with the primary responsibility to monitor and review risk management, assessment, and minimisation procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risks which the Company may be exposed to. The Audit Committee has additional oversight in their area of financial risk and internal controls.

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. The Company has in place adequate internal controls with reference to financial statements. Key risks and threats to the Company and internal controls and their adequacy are analysed in the Management Discussion and Analysis, which forms part of this Report.

#### **HUMAN RESOURCES**

Please refer to the paragraph on Human Resources in the Management Discussion & Analysis section for detailed analysis.

#### **EMPLOYEE STOCK OPTION PLANS**

In order to enable the employees of the Company to participate in its future growth and success, the Company has Employee Stock Option Plans in place. In terms of Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures for FY 2023-24 with respect to all the ESOP policies have been provided on the website of the Company at <https://www.praxisretail.in/esop-disclosures-new.html>.

#### **LOANS, GUARANTEES & INVESTMENTS**

The Company has not granted any loans, provided any guarantee, or made any Investments which are covered under the provisions of Section 186 of the Act.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) were appointed as the Statutory Auditors of the Company at the 11th Annual General Meeting held on August 19, 2022, for a period of five years from the conclusion of the 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company to be held in the year 2027.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory. The Auditors' Report is enclosed with the financial statements forming part of this Annual Report.

**Explanation to Auditors' Comment:**

The disclaimer of opinion by the Statutory Auditors is appropriately dealt with in Note No. 41, 49 & 50 of Standalone Financial Statements and doesn't require any further comments under section 134 of the Act. Further, a Statement on Impact of Audit Qualification as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Audited Financial Statements.

Further, the Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

**Secretarial Auditor**

The Company has appointed Mr. Anant Gude of M/s. Anant Gude & Associates, Practising Company Secretary to conduct the Secretarial Audit of the Company for the FY 2023-24. The 'Secretarial Audit Report' in prescribed Form MR-3 for the FY 2023-24 is appended as Annexure-I which forms part of this Report. Further pursuant to Regulation 24A of the Listing Regulations Annual Secretarial Compliance Report for the year ended March 31, 2024, is also appended with the said Secretarial Audit Report.

The Secretarial Audit Report does not contain adverse remarks.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has employed women workforce and strives to make the most conducive working environment for women employees in the organisation. The Company believes in providing a safe and harassment free workplace for every employee including women working in the Company through various training, awareness, and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has adopted the policy of zero tolerance in case any sexual harassment issues are reported.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaints were received by the Company.

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility ("CSR") Committee.

The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. During the year under review, the Company was not required to spend any amount of CSR. The CSR policy of the Company is available on the website of the Company at [https://www.praxisretail.in/assets/download/6.CSR\\_Policy.pdf](https://www.praxisretail.in/assets/download/6.CSR_Policy.pdf)

During the year under review, the Company was not required to spend any amount on CSR activities, since the Company does not fall into the criteria specified in Section 135 of the Act. The disclosures as per Rule of Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is annexed to this Report as Annexure-II.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, all transactions entered into by the Company with Related Parties as defined under the Act and the Listing Regulations, were in the ordinary course of business and on an arm's length basis and there were no material related party transactions as per the materiality threshold limit during the year under review. The required Form AOC-2 is annexed as Annexure-III for the particulars of related party transactions to be disclosed under Section 134(3) (h) of the Act.

Disclosure of transactions with related parties as required under the applicable Accounting Standards has been made in the Notes forming part of the Financial Statement.

## **COST RECORDS**

Pursuant to Section 148(1) of the Act and the relevant rules made thereunder, the Company is not required to maintain cost records hence the same is not maintained by the Company.

## **PARTICULARS OF EMPLOYEES**

Disclosures with respect to the Remuneration of Directors and Employees as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure-IV, which is annexed to this Report.

Statement containing particulars of top 10 employees and particulars of employees as required under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. The said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary or send email to [investorrelations@praxisretail.in](mailto:investorrelations@praxisretail.in).

## **PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.**

The particulars as required under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are provided in Annexure-V which forms a part of this Report.

## **ANNUAL RETURN**

In accordance with Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the Financial Year ended March 31, 2024 is available on the website of the Company at <https://www.praxisretail.in/annual-reports.html>

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## **MATTER UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

M/s. Koncepts Interior, Operational Creditor of the Company had filed an application under section 9 of the Insolvency and Bankruptcy Code, 2016 ('Code'), before the Hon'ble National Company Law Tribunal – Mumbai Bench ('Hon'ble NCLT') seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the Company, and the matter was pending as on March 31, 2024.

In the matter of corporate insolvency of Future Lifestyle Fashions Limited (Corporate Debtor), the Resolution Professional of Corporate Debtor has filed an interlocutory application against the Company and Promoter - Mr. Kishore Biyani ("Respondents") before the NCLT, Mumbai bench claiming the arrears of rent amounting to Rs. 23.21 Crore from the Company. The matter was pending as on March 31, 2024.

## **UNCLAIMED SUSPENSE ACCOUNT**

Pursuant to Regulation 39(4) read with Schedule V of the Listing Regulations, the details pertaining to outstanding shares lying in Unclaimed Suspense Account, are given in the Corporate Governance Report which forms a part of this Annual Report. All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such Account. However, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## **SECRETARIAL STANDARDS**

During the year under review, the Company has complied with Secretarial Standards on Meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as amended and issued from time to time by the Institute of Company Secretaries of India in terms of Section 118 (10) of the Act.



**GENERAL**

Other than as disclosed in this report, there were no transactions during the year under review which require disclosure or reporting in respect of matters relating to: a) issue of equity shares with differential rights as to dividend, voting or otherwise; b) raising of funds through preferential allotment or qualified institutions placement; c) instances of one-time settlement with any bank or financial institution or other matters not specified in this report necessitating the disclosure in this Report.

**ACKNOWLEDGEMENT**

Your Board of Directors would like to thank and place on record their appreciation for the continued support, firm confidence professed on us and co-operation provided to the Company by its partners viz. our valued shareholders, customers, employees, suppliers, other business associates, bankers, regulatory authorities and all other stakeholders.

For and on behalf of the Board of Directors,  
**Praxis Home Retail Limited**

Mahesh Shah  
**Chairman**  
DIN: 01488017

**Place:** Mumbai

**Date:** May 23, 2024

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

To,  
The Members,  
**Praxis Home Retail Limited**  
(CIN: L52100MH2011PLC212866)  
iThink Techno Campus, Jolly Board Tower D,  
Ground Floor, Kanjurmarg (East)  
Mumbai – 400042.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRAXIS HOME RETAIL LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company in digital form and also the information provided by the Company, its officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended March 31, 2024, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 and / or the Companies Act, 1956 to the extent applicable (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015; ("Listing Regulations")
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (g) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the Financial Year ended March 31, 2024:

- (a) Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (b) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Based on the representation given by the Management of the Company, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates. During the year under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under review, 4,91,85,572 fully paid up Rights Equity Shares of the face value of ₹ 5/- each issued at a price of ₹ 10/- per Rights Equity Share (including premium of ₹ 5/- per Rights Equity Share) of the Company, bearing distinctive numbers from 75770113 to 124955684 (both inclusive), ranking pari passu with the existing Equity Shares, were allotted to the respective applicants in various categories, pursuant to issue of Equity Shares of the Company on rights basis in terms of the Letter of Offer dated May 26, 2023 and in pursuance of Basis of Allotment approved by BSE Limited, the Designated Stock Exchange, on Tuesday, June 21, 2023, as per the basis of allotment set-out in the allotment statement.

Further, upon exercise of Stock Options by the eligible employees, under **PRAXIS HOME RETAIL LIMITED EMPLOYEE STOCK OPTION PLAN – 2021 (“PRAXIS ESOP PLAN 2021”/ “PLAN”)** the Company had issued & allotted 1,00,000 equity shares on June 13, 2023 and 2,62,500 equity shares on January 27, 2024 which were duly listed for trading on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on June 19, 2023 and February 02, 2024.

Consequently, pursuant to Rights Issue and aforesaid two ESOP Allotments, the paid-up Equity Share Capital of the Company as on March 31, 2024, is Rs. 62,60,90,920/- divided into 12,52,18,184 equity shares of Rs.5/- each, of the Company.

I have to report that pursuant to the Order passed by the Hon'ble 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 Rs. 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 Rs. 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.

Pursuant to section 55 of the Companies Act, 2013, if a Company is unable to redeem any preference shares or to pay dividend, if any, on such shares in accordance with the terms of issue then:

- such shares to be termed as unredeemed Preference Shares
- it may, with the consent of the holders of three-fourths in value of such Preference Shares and with the approval of NCLT on a petition made by it in this behalf, issue further redeemable Preference Shares equal to the amount due, including the dividend thereon, in respect of the unredeemed preference shares,
- on the issue of such further redeemable Preference Shares, the unredeemed Preference Shares shall be deemed to have been redeemed.

The Company has informed the holder of the Preference Shares that pursuant to the aforesaid Section, due to non-availability of the profits, the Company is unable to redeem the said Preference Shares during the year.

I further report that I relied on Statutory Auditor's Report in relation to the Financial Statements and accuracy of financial figures for Goods and Services Tax (GST), Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.



I have also examined compliance with the applicable clauses of the Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India. I further report that the Board of Directors of the Company, is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on the date of this Report. During the year under review, there were the following changes in the composition of the Board of Directors:

Sr. No.	Name of the Director	DIN	Event Type	Event Date
1.	Mr. Samson Samuel	07523995	Appointment as Non-Executive Non-Independent Director	17-04-2023
2.	Ms. Lynette Robert Monteiro	07901400	Appointment as Non-Executive Non-Independent Director	02-07-2023
3.	Mr. Mahesh Shah	01488017	Cessation as Managing Director and appointments Non-Executive Director	31-10-2023
4.	Mr. Mahesh Shah	01488017	Appointment Chairman	01-11-2023
5.	Mr. Swetank Jain	08859745	Appointment as Chief Executive Officer and Whole-time Director	01-09-2023
6.	Mr. Harminder Sahni	00576755	Cessation as Non-Executive Independent Director	20-03-2024

Consequent to the above-referred Board changes, as on March 31, 2024, the Board comprised of 6 (Six) Directors including one Independent Woman Director and two Non-Executive Non-Independent Director. Also accordingly, changes in some of the Board Committees took place during the year under review, which were carried out in compliance with the provisions of the Act.

I further report that as per the information provided by the Company, it has given adequate notice to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the Minutes of the Meetings, majority decisions of the Board were unanimous, and no dissenting views were found as part of the Minutes.

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

This Report is to be read with my letter of even date which is annexed as **Annexure-I** and forms an integral part of this Report.

For **ANANT GUDE & ASSOCIATES,**

ANANT GUDE

**Practicing Company Secretary**

Proprietor

**ACS No.: 7219 / CP No.: 18623**

**UDIN: A007219F000379701**

**Place:** Mumbai

**Dated:** May 16, 2024

**ANNEXURE - I****TO SECRETARIAL AUDIT REPORT**

To,  
The Members  
**Praxis Home Retail Limited**  
Mumbai

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

1. Maintenance of secretarial records in digital as well as in physical form is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. My examination was limited to the verification of procedure on test basis.
5. This Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **ANANT GUDE & ASSOCIATES,**

ANANT GUDE  
**Practicing Company Secretary**  
Proprietor  
**ACS No.: 7219 / CP No.: 18623**  
**UDIN: A007219F000379701**

**Place:** Mumbai

**Dated:** May 16, 2024

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF  
PRAXIS HOME RETAIL LIMITED  
FOR THE YEAR ENDED MARCH 31, 2024**

I, **Anant Gude**, Proprietor of **M/s. Anant Gude & Associates**, Practicing Company Secretary have conducted the review of compliance of the applicable statutory provisions and the adherence to good corporate governance practices by PRAXIS HOME RETAIL LIMITED (hereinafter referred to as 'the listed entity') having its registered office at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400042. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined:

- (a) All the documents and records made available to me and explanations provided by Praxis Home Retail Limited ("the listed entity"),
- (b) The filings / submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Other documents/ filings as may be relevant, which has been relied upon to make this certification,

**For the year ended March 31, 2024 ("Review Period")** in respect of compliance with the provisions of:

- (a) Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and
- (b) Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

**The specific regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:**

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018,
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- (f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
- (g) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003,
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars / guidelines issued thereunder.
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and circulars / guidelines issued thereunder.
- (j) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018

**Note:** The aforesaid list of SEBI regulations is only the list of Regulations which were applicable to the Company during the year under review.

And based on the above examination, explanations and presentations provided by the Company, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above regulations / circulars / guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Compliance status (Yes/No/NA)
1.	<p><b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes
2.	<p><b>Adoption and timely updation of the policies:</b></p> <ul style="list-style-type: none"> <li>● All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>● All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/guidelines issued by SEBI</li> </ul>	Yes
3.	<p><b>Maintenance and disclosures on Website:</b> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</p>	Yes
4.	<p><b>Disqualification of Director:</b> None of the Director(s) of the Company are disqualified under Section 164 of companies act 2013 as confirmed by the listed entity</p>	Yes
5.	<p><b>Details related to Subsidiaries of listed entities have been examined:</b> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries</p>	The listed entity has no subsidiary
6.	<p><b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes
7.	<p><b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	Yes
8.	<p><b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p>	Yes



Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Compliance status (Yes/No/NA)
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> Pursuant to the order passed by the Securities and Exchange Board of India ("SEBI") dated 28th April, 2023, Future Corporate Resources Limited ("FCRL") and other promoter entities, Praxis Home Retail Limited had allotted 7500 CCDs to FCRL (Promoter Group Entity). After conversion of these CCDs, the shareholding of FCRL in the Company increased to 5.71%, which is more than 5% in the holding of the Company and thereafter, FCRL, along with other Persons Acting in Concert were required to make public announcement of the Open Offer, which was not done and thereafter, the Adjudicating Officer appointed by SEBI levied monetary penalty on FCRL and other PACs pursuant to Section 15(1) of Securities and Exchange Board of India, Act, 1992 Read with Rule 5 of SEBI (Procedure for holding enquiry and imposing penalties) Rules, 1995	
12.	<b>Additional Non-Compliance, if any/;</b> No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.	

Compliances related to resignation of statutory auditors from listed entity and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance status (Yes/No/NA)
1.	Compliances with the following conditions while appointing/re-appointing an auditor	
	i. if the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	The Auditor has not resigned during that period
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	The Auditor has not resigned during that period
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	Not Applicable

Sr. No.	Particulars	Compliance status (Yes/No/NA)
2.	<b>Other conditions relating to resignation of statutory auditor</b>	
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	
	a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	No such event has happened
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	Same as above
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	Not Applicable

a. The listed entity has complied with the provisions of the above Regulations / circulars / guidelines issued as specified below

Sr. No.	Compliance Requirement	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of violations	Fine Amount
	The listed entity has complied with the above Regulations & circulars/guidelines						

b. The listed entity has taken the following actions to comply with the observations made in previous report

Sr. No.	Compliance Requirement	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of violations	Fine Amount
	There were no objections in the previous report						

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity

For **ANANT GUDE & ASSOCIATES**

ANANT GUDE

**Practicing Company Secretary**

Proprietor

**ACS No.: 7219 / CP No.: 18623**

**UDIN: A007219F000042694**

**Dated:** April 6, 2024

**Place:** Mumbai

## ANNEXURE - II

## ANNUAL REPORT ON CSR ACTIVITIES

## 1. A brief outline on CSR policy of the Company

The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ('the Act'). CSR Policy of the Company is available on the website of the Company at the link: [https://www.praxisretail.in/assets/download/6.CSR\\_Policy.pdf](https://www.praxisretail.in/assets/download/6.CSR_Policy.pdf)

## 2. Composition of CSR Committee\*

Sl. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Anou Singhvi	Chairperson/ Independent Director	NIL	NIL
2.	Mr. Jacob Mathew	Member/Independent Director	NIL	NIL
3.	Mr. Mahesh Shah	Member/ Non-Executive Director	NIL	NIL

## 3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: Not Applicable

## 4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not Applicable

5.	(a)	Average net profit of the Company as per Section 135(5)	Loss of Rs.3666 Lakh
	(b)	Two percent of average net profit of the company as per sub-section (5) of section 135.	Not Applicable
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	
	(d)	Amount required to be set-off for the financial year, if any.	
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	

## 6 (a) (i) Details of CSR amount spent against ongoing projects for the financial year 2023-24:

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration NO.
Not Applicable												

## 6 (a) (ii) Details of CSR amount spent against other than ongoing projects for the financial year 2023-24:

(Rs. in Lakhs)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR
Not Applicable									

(b) Amount spent in Administrative Overheads- NIL

(c) Amount spent on Impact Assessment, if applicable- NIL

(d) Total amount spent for the Financial Year- Not Applicable (6a+6b+6c)



**(e) Details of CSR spent or Unspent for the financial year 2023-24**

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Sec 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
	Not Applicable				

**(f) Excess amount for Set off, if any**

SI No.	Particular	Amount (in Rs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. **(a) Details of Unspent CSR amount for the preceding three financial years-**

Sl. No.	Preceding Financial year	Amount transferred to unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in unspent CSR account under sub-section (6) of Section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Date of Transfer	Amount (in Rs.)	
					Not Applicable		

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** Not Applicable

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable since the Company has incurred losses

For and on behalf of the Board of Directors

**For Praxis Home Retail Limited**

Anou Singhvi  
**Independent Director**  
Chairperson- CSR Committee  
DIN: 07572970

Mahesh Shah  
**Non-Executive Non-Independent Director**  
Member- CSR Committee  
DIN: 01488017

**Date:** May 23, 2024

**Place:** Mumbai

**ANNEXURE III****FORM NO. AOC - 2****[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

None

**2. Details of material contract or arrangements or transactions at arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2024, are as follows

<b>Name of the Related Parties</b>	<b>Nature of Relationship</b>	<b>Nature of contracts/ arrangements/ Transactions</b>	<b>Duration of the contracts/ arrangements/ Transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value (₹ in lakh)</b>	<b>Approvals</b>	<b>Amount paid as advances if any (₹ in lakh)</b>
<b>None</b>						

**Note:** There were no material related party transactions as per the materiality threshold limit during the year under review.

For and on behalf of the Board of Directors,  
**Praxis Home Retail Limited**

Mahesh Shah  
**Chairman**  
DIN: 01488017

**Place:** Mumbai  
**Date:** May 23, 2024

## ANNEXURE IV

### Information required under Section 197(12) of the Act Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY24 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY24:

Name of Director and Key Managerial Personnel	Designation	Ratio of Remuneration of each Director and Key Managerial Personnel to median remuneration of employees	Increase/ Decrease in Remuneration in the FY24 (in percentage)
Mr. Mahesh Shah <sup>1</sup>	Chairman and Non-Executive Director	0.61	Refer note 2
Mr. Harminder Sahni <sup>2</sup>	Independent Director	1.59	Refer note 2
Mr. Jacob Mathew	Independent Director	1.67	20.59%
Ms. Anou Singhvi	Independent Director	1.30	6.67%
Mr. Samson Samuel <sup>3</sup>	Non-Executive Director	0.98	Refer note 2
Ms. Lynette Robert Monteiro <sup>4</sup>	Non-Executive Director	0.73	Refer note 2
Mr. Swetank Jain <sup>5</sup>	CEO & Whole-time Director	50.02	Refer note 2
Mr. Samir Kedia	Chief Financial Officer	50.69	-11.25%
Ms. Sanu Kapoor	Company Secretary & Compliance Officer	13.90	Refer note 2

- (ii) The percentage increase in the median remuneration of employees in the Financial Year: 22.44%.
- (iii) The number of permanent employees on the rolls of the Company as on March 31, 2024: 692
- (iv) Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
For employees other than the managerial personnel – appr. 8%; for managerial personnel – Nil.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

#### Notes:

- Remuneration to Independent Directors and Non-Executive Directors consists only of sitting fees. The percentage increase/ decrease in remuneration is calculated on the basis of cost to the Company for MD/ WTD and KMPs.
- Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence not stated.

For and on behalf of the Board of Directors,  
**Praxis Home Retail Limited**

Mahesh Shah  
**Chairman**  
DIN: 01488017

**Place:** Mumbai  
**Date:** May 23, 2024

<sup>1</sup>resigned as Managing Director w.e.f. October 31, 2023

<sup>2</sup>resigned w.e.f. March 20, 2024

<sup>3</sup>appointed as a Non-Executive Director on March 14, 2023

<sup>4</sup>appointed as a Non-Executive Director on April 13, 2023

<sup>5</sup>appointed as the CEO & Whole-time Director w.e.f. September 01, 2023

**ANNEXURE V****Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo Etc.:**

Information on Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

**(A) Conservation of Energy:**

(i) The steps taken or impact on conservation of energy	The operations of the Company are not energy intensive; however adequate measures have been taken to reduce energy consumption through installation of temperature-controlled air conditioners, use of natural lights in offices/ stores premises and also by continuing to replace old lighting fixtures with LED lights at its existing offices/stores.
(ii) The steps taken by the Company for utilizing alternate sources of energy	All efforts are made to use more natural lights in offices/ store premises to optimize the consumption of energy.
(iii) The capital investment on energy conservation equipments;	NIL

**(B) Technology Absorption:**

(i) The efforts made towards technology absorption	<p>In the year under review, the IT strategy has the following premise:</p> <ol style="list-style-type: none"> <li>Expand the scope of the CRM platform to Modular Kitchen and Design and Build line of Business;</li> <li>Improve customer experience of online customers and conversion customers reaching out to Customer Support by leveraging the 360-degree view of the customer;</li> <li>Leverage our online channels for growth – www.hometown.in and other marketplaces;</li> <li>Automate backend analytics and thereby aid efficiency Keeping the above in consideration, the Company revamped its operational KPIs and introduced competition amongst store teams for adoption of CRM system. The end-result was an increase in conversion of Leads despite de- growth in footfalls.</li> </ol> <p>We also launched the Service Cloud module of the CRM and thereby built an end-to-end platform to analyze customer information. Also extended the implementation to streamline after sales service process for Furniture and MK business. The concerned implementation aided in integrating sales, service and customer feedback info from all our channels, be it stores or online.</p> <p>With an aim to assimilate the customer information from www.hometown.in over CRM system, the current Cart details was converted into an omni- channel cart with an option to complete the purchase on hometown.in or in the store. We also introduced self-service for order tracking and raising customer complaints/requests on the web which in turn is seamlessly integrated with underlying CRM platform.</p> <p>To improve customer experience on www.hometown.in and overall website maintenance few initiatives were implemented.</p>
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	To improve efficiency in product/sales analysis, we automated many KPI reports on our data- warehouse solution. Some of the key ones being automating the sales report, automating the assessment of sales by product category, brands, country of origin, etc
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> <li>Increase in conversion of leads generated into sale of furniture despite de-growth in footfalls.</li> <li>Overall reduction in time in servicing the customers with increase in Efficiency.</li> <li>Automation of various business reports.</li> </ol>
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) the details of technology imported;	Not Applicable
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	
(iv) the expenditure incurred on Research and Development.	Nil

**(C) Foreign exchange earnings and Outgo:**

(Rs. in Lakh)

Particulars	F.Y. 2023-24	F.Y. 2022-23
Foreign Exchange Used	1,799.82	3,010.36
Foreign Exchange Earned	Nil	Nil

For and on behalf of the Board of Directors,  
**Praxis Home Retail Limited**

Mahesh Shah  
**Chairman**  
DIN: 01488017

**Place:** Mumbai  
**Date:** May 23, 2024

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company continues to believe in its philosophy on corporate governance demonstrating good corporate citizenship through governance practices, environmental awareness and ethical behaviour not only to attain corporate objectives but also to align them with economic and social goals for the betterment of all stakeholders.

The Company conducts its business according to the system, practices and processes which are regularly reviewed and strengthened to adapt and adopt, implement various codes and policies in compliance with the applicable regulatory provisions and to ensure transparency and accountability at various levels of organisation including the Board and its various Committees. Such codes and policies are disclosed on the Company's website [www.praxisretail.in](http://www.praxisretail.in).

The Company has in place a Code of Conduct for the Board of Directors and Senior Management Personnel ("Code of Conduct") laying down the corporate ethics to be practiced by the entire management cadre. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2024 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & WTD is reproduced at the end of this Report.

### BOARD OF DIRECTORS

The composition of the Board of Directors ('the Board') is in conformity with the requirements of the Companies Act, 2013 (the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with optimum combination of Executive, Non-Executive and Independent Directors. The Board approves corporate strategies, which are intended to allocate corporate resources for long-term growth and build sustainable long-term value for the stakeholders. The Board of Directors is regularly provided the information and documents as part of agenda items including the information as prescribed under Part A of Schedule II to the Listing Regulations for its review / suggestions / approvals. During the year under review, the composition of the Board was in conformity with Regulation 17 of the SEBI Listing Regulations read together with Section 149 and 152 of the Act and rules framed thereunder. As on March 31, 2024, the Board comprised of 6 Directors, out of which 4 were Non-Executive Directors. The Company has a Non-Executive Chairman and 2 Independent Directors including one Independent Woman Director. All Independent Directors have confirmed in accordance with Regulation 25(8) of the Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Act.

None of the Directors on the Board hold the office of Director in more than 20 companies, including 10 public companies, and related to one another. None of the Independent Directors serves as Independent Directors in more than 7 listed entities and is Whole-time Directors /Managing Directors in any other listed entity. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors is a member in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders Relationship Committee] across all public limited companies in which he/she is a Director.

During the year under review, 7 (Seven) Meetings of the Board of Directors were held on May 27, 2023, June 22, 2023, August 07, 2023, August 31, 2023, November 03, 2023, February 06, 2024 and March 29, 2024.

### Relevant information on composition of the Board during financial year ended March 31, 2024

Name of Director, Director Identification Number & Category	No. of Board Meetings attended in the year	Attendance at the last AGM	Name of other Listed entities where he/she is a director & (category of directorship)	No. of Directorships <sup>1</sup>		No. of Memberships / Chairmanships of Committees in public companies <sup>2</sup>		Holding in Company's shares & other convertible instruments
				Public	Private / Non-profit	Member- ships	Chair- manship	
Mr. Mahesh Shah <sup>3</sup> DIN: 01488017 (Managing Director)	6	Yes	None	1	0	2	0	259
Mr. Harminder Sahni <sup>4</sup> DIN: 00576755 (Independent Director)	6	Yes	Himatsingka Seide Limited (Independent Director)	2	5	1	1	Nil

<sup>1</sup> does not include directorships in foreign companies

<sup>2</sup> only Audit Committees and Stakeholders' Relationship Committees are considered

<sup>3</sup> ceased to be Managing Director of the Company w.e.f October 31, 2023 and appointed as Non-Executive Director and Chairman of the Company w.e.f. November 01, 2023

<sup>4</sup> ceased to be Non-Executive Independent Director of the Company w.e.f. March 20, 2024

Name of Director, Director Identification Number & Category	No. of Board Meetings attended in the year	Attendance at the last AGM	Name of other Listed entities where he/she is a director & (category of directorship)	No. of Directorships <sup>1</sup>		No. of Memberships / Chairmanships of Committees in public companies <sup>2</sup>		Holding in Company's shares & other convertible instruments
				Public	Private / Non-profit	Member- ships	Chair- manship	
Mr. Jacob Mathew DIN: 00080144 (Independent Director)	6	Yes	None	2	2	2	1	55
Ms. Anou Singhvi DIN: 07572970 (Independent Director)	6	Yes	None	1	4	1	0	Nil
Mr. Samson Samuel <sup>5</sup> DIN:07523995 (Non-Executive Non-Independent Director)	6	Yes	None	5	4	1	1	Nil
Ms. Lynette Monteiro <sup>6</sup> DIN:07901400 (Non-Executive Non-Independent Director)	6	Yes	Future Consumer Ltd (Non-Executive -Non Independent Director)	4	0	1	1	Nil
Mr. Swetank Jani <sup>7</sup> DIN: 08859745 (Whole-time director)	3	Yes	None	2	0	0	0	Nil

### Board Effectiveness Evaluation

Pursuant to provisions of Regulation 17(10) of the Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2023-24.

**Board Diversity:** It is ensured that a effective Board nomination process is in place, that encourages diversity of thought, experience, knowledge, perspective, age and gender, the Nomination and Remuneration Committee (NRC) ensures that the Board has an appropriate blend of functional and industry expertise. Whilst recommending the appointment of a director, the NRC considers the manner in which, the function and domain expertise of the individual, could contribute to the overall skill-domain mix of the Board.

**Key Board Skills, Expertise and Competencies:** As on March 31, 2024, the Board comprises of qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

- **Governance**

This category includes skills relevant to performing the Board's key functions such as strategic planning, policy development, financial performance, audit review, risk & compliance oversight, overall experience, assessing strategic opportunities & threats and good governance practices.

- **Industry-specific**

This category includes skills and knowledge relevant to the retail industry in which the Company operates such as business development, vendor management, technology, marketing & communication and operational efficacy, understanding consumer buying patterns, consumption analysis, product innovations, supplier management, store operations and customer interactions.

<sup>5</sup> appointed as Non-Executive Non-Independent Director of the Company w.e.f. March 14, 2023

<sup>6</sup> appointed as Non-Executive Non-Independent Director of the Company w.e.f. April 13, 2023

<sup>7</sup> appointed as Chief Executive Officer and Whole-time Director of the Company w.e.f. September 01, 2023

### ● Personal attributes & qualities

These are the attributes that are generally considered desirable to be an effective Director possessing specific qualities like leadership, effective communication, honesty, independence, commitment, professionalism, Innovation, ethics, integrity etc. All the Directors of the Company have been appointed possessing the above-given skills / attributes and bring immense benefit and experience to the Company. In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, in the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill.

Name of the Directors	Leadership	Strategy	Operations	Governance	Public Relations	Industry Research	Diversity	Technology	Finance
Mr. Mahesh Shah	✓	✓	✓	✓	✓	✓	-	✓	✓
Mr. Harminder Sahni	✓	✓	-	✓	✓	✓	-	✓	✓
Mr. Jacob Mathew	✓	✓	✓	✓	-	✓	✓	✓	-
Ms. Anou Singhvi	✓	✓	✓	✓	✓	✓	✓	-	-
Mr. Samson Samuel	✓	✓	✓	-	-	-	-	-	-
Ms. Lynette Monteiro	✓	-	✓	-	-	✓	-	-	-
Mr. Swetank Jain	✓	✓	✓	✓	✓	✓	-	✓	✓

**Familiarisation Programme:** Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the Company's website <https://www.praxisretail.in/policies-new.html> for details of the familiarisation programme for Independent Directors on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

### COMMITTEES OF THE BOARD

Given below is the composition and the terms of reference of various Committees constituted by the Board, inter alia including the details of meetings held during the year and attendance thereat. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. The Company Secretary acts as the Secretary for all Committees meetings. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. During the year under review all recommendations made by the various Committees were accepted by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for noting.

#### 1. Audit Committee:

The Audit Committee ("AC") of the Company comprised of 3 Directors with majority of Independent Directors. During the year Mr. Harminder Sahni ceased to be Chairperson & Member of the Audit Committee w.e.f. close of business hours on 20th March 2024.

Mr Jacob Mathew Independent Director of the Company and member of the Audit Committee has been appointed as the Chairperson of the Audit Committee with effect from March 29, 2024 by the Board of Director.

All the members of the Committee are financially literate and possess adequate accounting and financial knowledge. During the year under review, 5 meetings of the AC were held on May 27 2023, June 22 2023, August 07 2023, November 03 2023 and February 06 2024. The requisite quorum was present for all the meetings.



Relevant information on the composition of the AC during the financial year ended March 31, 2024 is as follows:

Name of Director	Category	Designation	No. of Meetings	
			Held during tenure	Attended
Mr. Harminder Sahni <sup>8</sup>	Independent Director	Chairperson	5	5
Mr. Jacob Mathew <sup>9</sup>	Independent Director	Chairperson	5	5
Ms. Anou Singhvi	Independent Director	Member	5	4
Mr. Mahesh Shah	Managing Director	Member	5	2

**Terms of Reference:**

The Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act. The terms of reference are reviewed from time to time by the Board.

**Role of the AC, inter-alia, includes the following:**

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the Director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties; provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

<sup>8</sup> resigned from the position of directorship w.e.f. March 20, 2024

<sup>9</sup> appointed as the Chairperson of the Audit Committee w.e.f. March 29, 2024

- discussion with internal auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the vigil & whistle blower mechanism;
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- reviewing the utilisation of loans and/ or advances from/investment, if any, by the Company in the subsidiary/ies exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- reviewing on the rationale, cost-benefits and impact of schemes, if any, involving merger, demerger, amalgamation etc.

### Review of Information

The AC shall review the following:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal Audit Reports relating to internal control weaknesses;
- The appointment, removal, and terms of remuneration of the Chief Internal Auditor;
- Statement of deviations in:
  - (a) Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, to be submitted to stock exchange(s) in terms of Regulation 32 (1).
  - (b) Annual Statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7).

### 2. Nomination & Remuneration Committee:

The Nomination & Remuneration Committee of the Company ("NRC") plays a leadership role in shaping the corporate governance of the Company and strives to build an engaged and diverse Board in alignment with the requirements of the Company's governance and strategies. The NRC comprises of three Directors, out of which two are Independent Directors and one is Non-Executive Non-Independent Director. During the year under review, total two meetings of the NRC were held on August 7, 2023 and August 31, 2023. The requisite quorum was present for these meetings.

Relevant information on the composition of the NRC during the financial year ended March 31, 2024 is as follows:

Name of Director	Category	Designation	No. of Meetings	
			Held during tenure	Attended
Mr. Jacob Mathew	Independent Director	Chairperson	2	2
Mr. Harminder Sahni <sup>10</sup>	Independent Director	Member	2	2
Mr. Samson Samuel	Non-Executive Non-Independent Director	Member	2	2

<sup>10</sup> resigned from the position of directorship w.e.f. March 20, 2024

**Terms of reference:**

The NRC functions according to its terms of reference, its objectives, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The role of the NRC, inter-alia, includes the following:

- to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- to evaluate the balance of skills, knowledge and experience required for being independent director on the Board and on the basis of such evaluation, to prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - ◆ use the services of an external agencies, if required;
  - ◆ consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - ◆ consider the time commitments of the candidates
- to formulate criteria for evaluation of independent directors and the Board;
- to devise a policy on Board diversity;
- to Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- to establish and from time to time review the policy for Employee Stock Option Plan (ESOP) and Employee Stock Option Scheme (ESOS) as well as issuance of SWEAT equity shares and recommend the grants of stock options to be made under ESOP / ESOS;
- to review the Company's remuneration and human resource policy and
- to recommend to the Board, all remuneration, in whatever form, payable to senior management cadre of the Company.

**Performance Evaluation Criteria**

The Board works with the NRC to lay down the evaluation criteria for the performance of the Chairman, the Board, Committees, Executive Directors, Non-Executive Directors and Independent Directors through a peer evaluation, excluding the Director being evaluated. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

**Remuneration Policy for Executive Directors**

The Company pays remuneration by way of salary, benefits, perquisites and allowances and variable bonuses to the Executive Directors, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the NRC evaluates various criteria like competency, experience and ability of the candidate, remuneration prevailing in the industry, specific skills required for the business operations etc., and thereafter makes its recommendation to the Board. Annual increments are decided/ recommended by the NRC within the scale of remuneration as may be permissible under the statutory provisions. Performance criteria for Executive Directors (who are entitled to variable bonuses) are determined by NRC in accordance with the remuneration policy.

**Criteria for making payments to Non-Executive Directors**

Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Committees (except CSR Committee & Share Transfer Committee) including the meeting of Independent Directors, as decided from time to time by the Board.

### Details of payment of Remuneration to the Managing Director

The remuneration paid to Mr. Mahesh Shah, the Managing Director for the year ended March 31, 2024 is as under: (Rs. in Lakhs)

Particulars	Mahesh Shah	Swetank Jain
Salary	119.04	110.06
Variable bonus	18.78	0
Company's Contribution to provident fund	1.52	0.13
Perquisites	7.05	0
<b>Total</b>	<b>146.38</b>	<b>110.19</b>

#### Notes:

- All the above components of remuneration, except Performance Bonus / Commission, are fixed in nature.
- During the year, 1,00,000 equity shares were vested at an exercise price of Rs. 5 per share under the scheme ESOP 2021 and the same were exercised during the year under review.
- The Company does not pay any severance fees to any Executive Director. The appointment terms of Executive Director are as per the approval of the shareholder. The Board/ NRC may waive the notice period of resignation, if any, of the Director including Executive Directors.

### Details of payment of Remuneration to Non-Executive Directors

Sitting fees paid to Non-Executive Directors during the year under review is as under: (Rs.)

Name of the Director	Sitting Fees paid
Mr. Mahesh Shah	150000/-
Mr. Harminder Sahní	390000/-
Mr. Jacob Mathew	410000/-
Ms. Anou Singhvi	320000/-
Mr. Samson Samuel	240000/-
Ms. Lynette Robert Monteiro	180000/-

Apart from reimbursement of expenses incurred in the discharge of their duties and the payment of sitting fees as entitled under the Act, none of the Independent Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence. None of the Directors of the Company is inter-se related to each other.

### Details of Senior Management Personnel

The particulars of senior management as per Regulation 16(1)(d) of the Listing Regulations including the changes during the year 2023-24:

Name	Designation
Swetank Jain	CEO & Whole-time Director
Samir Kedia	Chief Financial Officer
Sanu Kapoor	Head Legal & Company Secretary
Ashish Bhutda	Dy. Chief Executive Officer
Ketan Gandhalikar	Head - Furniture
Rahul Prakash	Chief Product Officer

Changes during the year 2023-24:

Name	Effective Date	Change
Ashish Bhutda	July 18, 2023	Appointment
Swetank Jain	September 1, 2023	Appointment
Rahul Prakash	October 19, 2023	Appointment
Mahesh Shah	October 31, 2023	Resignation

### 3. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee ("SRC") meets as and when required to consider various aspects of interest of the security holders. The SRC comprises of 3 Directors. During the year under review, only one meeting of SRC were held on February 23, 2024. The requisite quorum was present for the said meeting. During the year, one complaint from the shareholder was received which was resolved. There was no pending complaint of any shareholder as at March 31, 2024.

Relevant information on the composition of the SRC during the financial year ended March 31, 2024 is as follows:

Name of Director	Category	Designation	No. of Meetings	
			Held during tenure	Attended
Mr. Samson Samuel	Non-Executive Non- Independent Director	Chairperson	1	1
Mr. Harminder Sahni <sup>ii</sup>	Independent Director	Member	1	1
Mr. Jacob Mathew	Independent Director	Member	1	1
Mahesh Shah	Non-Executive Non- Independent Director	Member	1	0

<sup>ii</sup> ceased to be a member of the Committee w.e.f. March 20, 2024

#### Terms of reference:

The SRC functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The role of the SRC, inter-alia, includes the following:

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

#### Compliance Officer

Ms. Sanu Kapoor, Head Legal and Company Secretary is the Compliance Officer of the Company. Her contact details are Praxis Home Retail Limited iThink Techno Campus, Jolly Board Tower -D, Ground Floor, Kanjur Marg (East), Mumbai - 400042. Tel No.: +91 22 68824900 and e-mail: investorrelations@praxisretail.in

### 4. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee ("CSRC") is constituted in line with the provisions of Section 135 of the Companies Act, 2013 to

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the activities referred to in the above clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

Relevant information on the composition of the CSRC during the financial year ended March 31, 2024 is as follows:

Name of Director	Category	Designation
Ms. Anou Singhvi	Non-Executive Non- Independent Director	Chairperson
Mr. Jacob Mathew	Independent Director	Member
Mr. Mahesh Shah	Managing Director	Member

During the year under review, no meeting of the CSR Committee was held as the Company was not required to spend any amount on CSR activities, since the Company does not fall into the criteria specified in Section 135 of the Act. The CSR Policy is placed on the Company's website <https://www.praxisretail.in/policies-new.html> as required under the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.



**General Body Meetings****ANNUAL GENERAL MEETING (AGM)**

Details of previous three annual general meetings are as follows:

<b>Date of AGM</b>	<b>Special Resolutions Passed</b>	<b>Venue and time</b>
September 29, 2023	Appointment of Mr. Swetank Jain (DIN: 08859745) as Chief Executive Officer & Wholetime Director of the Company and payment of remuneration to him	(Held via Two-Way Video Conferencing Facility) Deemed Venue was iThink Techno Campus Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400042 at 11:30 AM (IST)
August 19, 2022	None	(Held via Two-Way Video Conferencing Facility) Deemed Venue was iThink Techno Campus Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400042 at 11:30 AM (IST)
September 24, 2021	<ul style="list-style-type: none"> <li>Appointment of Mr. Mahesh Shah as Managing Director of the Company;</li> <li>Approval for remuneration to be paid to Mr. Mahesh Shah, (DIN: 01488017) Managing Director of the Company</li> </ul>	(Held via Two-Way Video Conferencing Facility) Deemed Venue was iThink Techno Campus Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400042 at 12:00 Noon (IST)

**EXTRAORDINARY GENERAL MEETING (EGM)**

During the year under review, there was one Extraordinary General Meeting held.

<b>Date of EGM</b>	<b>Year</b>	<b>Special Resolutions Passed</b>	<b>Venue and time</b>
July 22, 2023	2022-23	<ul style="list-style-type: none"> <li>To alter the Articles of Association of the Company</li> <li>To issue Equity Shares Warrants on a Preferential Basis to Specified Investors</li> </ul>	(Held via Two-Way Video Conferencing Facility) Deemed Venue was iThink Techno Campus Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400042 at 11:30 AM (IST)

**POSTAL BALLOT**

During the year under review, a Postal Ballot was conducted by the Company vide Postal Ballot Notice dated March 17, 2023 and results of which was declared in compliance with Sections 108 and 110 of the Companies Act, 2013 read with applicable rules made thereunder. The following resolution was passed by the shareholders:

- Cancellation of ungranted portion of both the Employee Stock Options Plan(s) and dissolution/ liquidation of the Trust created under the said Stock Option Plans.

The voting pattern for the above resolution was:

<b>Particulars</b>	<b>No. of Shares</b>	<b>% of Votes</b>
<b>Votes in the favour of Resolution</b>		
Promoter and Promoter Group	4,19,14,145	97.65
Public institution	0	0
Public non-institution	10,05,496	2.34
<b>Total</b>	<b>4,29,19,641</b>	<b>100</b>
<b>Votes against the Resolution</b>		
Promoter and Promoter Group	0	0
Public institution	0	0
Public non-institution	898	100
<b>Total</b>	<b>898</b>	<b>100</b>

Mr. Anant Gude, Proprietor of M/s. Anant Gude & Associates (Membership No. A7219, COP No.: 18623), Practising Company Secretaries acted as the Scrutinizer for scrutinizing the Postal Ballot voting process.

### Means of Communication

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all stakeholders.

**Financial Results:** The Quarterly, Half Yearly and Annual Results are timely submitted to the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) as well as uploaded on the Company's website and are published in newspapers, viz. "The Free Press Journal" (English) and "Nav Shakti" (Marathi).

**Website:** The Company's website is a comprehensive reference on its leadership, management, vision, policies, corporate governance, and investor relations. The Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, shareholding information. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

**Annual Report:** The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Report for FY 2023-24 is being sent in electronic mode, to all members who have registered their email ids for the purpose of receiving documents /communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the "Investors" section on the Company's website <https://www.praxisretail.in/annual-reports-returns.html>

**SCORES:** A centralised web-based complaints redress system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

### General Information for Members

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L52100MH2011PLC212866.

### ANNUAL GENERAL MEETING

Date	Time	Venue
Saturday, September 28, 2024	09:30 AM	Through video conferencing / other audio-visual means ('VC / OAVM')

### DIVIDEND PAYMENT DATE

The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2024.

### FINANCIAL YEAR

The financial year covers the period from April 1 of every year to March 31 of the next year.

### LISTINGS

The Company's shares are listed on the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The following are the details of the Company's shares:

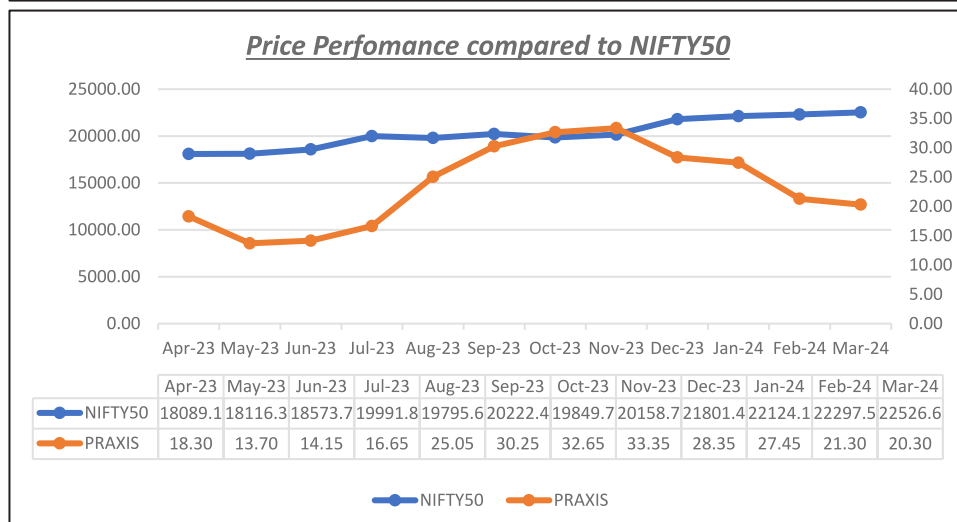
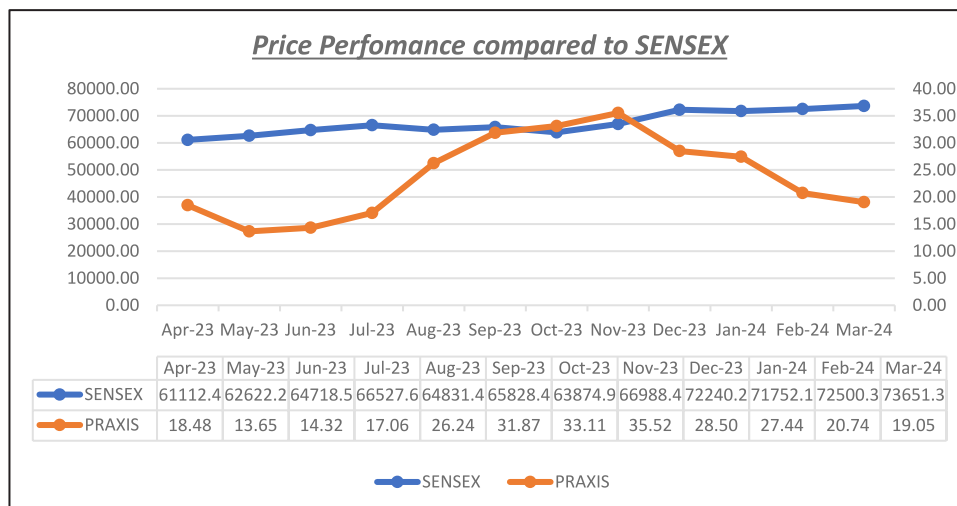
Type	Equity Shares of face value of ₹ 5/-
BSE-Script Code	540901
NSE-Script Code	PRAXIS
BSE- Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; <a href="http://www.bseindia.com">www.bseindia.com</a>
NSE-Address	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai 400051; <a href="http://www.nseindia.com">www.nseindia.com</a>

The Company has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories.

**STOCK PERFORMANCE**

The price performance of the equity shares of the Company at the Stock Exchanges during the year under review is as follows:

Months	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
Apr-23	22.56	16.90	21.40	16.75
May-23	22.80	13.50	22.00	13.25
Jun-23	14.32	11.02	14.30	11.05
Jul-23	17.06	14.60	16.65	14.40
Aug-23	26.24	17.30	25.05	16.95
Sep-23	31.87	26.76	30.25	25.55
Oct-23	37.34	31.19	36.60	29.65
Nov-23	35.52	26.72	34.20	26.45
Dec-23	36.95	27.81	36.40	27.65
Jan-24	38.19	27.44	38.00	27.45
Feb-24	28.50	18.21	28.00	18.25
Mar-24	21.77	17.20	22.35	16.80



\*Source BSE and NSE

## SHARE TRANSFER SYSTEM

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialised form only while processes the service request for issue of duplicate securities certificates, renewal/ exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of folios, transmission and transposition.

In view to the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Link Intime India Private Limited, the Company's Registrar and Transfer Agent (RTA), for assistance in this regard. Also, share transactions in electronic form can be effected in a much simpler and faster manner. Shareholders should communicate with RTA, quoting their folio number or Depository Participant ID ("DPID") and Client ID number, for any queries on their securities holding.

## DISPUTE RESOLUTION MECHANISM

SEBI has vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, issued a Standard Operating Procedure (SOP) for dispute resolution under the Stock Exchange Arbitration Mechanism for disputes between a listed company and/or registrars to an issue and share transfer agents and its shareholder(s)/ investor(s).

## REGISTRAR AND TRANSFER AGENTS

Members are requested to correspond with the Company's Registrar and Transfer Agents – Link Intime India Private Limited, quoting their Folio No./DP ID & Client ID at the below details:

C – 101, Embassy, 247, L.B.S Marg, Vikhroli (West), Mumbai – 400083.

Tel No.: +91 22 4918 6000; Fax No.: +91 22 4918 6060

E-mail: rnt.helpdesk@linkintime.co.in; Website: www.linkintime.co.in

## DE-MATERIALISATION OF SHARES

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either NSDL or CDSL. Entire shareholding of Promoter and Promoter Group is in dematerialised form.

### Status of dematerialisation of equity shares as on March 31, 2024 is as under:

Particulars	No. of Shares	% of total Paid-up
National Securities Depository Limited	6,83,99,368	54.62
Central Depository Services (India) Limited	5,67,94,502	45.36
Physical	24,314	0.02
<b>Total</b>	<b>12,52,18,184</b>	<b>100.00</b>

*\*Pursuant to the Scheme of Arrangement between Future Retail Limited ('FRL') and Bluerock e-Services Private Limited ('BSPL') and Praxis Home Retail Limited ('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.*

## OUTSTANDING GDR/ ADR OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has not issued any GDRs/ ADRs during the financial year 2023-24. However, during the year 2023-24, the Company had issued 4,00,00,000 convertible warrants on preferential basis in compliance with the applicable laws. These warrants were not converted into equity till March 31, 2024.

**DISTRIBUTION OF SHAREHOLDING OF EQUITY SHARES AS ON MARCH 31, 2024**

Distribution Range	Shareholders		Equity Shares	
	No.	%	No.	%
1-500	22,775	91.13	7,61,066	0.61
501-1,000	677	2.71	5,59,020	0.45
1,001-2,000	454	1.82	7,26,774	0.58
2,001-3,000	210	0.84	5,48,771	0.44
3,001-4,000	164	0.66	5,82,842	0.46
4,001-5,000	129	0.52	6,22,735	0.50
5,001-10,000	215	0.86	16,45,847	1.31
10,001 & above	365	1.46	11,97,71,129	95.65
<b>Total</b>	<b>24,989</b>	<b>100.00</b>	<b>12,52,18,184</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON MARCH 31, 2024**

Category	No. of Equity Shares	Percentage (%)
Promoters and Promoter Group	4,15,18,054	33.16
Bodies Corporate	3,33,51,529	26.63
Indian Public (Individual)	3,67,40,465	29.35
Foreign Portfolio Investors	23,95,064	1.91
Alternate Investment Funds	13,05,181	1.04
Banks & Financial Institutions	0	--
Non-Resident Indians	23,07,345	1.84
Unclaimed Shares	27,024	0.02
Directors & their Relatives	259	0.00
KMPs	1,11,750	0.09
Relative of Promoters (others)	223	0.00
Mutual Funds	27	0.00
Insurance Companies	1,51,682	1.12
Foreign Nationals	5	0.00
Others	73,09,576	5.84
<b>Total</b>	<b>12,52,18,184</b>	<b>100.00</b>

**PLANT LOCATIONS**

In view of the nature of the Company's business i.e. Retail, the Company operates from various stores on Pan India basis.

**REGISTERED OFFICE/ ADDRESS FOR CORRESPONDENCE**

The Registered and Corporate Office of the Company is situated at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400042.

**CREDIT RATINGS**

During the financial year under review, the Company has not obtained any Credit Ratings neither there was any revision in Credit Ratings.



## **OTHER DISCLOSURES**

### **Related Party Transactions**

Transactions with related parties were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no materially significant transactions entered into with any related party that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in notes forming part of the Financial Statements for the year ended March 31, 2024.

Policy on dealing with related party transactions is available on the website of the Company at [https://www.praxisretail.in/assets/download/Policy\\_of-Dealing-with-Related-Party-Transactions.pdf](https://www.praxisretail.in/assets/download/Policy_of-Dealing-with-Related-Party-Transactions.pdf)

### **Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company**

During the year under review, Surplus Finvest Private Limited and Future Hospitality Private Limited, the Members of Promoter Group of the Company held more than 10% of paid-up share capital of the Company. Requisite details of transactions with the said related party is given under Note no. 40 to the Financial Statements for the financial year ended March 31, 2024.

### **Disclosure of Accounting Treatment**

During the year under review, the Company followed the Accounting Standards laid down by the Companies (Indian Accounting Standards) Rules, 2015, in the preparation of its financial statements.

### **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company has Forex Risk Management Policy in place to manage risk(s) that may arise out of fluctuations in foreign currency(ies). In order to minimise exposures due to foreign currency risk(s), the Company uses various hedging techniques like foreign exchange forward and future contracts, However, the Company does not deal in Future & Options related to commodities and therefore the disclosure pursuant to SEBI circular dated November 15, 2018 is not required to be given.

### **Policy for Determination of Material Subsidiary**

The Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at [https://www.praxisretail.in/assets/download/9.Policy\\_for\\_determining\\_Material\\_Subsiidiary.pdf](https://www.praxisretail.in/assets/download/9.Policy_for_determining_Material_Subsiidiary.pdf)

### **Establishment of Whistle Blower Policy/Vigil Mechanism**

The Company has established a Vigil Mechanism and Whistle-Blower policy. This policy aims to provide an avenue for stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. The vigil mechanism and whistle blower policy inter-alia provide a direct access to the Chairperson of the Audit Committee. The establishment of vigil mechanism and whistle blower policy is available on the website of the Company at <https://www.praxisretail.in/assets/download/Vigil-Mechanism-and-Whistle-Blower-Policy.pdf>

### **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations**

During the year, the Company had raised Rs.16 crore by issuing the convertible warrants. All the amount have been fully utilized by the Company for the purpose for which it was raised.

### **Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part.**

The Company has paid an aggregate amount of Rs.24.11 Lakhs (Rupees Twenty Two Lakhs and Forty Two Thousand only) to the Statutory Auditors – M/s. Singhi & Co., Chartered Accountants towards the Audit Remuneration and other services. There was no other payment made to any network firm/ network entity of which the Statutory Auditors is a part.

### **Details of Non-compliance, if any**

There were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

### Disclosure in relation to Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, no complaints were received by the Company and no such other complaint was pending as at March 31, 2024.

### Other discretionary requirements with respect to the Corporate Governance

- The Chairman is entitled to maintain his/ her office at the Company's expense. The Company always strives to appoint different persons for the posts of Chairman (Non-Executive) and Managing Directors/ Whole-time Director/ CEO.
- Financial results of the Company (quarterly, half yearly and annually) are furnished to the Stock Exchanges, published in the newspapers and uploaded on website of the Company. Significant events are submitted to the Stock Exchanges and also posted on the Company's website. Hence, the Company does not furnish any statement on half yearly financial results or summary of any significant events to individual member.
- The Auditors of the Company have issued the Audit Report with modified opinion on the Company's Financial Statements for the financial year ended March 31, 2024. A statement on impact of audit qualifications as stipulated in regulation 33(3)(d) is annexed to the financial statements.
- Internal Auditors are regularly invited to the meetings of Audit Committee to make presentation on various internal controls existed in the Company together with observations, if any, during the course of their internal audit. The internal auditors are also entitled to seek any external assistance while preparing/ submitting their reports before the Audit Committee.

### Unclaimed Shares

In accordance with the requirement of Regulation 34(3) and Schedule V of Part F of Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2023	900	27,024
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	900	27,024

The Voting Rights on the shares outstanding in the suspense account as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

\* Out of the total unclaimed shares, 5,035 equity shares of the Company held by 184 shareholders refer to the shares allotted pursuant to the Scheme of Arrangement between Future Retail Limited ('FRL') and Bluerock eServices Private Limited ('BSPL') and Praxis Home Retail Limited ('PHRL' or 'the Resulting Company' or 'the Company') and their respective Shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("the Scheme"), 1 (one) equity share of the Company was allotted to shareholders of Future Retail Limited (FRL) for every 20 equity shares held by them in FRL on November 30, 2017, being the Record Date. Accordingly, 5,035 equity shares allotted on December 8, 2017 against 1,00,710 equity shares of FRL lying in the Unclaimed Suspense Account held by 184 shareholders were credited to the Unclaimed Suspense Account opened and maintained by the Company in this regard.

For and on behalf of the Board of Directors  
**Praxis Home Retail Limited**

Mahesh Shah  
**Chairman**  
 DIN : 01488017

**Place:** Mumbai

**Date:** May 23, 2024

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT  
FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

The Directors and Senior Managerial Personnel of the Company, pursuant to regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have affirmed compliances with the Code of Conduct applicable to them as laid down by the Company in terms of regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2024.

**For PRAXIS HOME RETAIL LIMITED**

Swetank Jain  
**CEO & WTD**  
DIN: 08859745

**Place:** Mumbai  
**Date:** May 23, 2024

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**PRAXIS HOME RETAIL LIMITED**  
iThink Techno Campus,  
Jolly Board Tower-D, Ground Floor,  
Kanjurmarg (East),  
Mumbai – 400042.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PRAXIS HOME RETAIL LIMITED having CIN: L52100MH2011PLC212866 and having registered office at iThink Techno Campus, Jolly Board Tower-D, Ground Floor, Kanjurmarg (East), Mumbai – 400042; (hereinafter referred to as 'the Company'), produced before me by the Company in digital mode for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that NONE of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment</b>	<b>Date of Cessation (w.e.f)</b>
1	Mr. Mahesh Shah	Director	01488017	05-05-2021	-
2	Mr. Jacob Mathew	Independent Director	00080144	26-03-2021	-
3	Mr. Harminder Sahni	Independent Director	00576755	26-03-2021	20-03-2024
4	Ms. Anou Singhvi	Independent Director	07572970	30-06-2021	-
5	Mr. Samson Samuel	Non-Executive Non-Independent Director	07523995	14-03-2023	-
6	Ms. Lynette Monteiro	Non-Executive Non-Independent Director	07901400	13-04-2023	-
7	Mr. Swetank Jain	Chief Executive Officer & Whole-time Director	08859745	01-09-2023	-

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board, is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

I have relied upon the records made available by the Company. I have also relied upon the explanations furnished by the Company and its Directors.

Thanking you,

Yours faithfully,

**For ANANT GUDE & ASSOCIATES**

**ANANT GUDE**

**Practicing Company Secretary**

**Proprietor**

**ACS No.: 7219 / CP No.: 18623**

**UDIN: A007219F000042727**

**Place:** Mumbai

**Dated:** April 6, 2024

## **Practicing Company Secretary Certificate on Corporate Governance**

To,  
The Members  
Praxis Home Retail Limited  
Mumbai

I have examined the compliance of conditions of 'Corporate Governance' by PRAXIS HOME RETAIL LIMITED ("the Company") for the Financial Year ended March 31, 2024 as stipulated in Regulations 17 to 27 and Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to verify the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I hereby certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable. Accordingly, during the year under review, there were changes in the composition of the Board of Directors as under:

- i. Mr. Samson Samuel was appointed as an Additional Non-Executive Non-Independent Director w.e.f. March 14, 2023. Subsequently, the Shareholders of the Company by way of Postal Ballot have approved the appointment of Mr. Samuel, as Non-Executive Non-Independent Director w.e.f. April 16, 2023.
- ii. Ms. Lynette Monteiro was appointed as an Additional Non-Executive Non-Independent Director w.e.f. April 13, 2023. Subsequently, the Shareholders of the Company by way of Postal Ballot have approved the appointment of Ms. Lynette Monteiro as Non-Executive Non-Independent Director w.e.f. July 02, 2023.
- iii. Mr. Mahesh Shah resigned from the position of Managing Director with effect from closure of business hours on October 31, 2023 & continued as a Non-Executive Director and he was appointed as a Chairman of the Board of the Directors of the Company with effect from November 01, 2023.
- iv. Mr. Swetank Jain was appointed as an Additional Director designated as Chief Executive Officer & Wholetime Director, being Key Managerial Personnel with effect from September 01, 2023.
- v. Mr. Harminder Sahni resigned from the position of Independent Director with effect from March 20, 2024.

As on March 31, 2024, the Board comprised of 6 (Six) Directors including one Independent Woman Director. Also accordingly, changes in some of the Board Committees took place during the year under review, which were carried out in compliance with the provisions of the Companies Act, 2013 and also the Listing Regulations. Further, none of the Directors on the Board is serving as an Independent Director in more than the limits as specified in Regulation 25 of the Listing Regulations.

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

**For ANANT GUDE & ASSOCIATES**

**ANANT GUDE**  
**Practicing Company Secretary**  
**Proprietor**  
**ACS No.: 7219 / CP No.: 18623**  
**UDIN: A007219F000042562**

**Place:** Mumbai

**Dated:** April 6, 2024



# INDEPENDENT AUDITOR'S REPORT

To

The Members of **Praxis Home Retail Limited**

## 1. Disclaimer of Opinion

We have audited the accompanying financial statements of Praxis Home Retail Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the aforesaid financial statements of the Company, because of the significance of the matter described in the Basis for Disclaimer Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the aforesaid financial statements.

## 2. Basis for Disclaimer of Opinion

- a) As stated in note no. 41 of the financial statements of the Company, it has "Deposit receivables towards matured lease agreement (which were given in the nature of security deposit)" from a related party of an amount of Rs. 10,100 lakhs. The Company has not identified & recognised loss allowance for expected credit losses (ECL) on such other receivables, which is not in conformity with the requirements of Ind AS 109 "Financial Instruments". Further, we are informed by the management that till date the Company has not received any appropriate / adequate response from the lessor towards refunding such amount. Considering these facts and the available financial position / statement of such related party where there is an indication about material uncertainty towards its ability to continue as going concern and where an Interim Resolution Professional has been appointed by Hon'ble National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and other relevant surrounding circumstances, we are unable to determine and quantify whether this amount will be fully recoverable and it requires any provision of ECL. These facts also give rise to material uncertainty as regards possible material adjustments that may be required to made to the values of recorded security deposits and unrecorded assets and tax implications, if any, arising on account of settlement of such transactions, which could not be recorded in the financial results on account of these being not readily ascertainable. Pursuant to non-receipt of response from the lessor towards refunding the specified amount and non-determination of the ECL provision and availability of balance confirmation, its impact on the losses and EPS of the Company for the quarter and year ended March 31, 2024 and on the other equity as on the balance sheet date, is not ascertainable. This matter was also modified in our report on the financial results for the year ended March 31, 2023.
- b) Balances of trade payables aggregating to Rs. 9,776.20 lakhs and write backs of amounts of Rs. 206.47 lakhs, of respective parties are subject to confirmations and reconciliations, if any, amounts of which are not ascertainable. Hence, we are unable to comment on the correctness of these figures and if any adjustments are required to the said balances as on the March 31, 2024 and related disclosures in the Financial Statements. This matter was also modified in our report on the financial results for the year ended March 31, 2023.
- c) As stated in note no. 50 of the financial statements wherein it is stated that the Company has not created provisions towards impairment on Rights of Use assets (ROU), having value of Rs. 10,725.90 lakhs as on March 31, 2024. The Company has incurred cash losses during the year, its net worth is completely eroded and its current liabilities exceed current assets. In spite of these indicators no assessment of impairment has been carried out. Hence, we are unable to comment upon the impact arising on the loss and EPS for the year ended March 31, 2024 and on the carrying value of ROU & other equity as on March 31, 2024.
- d) As explained in note no. 49 of the financial statements, during the year the Company has rectified the cost of its inventories, whereas as per the earlier practice, overheads including the costs which were

yet to be incurred were loaded on a standard rate in the inventory. This approach was not in compliance with Ind AS - 2 "Inventories". Such rectification in the financial statement has not been carried out in accordance with the requirements of Ind AS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and Ind AS - 1 "Presentation of Financial Statements" by not restating and presenting the comparative financial statements for an amount of Rs. 838.51 lakhs. This amount has been charged as an exceptional item to the Statement of Profit and Loss, which is also not as per the requirement of Division II of Schedule III. Due to such accounting treatments, losses of the year and other equity as on March 31, 2023 are higher by Rs. 838.51 lakhs, respectively. Impact on the losses of the previous year and on the other equity as on April 1, 2022 and March 31, 2023 of the Company is not known. In addition to this matter, considering the matters described in paragraph 3(a) to 3(c) above, even impact on the EPS of the current year and the previous year is not known. The comparative quarters figures / presentation with regards to these transactions have also not been restated / reclassified.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

### **3. Material Uncertainty Related to Going Concern**

We draw attention to note 44 in the financial statements which states that during the year, the company has incurred a cash loss of Rs. 4,942.12 lakhs and its net worth is negative as on the Balance Sheet date. Further, the Company's current liabilities exceeded its current assets by Rs. 10,045.55 lakhs as at the balance sheet date [excluding the effect of the observations stated in paragraph 2(a), 2(c) and 2(d)]. The Company has also received notice for application under the Insolvency and Bankruptcy Code 2016 from one of the operational creditors. The above situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In view of above, we are unable to obtain sufficient appropriate audit evidence as to whether the Company will be able to service its debts, realize its assets and discharge its liabilities as and when they become due over the period of next twelve months. Accordingly, we are unable to comment on whether the Company will be able to continue as Going Concern.

### **4. Key Audit Matters**

Our report does not include the section of Key Audit Matters, as our opinion is disclaimed, which is in accordance with the requirements of the SA 705, as issued by ICAI.

### **5. Information other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report and Corporate Governance Report (but does not include the financial statements and our auditor's report thereon) which are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

## 6. Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## 7. Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. However, because of the significance of the matter described in the Basis for Disclaimer Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the aforesaid financial statements.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.

## 8. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable
- ii. As required by section 143 (3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except to the extent described in the Basis of Disclaimer of Opinion section above, where we were unable to obtain such information;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except to the extent described in the Basis of Disclaimer of Opinion section above and except for the matters stated in the paragraph (h)(iv) below on reporting under Rule 11(g);
  - c. Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account which are to be read with the paragraph on the Basis of Disclaimer of Opinion;
  - d. Due to the possible effects of the matters described in the paragraph on Basis for Disclaimer of Opinion above, we are unable to state whether the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended

- e. The matters described in the basis for Disclaimer of Opinion paragraph including the assessment with regards to material uncertainty about going concern as stated above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a disclaimer opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
- h. With respect to the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the managerial remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act;
- i. Except for the possible effects of the matters described in the paragraph on Basis for Disclaimer Opinion above, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;
  - i. The Company has disclosed the impact of pending litigations on the financial position in its financial statements – Refer note 40 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. (a) The Management has represented that to the best of its knowledge and belief, as disclosed in the note 54(ii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
  - (b) The Management has represented that to the best of its knowledge and belief, as disclosed in the note 54(iii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contains any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

- vi. Based on our examination, which included test checks, the Company has used various accounting software(s) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has not operated during the year for all the relevant transactions recorded in the respective software(s). In the absence of adequate information, we are unable to state that there are any instances of audit trail feature being tampered with in respect of these accounting software(s).

In respect of an accounting software, which is hosted at a third-party service provider location, where the activities have been outsourced by the Company, independent service auditors report has been made available to us for the part of the year, however it does not contain any reporting reference in regards to compliance of audit trail feature as prescribed under provision of the Act. Hence, we are unable to comment upon whether the required provisions of the Act regarding audit trail for this software have been complied with in all aspects. With respect to such software, we are also unable to comment upon whether there was any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Singhi & Co.**

**Chartered Accountants**

Firm Registration No. 302049E

Amit Hundia

Partner

Membership No. 120761

UDIN: 24120761BKCMRA2082

**Place:** Mumbai

**Date:** May 23, 2024



## **Annexure A to the Independent Auditor's Report of even date on the financial statements of Praxis Home Retail Limited**

### **Referred to in paragraph [10(i)] under Report on Other Legal and Regulatory Requirements of our report of even date**

According to the information and explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment comprising of Right-of-use Assets.  
B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) For the year, the property, plant and equipment have not been physically verified by the management.
- c) The Company does not have any immovable property; hence the provision of the clause 3(i)(c) of the Order is not applicable to the Company.
- d) During the year, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets.
- e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) During the year, physical verification of inventory has been carried out by the management of the Company, at reasonable intervals and the coverage and the procedure of such verification is appropriate. As explained to us and on the basis of the records examined by us, the value of discrepancies noticed on such physical verification by the management did not exceed 10% or more in aggregate for the inventory.
- b) The Company has been sanctioned working capital limits in excess of Rs. Five crores in aggregate from a bank and a financial institution on the basis of security of current assets. As mentioned in note no. 16 (D) of the financial statements, the Company has not submitted all the required details as a part of quarterly returns / statements to these entities. However, certain set of details which have been submitted to these entities on quarterly basis are in agreement with the books of account of the Company.
- (iii) During the year the Company has not made any investments, not provided any guarantee or security or granted any loans or advance in nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any Other parties. Further, there were no loans and advances in the nature of loan granted earlier which has been renewed or extended or fresh loans granted to settle the overdues of the existing loan given to the same parties. Hence, the reporting requirements of clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted loans, made investments, given guarantees and securities. Hence, the reporting requirements of clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the provisions of the Companies Act, 2013. Hence, the reporting requirements of clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.
- (vii) Based on the records examined by us and according to the information and explanations given to us:

- a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, duty of customs, goods & service tax (GST), cess and other material statutory dues applicable to it, with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of excise and value added tax.
- b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) Statutory dues referred to in sub- clause (a) above which have not been deposited as on March 31, 2024, on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Amount paid under Protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	34.13	6.82	AY 2018-19	CIT (Appeals), Mumbai
Income Tax Act, 1961	Income tax	50.72	10.14	AY 2019-20	CIT (Appeals), Mumbai
Income Tax Act, 1961	Income tax	28.96	5.79	AY 2020-21	CIT (Appeals), Mumbai
Central Goods and Service Tax Act, 2017	Goods and Service Tax	14.36	2.87	FY 2017-18	Appellate Authority State Tax Officer-Delhi
Central Goods and Service Tax Act, 2017	Goods and Service Tax	0.96	0.19	FY 2017-18	Appellate Authority State Tax Officer- Guwahti-Assam
Central Goods and Service Tax Act, 2017	Goods and Service Tax	30.54	6.11	FY 2017-18	Appellate Authority Central GST & Centra Excise - Chhattisgarh
Central Goods and Service Tax Act, 2017	Goods and Service Tax	21.65	4.33	FY 2019-20	Appellate Authority - State tax (Appeal-I) - Ahmedabad -Gujarat
Central Goods and Service Tax Act, 2017	Goods and Service Tax	367.88	Nil	November 2017 to September 2019	Directorate General of Anti Profiteering

- (viii) There are no transactions which have not been recorded in the books of account which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) On the basis of our examination of the records and according to the information and explanations given to us and representation received from the management, during the year:
- the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
  - the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
  - the Company has not availed any term loans during the year accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
  - no funds raised on short-term basis have been used for long-term purposes by the Company.
  - the Company does not have any subsidiary, associate or joint venture. Hence, the reporting requirements under clause 3(ix)(e) and (f) of the Order is not applicable.

- (x) a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting requirements under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- b) During the year, the Company has made issue of share warrants convertible into equity shares by way of preferential allotment and has also made rights issue of equity shares as a part of private placement. In regards to these issues, the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised. Further, other than as stated in this paragraph, in our opinion and according to the information, explanations and representation given to us, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible).
- (xi) a) According to the information, explanation and representations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information, explanation and representations given to us by the management, during the year, there were no whistle blower complaints received by the Company.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, all the transactions entered during the year with the related parties are in compliance with section 177 and 188 of the Act where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- (xiv) a) In our opinion, internal audit system needs to be made commensurate with the size and the nature of the business of the Company.
- b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Hence, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- b) The Company has not conducted any Non- Banking Financial or Housing Finance Activities as prescribed under the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable.
- d) According to the information, explanations and representation given to us, there is no CIC in the Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has incurred cash losses of Rs. 4,942.12 lakhs. The effect of unquantified modification given in paragraph 2 of our independent auditor's report has not been taken into consideration for the purpose of reporting in respect of this clause. Further, the Company has incurred cash losses of Rs. 3,825.44 lakhs in the immediately preceding financial year, which was also determined without considering the effect of the modified opinion issued for the immediately preceding financial year.

- (xviii) During the year, there has been no resignation of the Statutory Auditors.
- (xix) We draw attention to note no. 44 in the financial statements which states that during the year, the company has incurred a cash loss of Rs. 4,942.12 lakhs and its net worth is negative as on the Balance Sheet date. Further, the Company's current liabilities exceeded its current assets by Rs. 10,045.55 lakhs as at the balance sheet date [excluding the effect of the observations stated in paragraph 2(a), 2(c) and 2(d) of the main audit report]. The Company has also received notice for application under the Insolvency and Bankruptcy Code 2016 from one of the operational creditors. Further considering the financial ratios as disclosed in note 55 to the financial statement and ageing and expected date of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and it may not be capable of meeting its liabilities existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.
- (xx) Based on the examination of records of the Company and according to the information and explanations given to us, due to the losses incurred by the Company, the conditions and requirements of section 135 of the act is not applicable to the Company. Hence, reporting requirements under the clause 3(xx)(a) and (xx)(b) of the Order are not applicable.
- (xxi) The Company does not have any subsidiary, associate or joint venture and hence, reporting requirements under the clause 3(xxi) of the Order is not applicable.

**For Singhi & Co.****Chartered Accountants**

Firm Registration No. 302049E

Amit Hundia

Partner

Membership No. 120761

UDIN: 24120761BKCMRA2082

**Place:** Mumbai**Date:** May 23, 2024

## **Annexure B to the Independent Auditor's Report of even date on the financial statements of Praxis Home Retail Limited**

**Referred to in paragraph [10(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting with reference to the Financial Statements of Praxis Home Retail Limited (the "Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Because of the material and pervasive nature of the matters described in the Basis of Disclaimer of Opinion section in our auditor's report on the accompanying financial statements, we are not able to obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to the accompanying financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Disclaimer of Opinion**

According to the information and explanation given to us and considering the paragraph on the basis of disclaimer of opinion in our auditor's report, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the ICAI. Because of these reasons, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion, whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2024. Accordingly, we do not express an opinion on Internal Financial Controls with reference to the Financial Statement.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2024 and the disclaimer does affect our opinion on the financial statements of the Company.

**For Singhi & Co.****Chartered Accountants**

Firm Registration No. 302049E

**Amit Hundia**

Partner

Membership No. 120761

UDIN: 24120761BKCMRA2082

**Place:** Mumbai

**Date:** May 23, 2024

# Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment	3 (a)	1,241.99	1,135.96
Capital Work-In-Progress	3 (b)	57.91	15.07
Right-of-use Assets	4	10,725.90	10,364.48
Other Intangible Assets	5 (a)	16.14	17.43
Intangibles under development	5 (b)	10.28	-
Financial Assets			
Other Financial Assets	6	1,114.86	825.95
Other Non-Current Assets	7	167.68	53.11
Non-Current Tax Assets	8	29.30	76.87
<b>Total Non-Current Assets</b>		<b>13,364.06</b>	<b>12,488.87</b>
<b>2. Current Assets</b>			
Inventories	9	5,743.61	6,633.64
Financial Assets			
Trade Receivables	10	28.74	143.65
Cash and Cash Equivalents	11	196.07	178.54
Bank Balance other than Cash and Cash Equivalents above	12	3.31	3.31
Other Financial Assets	6	10,701.39	10,608.42
Other Current Assets	7	1,885.58	1,179.87
<b>Total Current Assets</b>		<b>18,558.70</b>	<b>18,747.43</b>
<b>Total Assets</b>		<b>31,922.76</b>	<b>31,236.30</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	13	6,260.91	3,783.51
Other Equity	14	(10,578.44)	(5,578.48)
<b>Total Equity</b>		<b>(4,317.53)</b>	<b>(1,794.97)</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	-	549.32
Lease Liabilities	33(b)	8,186.64	7,307.04
Provisions	15	169.94	197.04
<b>Total Non-Current Liabilities</b>		<b>8,356.58</b>	<b>8,053.40</b>
<b>2. Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	7,423.00	4,788.47
Lease Liabilities	33(b)	2,999.91	3,094.97
Trade Payables			
-Total Outstanding dues of Small and Micro Enterprises	17	2,068.51	2,140.17
-Total Outstanding dues of Creditors other than Small and Micro Enterprises	17	12,317.92	11,910.05
Other Financial Liabilities	18	1,763.39	1,590.16
Other Current Liabilities	19	1,285.38	1,431.39
Provisions	15	25.60	22.66
<b>Total Current Liabilities</b>		<b>27,883.71</b>	<b>24,977.87</b>
<b>Total Equity and Liabilities</b>		<b>31,922.76</b>	<b>31,236.30</b>

The accompanying notes 1 to 57 are an integral part of the financial statements.

**As per our report of even date attached**

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Amit Hundia**

Partner  
Membership No.: 120761  
Mumbai  
May 23, 2024

**Swetank Jain**

Chief Executive Officer and  
Whole Time Director  
DIN: 08859745

**Samir Kedia**

Chief Financial Officer

**For and on behalf of Board of Directors**

**Mahesh Shah**

Chairman and Non-Executive Director  
DIN: 01488017

**Sanu Kapoor**

Company Secretary

# Statement of Profit and Loss

for The Year Ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>INCOME</b>			
Revenue From Operations	20	21,957.77	38,604.55
Other Income	21	636.16	937.11
<b>Total Income</b>		<b>22,593.93</b>	<b>39,541.66</b>
<b>Expenses</b>			
Purchase of Stock In Trade		10,316.80	14,126.32
Change in Inventories of Stock-In-Trade (Increase)/Decrease	22	1,053.26	7,331.00
Employee Benefits Expense	23	4,355.29	6,036.86
Finance Costs	24	2,206.50	2,175.98
Depreciation and Amortization Expense	3,4 & 5	3,629.13	3,602.62
Other Expenses	25	8,765.68	11,480.55
<b>Total Expenses</b>		<b>30,326.66</b>	<b>44,753.33</b>
<b>Profit / (Loss) before Exceptional Items and Tax</b>		<b>(7,732.73)</b>	<b>(5,211.67)</b>
Exceptional Items	49	(838.51)	3,110.28
<b>Profit / (Loss) before Tax and after Exceptional Items</b>		<b>(8,571.25)</b>	<b>(2,101.39)</b>
<b>Tax Expense</b>	36		
- Current Tax		-	-
- Deferred Tax		-	-
<b>Profit/(Loss) for the Year</b>		<b>(8,571.25)</b>	<b>(2,101.39)</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)	29	(49.11)	(61.70)
(b) Income Tax relating to above		-	-
<b>Other Comprehensive Income/(Loss) For The Year</b>		<b>(49.11)</b>	<b>(61.70)</b>
<b>Total Comprehensive Income/(Loss) For The Year</b>		<b>(8,620.35)</b>	<b>(2,163.09)</b>
<b>Earnings Per Equity Share of Face Value of ₹ 5/- each</b>	<b>31</b>		
Basic		(7.35)	(2.68)
Diluted		(7.35)	(2.68)

The accompanying notes 1 to 57 are an integral part of the financial statements.

#### As per our report of even date attached

##### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

##### Amit Hundia

Partner  
Membership No.: 120761  
Mumbai  
May 23, 2024

##### Swetank Jain

Chief Executive Officer and  
Whole Time Director  
DIN: 08859745

##### Samir Kedia

Chief Financial Officer

#### For and on behalf of Board of Directors

##### Mahesh Shah

Chairman and Non-Executive Director  
DIN: 01488017

##### Sanu Kapoor

Company Secretary

# Statement of Cash Flow for The Year Ended March 31, 2024

(₹ in Lakhs)

Sr No.	Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>A</b>	<b>Cash Flows From Operating Activities</b>		
	Profit / (Loss) Before Tax	(8,571.25)	(2,101.39)
	<b>Adjustments For:</b>		
	Depreciation and Amortization Expenses	3,629.13	3,602.62
	Interest income on Fair Value of Financial Asset	(80.10)	(251.66)
	Income from expiry of gift voucher	(77.03)	-
	Provision for Gratuity and Leave Encashment	(24.16)	262.71
	Provision for Doubtful Debts	(220.83)	338.16
	Finance Costs	2,206.50	2,139.68
	Unwinding Interest on Financial Instrument at Amortised Cost	-	36.30
	Interest income on Income Tax Refund	(3.83)	-
	Interest income on Fixed Deposits	(18.85)	-
	Employee stock option expenses	49.65	273.46
	Provision on Damaged and Obsolete Inventory	88.46	355.80
	Payment of Incidental cost of Leases	(14.66)	(40.59)
	Write Back of Liabilities	(304.52)	(1,941.77)
	Write Back of Lease Liabilities	(160.11)	(1,792.63)
	<b>Cash Generated (Used in)/from before Working Capital Changes</b>	<b>(3,501.60)</b>	<b>880.69</b>
	<b>Adjustments For:</b>		
	Trade Receivables	114.92	(135.36)
	Loans, Other Financial Assets and Other Assets	(1,051.41)	1,581.45
	Inventories	801.58	7,235.39
	Trade Payables	640.73	(887.38)
	Other Financial Liabilities, Other Liabilities and Provisions	76.01	(1,194.49)
	<b>Cash Generated from / (Used in) Operations</b>	<b>(2,919.77)</b>	<b>7,480.30</b>
	<b>Income Tax (Paid)/Refund</b>	<b>47.57</b>	<b>(38.72)</b>
	<b>Net Cash Flows Generated from / (Used in) Operating Activities</b>	<b>(2,872.20)</b>	<b>7,441.58</b>
<b>B</b>	<b>Cash Flows From Investing Activities</b>		
	Purchase of Property, Plant and Equipment and Intangible Assets (Net of Capital Creditors)	(681.39)	(1,020.01)
	Interest income on Fixed Deposits	18.85	-
	<b>Net Cash flow Generated from / (Used In) Investing Activities</b>	<b>(662.54)</b>	<b>(1,020.01)</b>
<b>C</b>	<b>Cash Flows From Financing Activities</b>		
	Proceeds from Issue of Equity Shares (Net of issue expenses)	4,729.99	18.10
	Proceeds from Issue of Share Warrants (Net of issue expenses)	1,318.13	-
	(Repayment)/Proceeds from Short term Borrowings (Net)	2,634.53	(2,038.77)
	Repayment of Long term Borrowings	(549.32)	(274.66)
	Principal Payment of Lease Liability	(2,497.04)	(2,616.35)
	Interest Payment of Lease Liability	(1,290.61)	(1,079.69)
	Interest Paid	(793.42)	(900.95)
	<b>Net Cash flow Generated from / (Used In) Financing Activities</b>	<b>3,552.27</b>	<b>(6,892.32)</b>
	<b>Net (Decrease) / Increase In Cash and Cash Equivalents</b>	<b>17.53</b>	<b>(470.75)</b>

# Statement of Cash Flow

for The Year Ended March 31, 2024

(₹ in Lakhs)

Sr No.	Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	<b>Net (Decrease) / Increase In Cash and Cash Equivalents</b>	<b>17.53</b>	<b>(470.75)</b>
	Cash and Cash Equivalents at the beginning of the year	178.54	649.30
	<b>Cash and Cash Equivalents at year end</b>	<b>196.07</b>	<b>178.54</b>
	<b>Components of Cash and Cash Equivalents</b>		
	Balances with Banks - In Current Accounts	143.47	134.82
	Balances with Banks - Fixed Deposits	12.96	-
	Cheques on Hand	0.00	19.94
	Cash on Hand	39.64	23.78
	<b>Total Cash and Cash Equivalents</b>	<b>196.07</b>	<b>178.54</b>
	<b>Changes in liabilities arising from financing activities</b>		
	Opening balance of borrowings	5,337.79	8,244.92
	Proceeds from borrowings	7,568.00	950.00
	Unwinding Interest on Financial Instrument at Amortised Cost	-	36.30
	Repayment of borrowings	(4,852.79)	(3,263.43)
	<b>Closing balance of borrowings</b>	<b>8,053.00</b>	<b>5,967.79</b>

**Notes:**

- (i) The above statement of Cash Flows has been prepared under indirect method as set out in Ind AS, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- (ii) Refer note 18 of the notes to account. As mentioned therein, there has been a change in the classification of liability on account of non redemption of preference shares in the financial statements. However, for the purposes of disclosure in statement of cash flows, balances of borrowing continued to includes ₹ 630 lakhs of unredeemed preference shares, which is classified under Other Current Financial Liabilities in the balance sheet as there is no movement in the cash flows on account of such non redemption.

The accompanying notes 1 to 57 are an integral part of the financial statements.

**As per our report of even date attached****For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Amit Hundia**

Partner  
Membership No.: 120761  
Mumbai  
May 23, 2024

**Swetank Jain**

Chief Executive Officer and  
Whole Time Director  
DIN: 08859745

**Samir Kedia**

Chief Financial Officer

**For and on behalf of Board of Directors****Mahesh Shah**

Chairman and Non-Executive Director  
DIN: 01488017

**Sanu Kapoor**

Company Secretary



# Statement of Change in Equity for The Year Ended March 31, 2024

## (A) Equity Share Capital\*

(₹ in Lakhs)

Balance as at April 01, 2023	Changes in Equity Share Capital during the year	Balance as at March 31, 2024
3,783.51	2,477.40	6,260.91

Balance as at April 01, 2022	Changes in Equity Share Capital during the year	Balance as at March 31, 2023
3,765.41	18.10	3,783.51

\* Restated balances at the beginning of the reporting period and changes in equity share capital due to prior period errors is Nil.

## (B) Other Equity

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share-Based Payment Reserve (Refer Note No. 30)	Retained Earnings	Money received against share warrants (Refer Note No. 46)	
<b>Balance as at April 01, 2023</b>	<b>7,968.34</b>	<b>10,150.62</b>	<b>5.00</b>	<b>105.62</b>	<b>(23,808.10)</b>	<b>-</b>	<b>(5,578.48)</b>
Profit/(Loss) for the year	-	-	-	-	(8,571.25)	-	(8,571.25)
Remeasurements of Defined benefit plans	-	-	-	-	(49.11)	-	(49.11)
<b>Total Comprehensive Income For The Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,620.35)</b>	<b>-</b>	<b>(8,620.35)</b>
Share based payments	-	-	-	49.65	-	-	49.65
Rights Issue Expenses	-	(206.69)	-	-	-	-	(206.69)
Preferential Issue Expenses	-	(281.87)	-	-	-	-	(281.87)
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	-	-	-	(50.91)	50.91	-	-
Money received against share warrants	-	-	-	-	-	1,600.00	1,600.00
Addition during the year - Pursuant to Rights Issue	-	2,459.28	-	-	-	-	2,459.28
Exercise of Share Options	-	76.36	-	(76.36)	-	-	-
<b>Balance as at March 31, 2024</b>	<b>7,968.34</b>	<b>12,197.71</b>	<b>5.00</b>	<b>28.00</b>	<b>(32,377.54)</b>	<b>1,600.00</b>	<b>(10,578.44)</b>

**Note:** There were no changes in other equity due to changes in accounting policies or prior period errors

# Statement of Change in Equity

for The Year Ended March 31, 2024

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share-Based Payment Reserve (Refer Note No. 30)	Retained Earnings	Money received against share warrants	
<b>Balance as at April 01, 2022</b>	<b>7,968.34</b>	<b>9,914.78</b>	<b>5.00</b>	<b>108.90</b>	<b>(21,685.89)</b>	<b>-</b>	<b>(3,688.84)</b>
Profit/(Loss) for the year	-	-	-	-	(2,101.39)	-	(2,101.39)
Remeasurements of Defined benefit plans	-	-	-	-	(61.70)	-	(61.70)
<b>Total Comprehensive Income For The Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,163.09)</b>	<b>-</b>	<b>(2,163.09)</b>
Share based payments	-	-	-	273.46	-	-	273.46
Rights Issue Expenses	-	-	-	-	-	-	-
Preferential Issue Expenses	-	-	-	-	-	-	-
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	-	-	-	(40.90)	40.90	-	-
Money received against share warrants	-	-	-	-	-	-	-
Addition during the year - Pursuant to Rights Issue	-	-	-	-	-	-	-
Exercise of Share Options	-	235.84	-	(235.84)	-	-	-
<b>Balance as at March 31, 2023</b>	<b>7,968.34</b>	<b>10,150.62</b>	<b>5.00</b>	<b>105.62</b>	<b>(23,808.10)</b>	<b>-</b>	<b>(5,578.48)</b>

**Note:** There were no changes in other equity due to changes in accounting policies or prior period errors

The accompanying notes 1 to 57 are an integral part of the financial statements.

#### As per our report of even date attached

##### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

##### Amit Hundia

Partner  
Membership No.: 120761

Mumbai  
May 23, 2024

##### Swetank Jain

Chief Executive Officer and  
Whole Time Director  
DIN: 08859745

##### Samir Kedia

Chief Financial Officer

#### For and on behalf of Board of Directors

##### Mahesh Shah

Chairman and Non-Executive Director  
DIN: 01488017

##### Sanu Kapoor

Company Secretary

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 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 Companies Act, 2013 (erstwhile the 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, 2024 were authorized for issue by the board of directors on May 23, 2024.

## 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 as amended from time to time.

### 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

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

products or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and stated net of discounts, returns, applicable taxes.

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.

### **Gift Voucher**

The Company issues Gift Vouchers with 1 year validity. The Gift Vouchers which are unutilized at the end of their validity period is recognized as income.

## **2.6 Purchase of Goods under Sale or Return basis**

The Company also purchases inventories on a

Sales or Return basis (SOR) where cost of such purchases / trade payables becomes due when such inventories are being sold off. Under SOR basis, the Company does not have any ownership rights of the said inventory but it acts as a custodian for the inventory till the same are being sold or returned. The Company has a right to return the inventory to the vendor at any point prior to its sales. On the Balance sheet date, the Company reverses the value of such inventories which are acquired on SOR basis and are in its possession along with the simultaneous reversal of such amount from purchases/trade payables.

## **2.7 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.

Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

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 as on the date of business combination.

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.

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The residual values, useful lives and method of depreciation 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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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, except for Leasehold Improvements which are amortised over the life of right of use asset.

<b>Assets</b>	<b>Useful life</b>
Furniture & Fixtures	10 years
Office Equipment	5 years
Plant & Machinery	15 years
Electrical Installations	10 years
Computers, Laptops and IT equipment	3 years
Leasehold Improvements	Over the life of right of use asset

## 2.8 Intangible Assets

Intangible assets are stated at acquisition cost and other costs 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.

## 2.9 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.

## 2.10 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.

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## 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.

## 2.11 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



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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 26) and Quantitative disclosures of fair value measurement hierarchy (Refer note 26).

## 2.12 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.

## 2.13 Trade receivables

Trade receivables are initially measured at transaction price excluding any financing arrangements in sale transactions of the Company. Expected Credit Loss is assessed and recognized as per Financial Instrument policy in 2.15

## 2.14 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 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.

## 2.15 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

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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

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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.

## **(C) 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.

## **2.16 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.

## **2.17 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

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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.

## 2.18 Foreign currency transactions

### a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. 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.

## 2.19 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.

## 2.20 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.

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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.

## 2.21 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 following are the post-employment schemes:

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

### 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.

### (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



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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.

## 2.22 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 note 30.

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.

## 2.23 Statement of Cash Flows

Statement of 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.

## 2.24 Leases

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, warehouses and offices taken on lease. The Company assesses whether a contract contains a lease, at inception of a contract and period to be considered for recognition of lease liability and right-of-use assets. 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 non-cancellable term of twelve months or less (short-term leases) and low value leases. For these short-term leases which have term less than 12 months 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.

The lease liability is initially measured at the present value of the lease payments (including Common



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Area Maintenance) that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances that is within the control of the Company affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term., in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The effective date of the modification is the date when both the parties agree to the lease modification and is accounted for in that point in time.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments (including Common Area Maintenance) made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the non-cancellable period or lease term as per the management assessment.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and

accounts for any identified impairment loss as described in the 'Impairment of Non-Financial Assets' policy.

Variable rentals that do not depend on an index or rate, are recognised as expenses in the periods in which they are incurred

### **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.

### **2.25 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

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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.

## 2.26 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.

## 2.27 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.

## 2.28 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.

## 2.29 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 36 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

## **Notes** annexed to and forming part of the financial statements for The Year Ended March 31, 2024

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 29 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 history, existing market conditions as well as forward

looking estimates at the end of each reporting period.

Refer note 27 on financial risk management where credit risk and related impairment disclosures are made.

### **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. 30.

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 3 (a). PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Office Equipment	Furniture and Fixture	Computers	Leasehold Improvements	Plant & Machinery	Electrical Installation	Total
<b>Gross Carrying Amount</b>							
<b>As At April 01, 2022</b>	<b>16.56</b>	<b>42.12</b>	<b>163.99</b>	<b>-</b>	<b>0.39</b>	<b>6.94</b>	<b>229.99</b>
Additions	149.35	799.66	15.98	153.24	4.35	197.78	1,320.36
<b>As At March 31, 2023</b>	<b>165.91</b>	<b>841.77</b>	<b>179.97</b>	<b>153.24</b>	<b>4.74</b>	<b>204.72</b>	<b>1,550.35</b>
Additions	32.24	254.14	24.58	91.09	17.99	41.18	461.23
Deletions				(23.81)			(23.81)
<b>As At March 31, 2024</b>	<b>198.15</b>	<b>1,095.92</b>	<b>204.55</b>	<b>220.52</b>	<b>22.74</b>	<b>245.90</b>	<b>1,987.77</b>
<b>Accumulated Depreciation</b>							
<b>As At April 01, 2022</b>	<b>10.31</b>	<b>1.13</b>	<b>130.19</b>	<b>-</b>	<b>0.02</b>	<b>0.14</b>	<b>141.79</b>
Depreciation for the Year	46.36	136.84	29.22	29.71	0.72	29.75	272.60
<b>As At March 31, 2023</b>	<b>56.67</b>	<b>137.97</b>	<b>159.42</b>	<b>29.71</b>	<b>0.74</b>	<b>29.89</b>	<b>414.39</b>
Depreciation for the Year	58.17	211.50	16.90	15.26	1.66	51.71	355.19
Deletions				(23.81)			(23.81)
<b>As At March 31, 2024</b>	<b>114.84</b>	<b>349.48</b>	<b>176.32</b>	<b>21.16</b>	<b>2.39</b>	<b>81.60</b>	<b>745.78</b>
<b>Net Carrying Value</b>							
<b>As At March 31, 2023</b>	<b>109.24</b>	<b>703.80</b>	<b>20.55</b>	<b>123.53</b>	<b>4.01</b>	<b>174.83</b>	<b>1,135.96</b>
<b>As At March 31, 2024</b>	<b>83.31</b>	<b>746.44</b>	<b>28.23</b>	<b>199.37</b>	<b>20.34</b>	<b>164.30</b>	<b>1,241.99</b>

## 3 (b). CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Total
<b>As At April 01, 2023</b>	<b>15.07</b>
Incurred during the year	483.17
Capitalized during the year	(440.33)
<b>As At March 31, 2024</b>	<b>57.91</b>
<b>As At April 01, 2022</b>	<b>118.64</b>
Incurred during the year	1,212.69
Capitalized during the year	(1,316.26)
<b>As at March 31, 2024</b>	<b>15.07</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## Ageing for Capital Work-in-Progress as on March 31, 2024

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	57.91	-	-	-	57.91
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>57.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.91</b>

## Ageing for Capital Work-in-Progress as on March 31, 2023

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.07	-	-	-	15.07
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>15.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.07</b>

**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.

## 4. Right-of-use Assets

(₹ in Lakhs)

Particulars	Buildings	Office equipments	Total
<b>Gross Carrying Amount</b>			
<b>As At April 01, 2022</b>	<b>17,328.22</b>	<b>6,982.84</b>	<b>24,311.06</b>
Additions	12,623.15	-	12,623.15
Modifications	(13,224.61)	-	(13,224.61)
<b>Disposals</b>	<b>(911.10)</b>	<b>(6,982.84)</b>	<b>(7,893.94)</b>
<b>As At March 31, 2023</b>	<b>15,815.66</b>	<b>-</b>	<b>15,815.66</b>
Additions	7,195.40	-	7,195.40
Modifications	(935.19)	-	(935.19)
Disposals	(3,926.70)	-	(3,926.70)
<b>As At March 31, 2024</b>	<b>18,149.17</b>	<b>-</b>	<b>18,149.17</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

(₹ in Lakhs)			
Particulars	Buildings	Office equipments	Total
<b>Accumulated Depreciation</b>			
<b>As At April 01, 2022</b>	<b>8,215.93</b>	<b>5,713.24</b>	<b>13,929.17</b>
Depreciation for the Year	3,320.15	-	3,320.15
Modifications	(5,632.72)		(5,632.72)
Disposals	(452.19)	(5,713.24)	(6,165.43)
<b>As At March 31, 2023</b>	<b>5,451.18</b>	<b>-</b>	<b>5,451.18</b>
Depreciation for the Year	3,263.84		3,263.84
Modifications	-		-
Disposals	(1,291.74)		(1,291.74)
<b>As At March 31, 2024</b>	<b>7,423.28</b>	<b>-</b>	<b>7,423.28</b>
<b>Net Carrying Value</b>			
<b>As At March 31, 2023</b>	<b>10,364.47</b>	<b>-</b>	<b>10,364.47</b>
<b>As At March 31, 2024</b>	<b>10,725.90</b>	<b>-</b>	<b>10,725.90</b>

## 5 (a). Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
<b>Gross Carrying Amount</b>		
<b>As At April 01, 2022</b>	<b>101.56</b>	<b>100.66</b>
Additions	10.93	10.93
<b>As At March 31, 2023</b>	<b>112.49</b>	<b>112.49</b>
Additions	8.80	8.80
<b>As At March 31, 2024</b>	<b>121.29</b>	<b>121.29</b>
<b>Accumulated Amortization</b>		
<b>As At April 01, 2022</b>	<b>85.19</b>	<b>85.19</b>
Amortisation expense for the Year	9.86	9.86
<b>As At March 31, 2023</b>	<b>95.06</b>	<b>95.06</b>
Amortisation expense for the Year	10.10	10.10
<b>As At March 31, 2024</b>	<b>105.16</b>	<b>105.16</b>
<b>Net Book Value</b>		
<b>As At March 31, 2023</b>	<b>17.43</b>	<b>17.43</b>
<b>As At March 31, 2024</b>	<b>16.14</b>	<b>16.14</b>

### Notes:-

- (1) Intangible assets are other than internally generated.
- (2) Balance Useful life of Intangible assets is upto 5 years.
- (3) The Company has not revalued its Property, Plant and Equipment.



# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 5 (b). Intangible assets under development

(₹ in Lakhs)

Particulars	Total
<b>As At April 01, 2023</b>	-
Incurred during the year	10.28
Capitalized during the year	-
<b>As At March 31, 2024</b>	<b>10.28</b>
<b>As At April 01, 2022</b>	-
Incurred during the year	-
Capitalized during the year	-
<b>As at March 31, 2023</b>	-

### Ageing for Intangible assets under development as on March 31, 2024

(₹ in Lakhs)

Particulars	Amount in Intangible assets under development for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	10.28	-	-	-	10.28
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>10.28</b>	-	-	-	<b>10.28</b>

### Ageing for Intangible assets under development as on March 31, 2023

(₹ in Lakhs)

Particulars	Amount in Intangible assets under development for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Note** - The Company do not have any Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non Current	Current	Non Current
Security Deposits – Unsecured, Considered Good	225.43	1,114.86	222.63	825.95
<b>Other Receivables</b>				
a) Security Deposit – Considered Good*	10,100.00	-	10,100.00	-
b) Others**				
Considered Good	375.95	-	285.79	-
Credit Impaired	192.34	-	413.17	-
Less : Allowance for doubtful debts	(192.34)	-	(413.17)	-
<b>Total</b>	<b>10,701.39</b>	<b>1,114.86</b>	<b>10,608.42</b>	<b>825.95</b>

\* Security Deposit is towards lease agreement which has expired.

\*\* Receivables includes : i) Receivable from E-commerce marketplaces through whom sales has been carried out and ii) Receivable from banks/NBFC towards sales made through their mode of payments.

## 7 OTHER ASSETS – CURRENT & NON CURRENT

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non Current	Current	Non Current
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>				
Capital Advances	-	167.68	-	53.11
Advances other than Capital Advances:				
i) Advance to Related Parties	343.92	-	331.97	-
Less: Provision for Doubtful Advances	(300.00)	-	(300.00)	-
Net Advance to Related Parties	43.92	-	31.97	-
ii) Advance to Suppliers	99.83	-	70.53	-
iii) Advance to Employees	8.60	-	5.80	-
Prepaid Expenses	101.73	-	112.62	-
GST paid under protest	13.50	-	-	-
Balances with Statutory Authorities – Considered good	1,618.00	-	958.94	-
Balances with Statutory Authorities – Considered doubtful	55.44	-	62.83	-
Less: Provision for Doubtful Balances	(55.44)	-	(62.83)	-
<b>Total</b>	<b>1,885.58</b>	<b>167.68</b>	<b>1,179.87</b>	<b>53.11</b>

## Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

### 8 NON-CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax deducted at source	6.54	54.11
Tax paid under protest	22.76	22.76
<b>Total</b>	<b>29.30</b>	<b>76.87</b>

### 9 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Stock-in-Trade (Including stock in transit : ₹ 265.77 Lakhs, March 31, 2023 : ₹ 339.69 Lakhs)	5,887.18	6,899.31
Packing Materials and Others	74.01	115.14
Less : Provision for Obsolete Inventory and Shrinkage	(217.59)	(380.81)
<b>Total Inventories</b>	<b>5,743.61</b>	<b>6,633.64</b>

(Valued at cost or Net Realisable Value whichever is lower)

### 10 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured considered good unless otherwise stated</b>		
Considered Good	28.74	143.65
Credit Impaired	34.88	-
	63.62	143.65
Less : Allowance for doubtful debts	(34.88)	-
<b>Total</b>	<b>28.74</b>	<b>143.65</b>

#### Trade Receivables ageing schedule as on March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	
Undisputed Trade receivables – considered good	-	28.02	0.72	-	-	28.74
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	1.57	0.72	32.60	-	34.88
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>29.57</b>	<b>1.44</b>	<b>32.60</b>	<b>-</b>	<b>63.62</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## Trade Receivables ageing schedule as on March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	
Undisputed Trade receivables – considered good	43.11	82.19	18.35	-	-	143.65
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>43.11</b>	<b>82.19</b>	<b>18.35</b>	<b>-</b>	<b>-</b>	<b>143.65</b>

## 11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks - In Current Accounts	143.47	134.82
Balances with Banks - Fixed Deposits	12.96	-
Cheques on Hand	0.00	19.94
Cash on Hand	39.64	23.78
<b>Total</b>	<b>196.07</b>	<b>178.54</b>

## 12 Bank Balance other than Cash and Cash Equivalents above

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank Balance - Unclaimed amount payable towards fractional shares*	3.31	3.31
<b>Total</b>	<b>3.31</b>	<b>3.31</b>

\*Restricted Bank balance

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 13 (A) Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
20,00,00,000 equity shares of ₹ 5 each ( 31 March 2023: 10,00,00,000 equity shares of ₹ 5 each)	10,000.00	5,000.00
<b>Issued</b>		
12,52,23,402 equity shares of ₹ 5 each ( 31 March 2023: 7,56,75,330 equity shares of ₹ 5 each)	6,261.17	3,783.77
<b>Subscribed and Paid up</b>		
12,52,18,184 equity shares of ₹ 5 each ( 31st March 2023: 7,56,70,112 equity shares of ₹ 5 each)	6,260.91	3,783.51

### (i) Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
Opening Balance of Equity Shares of ₹ 5/- each	7,56,75,330	3,783.77	7,53,13,330	3,765.67
Add : Shares issued during the year (Pursuant to Rights Issue Note 45)	4,91,85,572	2,459.28	-	-
Add : Shares issued during the year (Pursuant to ESOP)	3,62,500	18.13	3,62,000	18.10
<b>Total Shares issued</b>	<b>12,52,23,402</b>	<b>6,261.17</b>	<b>7,56,75,330</b>	<b>3,783.77</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>12,52,18,184</b>	<b>6,260.91</b>	<b>7,56,70,112</b>	<b>3,783.51</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

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
No. of Shares pledged by promoters	-	-

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

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

(₹ in Lakhs)

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Surplus Finvest Private Limited	2,95,97,003	23.64	1,79,37,578	23.70
Mangal Bhansali & PACs	2,07,96,647	16.61	42,09,715	5.56
Universal Trustees Pvt Ltd	90,00,000	7.19	-	-
Future Hospitality Private Limited	45,13,319	3.60	1,22,41,293	16.18
Future Corporate Resources Private Limited	4,15,625	0.33	67,57,361	8.93

## (vi) Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as at March 31, 2024 is as follows:

(₹ in Lakhs)

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of Shares	Percentage of total shares	No. of Shares	Percentage of total shares	
Shri Kishore Biyani	414	0.00%	251	0.00%	0.00%
Future Corporate Resources Private Limited*	4,15,625	0.33%	67,57,361	8.93%	-8.60%
<b>Total</b>	<b>4,16,039</b>	<b>0.33%</b>	<b>67,57,612</b>	<b>8.93%</b>	<b>-8.60%</b>

\* As on March 31, 2024: 44,03,645 shares (1.59%) is held through its partly owned subsidiary Future Hospitality Private Limited where it holds 44.11%.

Disclosure of Shareholding of Promoters as at March 31, 2023 is as follows:

(₹ in Lakhs)

Name of Promoter	As at March 31, 2023		As at March 31, 2022		% 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	67,57,361	8.93%	1,89,98,654	25.23%	-16.30%
<b>Total</b>	<b>67,57,612</b>	<b>8.93%</b>	<b>1,89,98,760</b>	<b>25.23%</b>	<b>-16.30%</b>

\* As on March 31, 2023: 1,19,43,830 shares (15.78%) is held through its partly owned subsidiary Future Hospitality Private Limited where it holds 97.57%.

(vii) Aggregate number of shares without payment being received in cash (pursuant to scheme of arrangement) during the financial year 2017-18 – 2,46,38,426 Equity Shares.

(viii) As at March 31, 2024, 1,19,000 No. of Equity Shares (March 31, 2023 No. of equity shares 8,03,750) are reserved for Issuance towards Outstanding Employee Stock Option granted. (Refer Note 30)



# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 14. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Capital Reserve</b>		
<b>Opening Balance</b>	<b>7,968.34</b>	<b>7,968.34</b>
Addition/(Appropriation) During The Year	-	-
<b>Closing Balance</b>	<b>7,968.34</b>	<b>7,968.34</b>
<b>Security Premium</b>		
<b>Opening Balance</b>	<b>10,150.62</b>	<b>9,914.78</b>
Pursuant to the exercise of share options	76.36	235.84
Pursuant to the Rights Issue	2,459.28	-
Rights Issue Expenses	(206.69)	-
Preferential Issue Expenses	(281.87)	-
<b>Closing Balance</b>	<b>12,197.71</b>	<b>10,150.62</b>
<b>Capital Redemption Reserve</b>		
<b>Opening Balance</b>	<b>5.00</b>	<b>5.00</b>
Addition/(Appropriation) During The Year	-	-
<b>Closing Balance</b>	<b>5.00</b>	<b>5.00</b>
<b>Share- Based Payment Reserve (Refer Note No. 30)</b>		
<b>Opening Balance</b>	<b>105.62</b>	<b>108.90</b>
Share based payments	49.65	273.46
Options lapsed as per ESOP scheme	(50.91)	(40.90)
Exercise of share options - ESOP Plan 2021	(76.36)	(235.84)
<b>Closing Balance</b>	<b>28.00</b>	<b>105.62</b>
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>(23,808.10)</b>	<b>(21,685.89)</b>
Profit/(Loss) For The Year	(8,571.25)	(2,101.39)
Options lapsed as per ESOP scheme	50.91	40.90
Other Comprehensive Income/(Loss) For The Year		
Re-measurement Gain/(Loss) on Defined Benefit Plans	(49.11)	(61.70)
Income Tax relating to above	-	-
<b>Closing Balance</b>	<b>(32,377.54)</b>	<b>(23,808.10)</b>
<b>Money received against share warrants</b>		
<b>Opening Balance</b>	<b>-</b>	<b>-</b>
Money received against share warrants (Refer Note 46)	1,600.00	-
<b>Closing Balance</b>	<b>1,600.00</b>	<b>-</b>
<b>Total</b>	<b>(10,578.44)</b>	<b>(5,578.48)</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 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. 30.

### 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.

### f) Money received against share warrants

This represents amount received on partial allotment of Equity Share Warrants to preferential investors on preferential allotment basis. (Refer note no. 47)

## 15 NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non Current	Current	Non Current
<b>Provision for Employee Benefits</b>				
Gratuity (Refer note no. 29)	21.80	155.60	11.41	157.65
Compensated Absences	3.80	14.34	11.25	39.39
<b>Total</b>	<b>25.60</b>	<b>169.94</b>	<b>22.66</b>	<b>197.04</b>

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 16 FINANCIAL LIABILITY-BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non Current	Current	Non Current
<b>Secured</b>				
<b>Loans from Banks</b>				
- Working Capital Term Loan (Refer note A & D)	-	-	-	549.32
- Current Maturities of Long term debt (Refer note A & D)	-	-	274.66	-
Loan from Others - NBFC (Refer note B)	-	-	2,293.81	-
<b>Unsecured</b>				
<b>Inter Corporate Deposits (Refer note C)</b>				
- From Related Parties	4,295.00	-	2,220.00	-
- From Others	3,128.00	-	-	-
<b>Total</b>	<b>7,423.00</b>	<b>-</b>	<b>4,788.47</b>	<b>549.32</b>

### Security:

- (A) The Working capital term loan from RBL Bank 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 monthly instalments commencing from April'2022, Rate of interest is external benchmark rate plus Spread and applicable rate for FY23-24 is 9.25% per annum on monthly basis. The outstanding amount as on 31st March 2024 is ₹ Nil (March 31, 2023 : ₹ 823.98 lakhs)
- (B) Loan from Others - NBFC is a Working Capital loan secured by way of pari passu charge on the current assets both present and future of the Company. Principal is repayable based on 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) Inter Corporate Deposits are repayable on demand secured by promisory note. Interest is payable at 12% per annum.
- (D) The Company has availed borrowings from a bank and a financial institution which are secured against current assets. The Company has not submitted all the required details as a part of quarterly returns / statements to these entities. However, the Company represents that the details have been submitted as and when asked for by such entities and no query has been raised by such entities with regards to non-submission of the remaining required details.

## 17 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Outstanding dues of Small and Micro Enterprises	2,068.51	2,140.17
Total Outstanding dues of Creditors other than Small and Micro Enterprises	12,317.92	11,910.05
<b>Total</b>	<b>14,386.43</b>	<b>14,050.22</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## Trade Payables ageing schedule as on March 31, 2024

(₹ in Lakhs)

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	1,971.60	68.79	23.86	4.26	2,068.51
(ii) Others	7,172.49	3,332.73	372.88	235.94	11,114.04
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>9,144.09</b>	<b>3,401.52</b>	<b>396.73</b>	<b>240.20</b>	<b>13,182.55</b>
Unbilled trade payables (other than micro and small enterprises)					1,203.88
<b>Grand Total</b>					<b>14,386.43</b>

## Trade Payables ageing schedule as on March 31, 2023

(₹ in Lakhs)

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	2,122.13	18.04	-	-	2,140.17
(ii) Others	9,428.52	1,024.13	295.08	176.30	10,924.03
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>11,550.65</b>	<b>1,042.17</b>	<b>295.08</b>	<b>176.30</b>	<b>13,064.21</b>
Unbilled trade payables (other than micro and small enterprises)					986.02
<b>Grand Total</b>					<b>14,050.23</b>

## 18 Other Financial Liabilities-Current

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Salary and Employee benefits payable	405.08	384.42
Unclaimed Share Money on Fraction Shares (Refer note 37)	3.31	3.31
Interest accrued on borrowings	320.22	65.79
Unredeemed Preference Shares*	630.00	630.00
Creditors for Capital Expenditure	139.50	203.74
Other Payables (Interest on MSME and other parties)	265.28	302.90
<b>Total</b>	<b>1,763.39</b>	<b>1,590.16</b>

\* 9% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each ("NCRPs") aggregating to ₹ 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 or proceeds of any fresh issue of shares made for the purposes of such redemption. As the Company has not earned any profit during the current year and no proceeds of any fresh issue of shares made for the purposes of such redemption, the Company could not redeem the NCRPs. The said NCRPs would continue as unredeemed preference capital in books of the Company and the same shall be redeemed as per the provisions of the Act.

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 19 Other Current Liabilities (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advances From Customers	1,047.00	1,069.22
Unredeemed Gift Vouchers	-	74.89
Statutory dues payable	238.37	287.28
<b>Total</b>	<b>1,285.38</b>	<b>1,431.39</b>

## 20 Revenue From Operations (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Products	21,862.61	37,907.48
Other Operating Income		
- Income from sale of Non Saleable Merchandises	18.12	147.07
- Income from expiry of Gift Voucher (Refer note no. 38)	77.03	550.00
<b>Total</b>	<b>21,957.77</b>	<b>38,604.55</b>

## 21 Other Income (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Lease and other liabilities written back	464.63	338.03
Interest Income	102.78	257.09
Other Miscellaneous Income	68.75	341.99
<b>Total</b>	<b>636.16</b>	<b>937.11</b>

## 22 Change In Inventories of Stock-In-Trade (Increase)/Decrease (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Opening Inventories</b>		
Stock-In-Trade	6,899.31	14,228.00
Packing Materials and Others	115.14	117.45
<b>Closing Inventories</b>		
Stock-In-Trade	5,887.18	6,899.31
Packing Materials and Others	74.01	115.14
<b>(Increase)/Decrease</b>	<b>1,053.26</b>	<b>7,331.00</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 23 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages and Bonus	3,869.65	5,106.45
Contribution to Provident and Other Fund (Refer Note No. 29)	206.15	300.02
Employee Stock Option Expense (Refer Note No. 30)	49.65	273.46
Gratuity (Refer Note No. 29)	36.94	61.59
Staff Welfare Expenses	192.90	295.32
<b>Total</b>	<b>4,355.29</b>	<b>6,036.86</b>

## 24 Finance Costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on Borrowings	748.45	742.21
Unwinding Interest on Lease Liabilities	1,290.61	1,079.69
Unwinding Interest on Financial Instrument at Amortised Cost	-	36.30
Other interest costs	167.44	317.78
<b>Total</b>	<b>2,206.50</b>	<b>2,175.98</b>

## 25 Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power & Fuel	1,279.22	1,161.51
Rent	1,057.30	1,452.62
Repairs and Maintenance	153.67	120.89
Insurance	19.77	26.92
Rates and Taxes	271.93	88.69
Travelling & Conveyance	223.32	309.27
Advertisement and Marketing	1,434.64	1,513.98
House Keeping Charges	278.80	325.30
Transportation Charges	561.13	1,039.10
Warehousing & Distribution Charges	510.25	578.72
Manpower Agency - Staff Hire Charges	259.34	221.91
Home Delivery Expenses	413.02	523.76
Legal & Professional	775.65	704.42
Directors' Sitting Fees	16.90	14.00
Payment to Auditors	24.11	25.42
Loss on Foreign Currency translation or transactions	22.26	66.44
Subvention and Credit Card Charges	468.53	905.80
Miscellaneous Expenses	995.85	2,401.80
<b>Total</b>	<b>8,765.68</b>	<b>11,480.55</b>



# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 26. Fair value measurements:

### (a) Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amortised cost	Fair Value	Amortised cost	Fair Value
<b>Financial assets</b>				
Trade Receivables	28.74	-	143.65	-
Cash and cash equivalents	196.07	-	178.54	-
Bank Balance other than Cash and Cash Equivalents above	3.31	-	3.31	-
Other Financial Assets	10,475.95	1,340.29	10,385.79	1,048.59
<b>Total financial assets</b>	<b>10,704.07</b>	<b>1,340.29</b>	<b>10,711.30</b>	<b>1,048.59</b>
<b>Financial liabilities</b>				
Borrowings	7,423.00	-	5,337.79	-
Lease Liabilities	11,186.55	-	10,402.01	-
Trade payables	14,386.43	-	14,050.22	-
Other financial liabilities	1,763.39	-	1,590.16	-
<b>Total financial liabilities</b>	<b>34,759.37</b>	<b>-</b>	<b>31,380.18</b>	<b>-</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 fair values disclosed as at March 31, 2024**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security deposits	-	-	1,340.29	1,340.29
Other Receivables	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,340.29</b>	<b>1,340.29</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### **Assets and liabilities which are measured at fair values disclosed as at March 31, 2023**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security deposits	-	-	1,048.59	1,048.59
Other Receivables	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,048.59</b>	<b>1,048.59</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 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 (for example, over-the-counter derivatives) 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

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.

## 27. 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 - trade receivables and other receivables amounting to ₹ 63.29 Lakhs and ₹ 568.29 lakhs as on March 31, 2024 respectively and ₹ 143.65 Lakhs and ₹ 698.86 lakhs as on March 31, 2023 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.

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

(₹ in Lakhs)

March 31, 2024	Less than 1 year	More than 1 year	Total
Interest bearing borrowings*	7,743.22	-	7,743.22
Trade Payables	14,386.43	-	14,386.43
Lease Liabilities	2,999.91	17,744.26	20,744.17
Other Financial Liabilities	1,763.39	-	1,763.39
<b>Total</b>	<b>26,892.95</b>	<b>17,744.26</b>	<b>44,637.21</b>

(₹ in Lakhs)

March 31, 2023	Less than 1 year	More than 1 year	Total
Interest bearing borrowings*	4,854.26	549.32	5,403.58
Trade Payables	14,050.22	-	14,050.22
Lease Liabilities	3,094.97	13,708.14	16,803.11
Other Financial Liabilities	1,590.16	-	1,590.16
<b>Total</b>	<b>23,589.61</b>	<b>14,257.46</b>	<b>37,847.07</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, 2024	As at March 31, 2023
Variable Rate Borrowings	-	3,117.79
Fixed Rate Borrowings	7,423.00	2,220.00
<b>Total</b>	<b>7,423.00</b>	<b>5,337.79</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 taxParticulars	As at March 31, 2024	As at March 31, 2023
Interest rates increase by 100 basis points	-	31.18
Interest rates decrease by 100 basis points	-	(31.18)

## (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.

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

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, 2024	As at March 31, 2023
<b>Trade Payable</b>		
US Dollar (USD)	7.57	1.44

A 5% strengthening in USD will decrease the profit for the year by ₹ 31.50 Lakhs (March 31, 2023 - ₹ 5.93 Lakhs) and a 5% weakening in USD will increase the profit for the year by ₹ 31.50 Lakhs (March 31, 2023 - ₹ 5.93 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.

## 28. 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. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	7,423.00	5,337.79
Less: Cash and Cash Equivalents	196.07	178.54
<b>Net Debt (A)</b>	<b>7,226.93</b>	<b>5,159.24</b>
Equity	6,260.91	3,783.51
Other Equity	(10,578.44)	(5,578.48)
<b>Total Capital (B)</b>	<b>(4,317.53)</b>	<b>(1,794.98)</b>
<b>Gearing Ratio (C = A/B)</b>	<b>-1.67</b>	<b>-2.87</b>

**(B) Dividends: The Company has not paid any dividend since its incorporation.**

## 29. 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 and Labour Welfare Fund

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.

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

Contribution to defined contribution plans, recognised as expense for the year is as under

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident fund	169.17	240.02
Contribution to ESIC	24.72	46.18
Contribution to NPS	11.85	13.18
Contribution to LWF	0.41	0.64
<b>Total</b>	<b>206.15</b>	<b>300.02</b>

## b) Defined Benefit plans:

The Company operates the following defined benefit plans:

### (i) Compensated Absences

#### Total Expenses Recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Expenses Recognised in the Statement of Profit and Loss	-	26.91

### (ii) 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, 2023. 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.

### (a) Change in Present Value of Defined Benefit Obligations

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation at the beginning of the year	169.07	274.93
Service Cost	24.72	42.22
Interest Cost	12.22	19.38
Benefits Paid	(77.71)	(229.16)
Re-measurement-Actuarial (gains)/losses	49.11	61.70
Defined Benefit Obligation at the end of the year	177.41	169.07

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## (b) Net Defined Benefit Liability / (Assets)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation	177.41	169.07
Fair value of Plan Assets	-	-
(Surplus) / Deficit	177.41	169.07
Effects of Assets Ceiling	-	-
Net Defined Benefit Liability / (Assets)	177.41	169.07

## (c) Total Expenses Recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Service Cost	24.72	42.22
Net interest on the net defined benefit liability/assets	12.22	19.38
Total Expenses Recognised in the Statement of Profit and Loss	36.94	61.60

## (d) Remeasurement effects recognised in Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial (Gains)/Losses	11.37	65.90
Gain / (Loss) from change in financial assumptions	3.08	(4.20)
Gain / (Loss) from change in demographic assumptions	34.66	-
<b>Total (Gain) / Loss included in OCI</b>	<b>49.10</b>	<b>61.70</b>

## (e) Reconciliation of Amounts in Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation at the beginning of the year	169.07	274.93
Defined Benefit cost included in Profit and Loss	36.94	61.60
Total amount included in OCI	49.10	61.70
Benefits paid	(77.71)	(229.16)
Defined Benefit Obligation at the end of the year	177.40	169.07

## (f) Reconciliation of Amounts in Statement of Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
OCI (Income) / Loss at the beginning of the year	(8.36)	(70.06)
Total Remeasurement included in OCI	49.10	61.70
OCI (Income) / Loss at the end of the year	40.75	(8.36)



# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## (g) Expected Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	21.80	11.41
Year 2	22.87	10.75
Year 3	24.12	11.98
Year 4	29.10	20.23
Year 5	32.30	19.46
Years 6 to 10	162.90	142.78
Above 10 Years	432.58	1,136.72

## (h) Assumptions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.19%	7.48%
Expected rate of Salary increase	2% flat	2% flat
Mortality Rate	IALM (2012-14) ultimate	IALM (2012-14) ultimate
Withdrawal Rate	Service < 5 Years : 28% Service > 5 Years : 9%	Service < 5 Years : 28% Service > 5 5 Years : 3%
Retirement age	58 Years	58 Years

## (i) Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation at the end of the year	177.40	169.07
Discount Rate	7.19%	7.48%
Expected rate of Salary increase	2% flat	2% flat
Discount Rate		
Discount Rate -100 basis points	188.82	186.86
Discount Rate +100 basis points	167.18	153.77
Salary increase rate		
Rate -100 basis points	167.45	153.65
Rate +100 basis points	188.27	186.66

## 30. 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.

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

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 Rs.5/- each. The exercise price of each option is Rs.176/- (including Rs. 171/- as share premium). The options were subject to a minimum vesting period of 1 (one) year from the date of grant. Method of accounting is Fair Value based and the method of settlement will be Equity-settled.

Thereafter, during the financial year 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24, 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 had 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 ₹ 5/- each. The exercise price of each option is ₹ 5/-. The options were subject to a minimum vesting period of 1 (one) year from the date of grant. Method of accounting is Fair Value based and the method of settlement will be Equity-settled.

During the year 2022-23, the Nomination and Remuneration Committee (“NRC”) of the Company has granted 1,00,000 options under the ESOP Plan - 2021 to employee 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 ₹ 5/-. The options were subject to a minimum vesting period of 1 (one) year from the date of grant. Method of accounting is Fair Value based and the method of settlement will be Equity-settled.

The following share-based payment arrangements have outstanding options as on Balance Sheet date.

Option Series	Number of Options outstanding as on March 31, 2024	Number of Options outstanding as on March 31, 2023	Grant Date	Vesting Date	Exercise Price (₹)	Fair Value at Grant Date (₹)
Praxis SVAR Plan - 2018	6,500	18,750	3/27/2019	*	176.00	88.40
Praxis Employee Stock Option Plan -2021	112,500	785,000	1/27/2022	**	5.00	62.10

Option can be Exercised within three years from the date of Vesting of 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.

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## (b) Movement of Share Option

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding at the beginning of the year	803,750	1,280,500
Granted During the year	-	100,000
Expired /cancelled during the year	322,250	214,750
Exercised during the year	362,500	362,000
Outstanding at the end of the year	119,000	803,750
Exercisable at the end of the year	6,500	113,125

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,373 days (2023 : 1,483 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:

Particulars	Praxis SVAR Plan - 2018	Praxis Employee Stock Option Plan - 2021 (Granted January 27, 2022)
	For 5 year vesting period	For 3 year vesting period
Risk Free Interest Rate	7.12%	5.72%
Expected Life	5.85 Years	3.4 Years
Expected Volatility	46.10%	55.94%
Dividend Yield	0.00%	0.00%
Exercise Price	176.00	5.00

## (d) Compensation Expenses arising on account of the Share Based Payments

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Expenses arising from equity – settled share-based payment transactions	49.65	273.46

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 31. Earnings Per Share (EPS)

Statement of Calculation of Basic and Diluted EPS is as under:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit/(Loss) for the year (Rs in Lakhs)	(8,571.25)	(2,101.39)
Weighted average number of Equity Share for Basic EPS	113,601,091	75,352,326
Nominal Value per Equity Share (Rs)	5/-	5/-
Earning/(Loss) per Equity Share - Basic (Rs)	(7.35)	(2.68)
Add: Weighted average number of potential equity shares on account of Employee stock option scheme and Equity warrants*	9,410,529	846,823
Weighted average number of Equity Share for Diluted EPS	113,601,091	75,352,326
Nominal Value per Equity Share (Rs)	5/-	5/-
Earning/(Loss) per Equity Share - Diluted (Rs)	(7.35)	(2.68)

\* As the effect of the weighted average number of potential equity share on account of ESOP and equity warrants are anti-dilutive in nature for year ended March 31, 2024 and March 31, 2023, the same is not considered in the calculation of weighted average number of equity shares for the Diluted EPS.

## 32. Assets pledged as security for Exclusive and Paripassu charge

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-Current Assets</b>		
<b>Non-Financial Assets</b>		
Property, Plant and Equipment	-	1,135.96
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade receivables	-	143.65
Cash and bank balances	-	178.54
Other financial assets	-	10,608.42
<b>Non-Financials Assets</b>		
Inventories	-	6,633.64
Other current assets	-	1,179.87
<b>Total assets pledged as security</b>	<b>-</b>	<b>19,880.09</b>

## 33. 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.

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## (a) Carrying amounts of Lease assets recognised and the movements during the year

(₹ in Lakhs)

Particulars	March 31, 2024			March 31, 2023		
	Office Equipments	Buildings	Total	Office Equipments	Buildings	Total
Opening Balance	-	10,364.48	10,364.49	1,269.59	9,112.29	10,381.88
Additions	-	7,195.40	7,195.40	-	9,422.30	9,422.30
Modifications	-	(935.19)	(935.19)	-	(4,391.05)	(4,391.05)
Deletions	-	(2,634.96)	(2,634.96)	(1,269.59)	(458.91)	(1,728.49)
Depreciation Expenses	-	(3,263.84)	(3,263.84)	-	(3,320.15)	(3,320.15)
<b>Balance at the end of the year</b>	<b>-</b>	<b>10,725.89</b>	<b>10,725.89</b>	<b>-</b>	<b>10,364.48</b>	<b>10,364.48</b>

## (b) Carrying amounts of lease liabilities and the movements during the year

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening Balance (Buildings and Office Equipments)</b>	10,402.01	12,574.56
Additions	6,990.47	8,366.39
Modifications	(985.80)	(5,900.83)
Finance Charge accrued during the year	1,290.61	1,079.69
Payment of Lease Liabilities	(3,946.24)	(3,696.04)
Deletions	(2,564.49)	(2,021.74)
<b>Balance at the end of the year</b>	<b>11,186.56</b>	<b>10,402.01</b>
Current	2,999.91	3,094.97
Non-current	8,186.64	7,307.04

The effective interest rate for lease liabilities is in the range of 10.15% to 11.50% as on 31 March 2024 (10.15% to 11% as on March 31, 2023)

## (c) The following are the amounts recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of Lease assets	3,263.84	3,320.15
Interest expense on Lease liabilities	1,290.61	1,079.69
Expense relating to short term leases/Variable Lease Payments (included in Rent including Lease Rentals)	1,057.30	1,452.62
<b>Total amount recognised in statement of profit and loss</b>	<b>5,611.75</b>	<b>5,852.46</b>

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

**(d) Following table provides information on the Company's variable Lease payments including the magnitude in relation to fixed payments**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Fixed rent	2,835.48	2,578.75
Variable rent with minimum payment	1,452.09	1,788.32
Variable rent only	555.34	719.47

The company has entered into variable lease agreements as it offers the opportunity to optimize the costs in the inception stage of store operations. All variable lease agreements are calculated as a pre-defined percentage on the net sales.

**(e)** 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 undiscounted future rental payments in respect of lease for Premises, Stores and Warehouses are as follows:-

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The total future minimum lease rent payable at the Balance Sheet date :		
- For a period not later than one year	2,999.91	3,094.97
- For a period later than one year and not later than 5 years	5,613.99	5,218.38
- For a period later than five years	12,130.28	8,489.76

## 34. Segment Reporting

The Company is primarily engaged in the business of "Retail" through offline and online channels, 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.

## 35. Disclosure under Micro, Small and Medium Enterprise Development Act, 2006

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due to suppliers as at the year end	2,068.51	2,140.17
Interest accrued, due to suppliers on the above amount, and unpaid as at the year end	18.01	202.97
Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED	4,639.20	4,718.05
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	4,639.20	4,718.05
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	-	44.30
Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers	18.01	247.27
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	18.01	247.27



# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 36. Income Tax Expense

(i) Income Tax recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Income Tax expense</b>		
Current Tax	-	-
Deferred Tax :		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Income Tax relating to Other Comprehensive Income	-	-
Total Income Tax Expense/(Income)	-	-

## (ii) Reconciliation of Tax Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit/(Loss) before tax	(8,571.25)	(2,101.39)
Applicable Tax Rate	25.17%	25.17%
Tax at the Indian tax rate	(2,157.38)	(528.92)
<b>Expenses not allowed for tax purposes:</b>		
Provision for Advances	(23.73)	75.50
Provision for Doubtful debts	-	85.11
Provision for Inventory	54.76	77.07
Interest payable to MSMED	4.53	62.13
Interest on ITC reversal (GST)	37.61	40.34
Lease Accounting as per IND AS 116	153.08	177.13
Diasllowance u/s 40	59.62	65.22
Gratuity paid during the year	(10.26)	(42.17)
Interest Income as per IND AS 109	(29.78)	(63.34)
Depreciation	39.49	31.81
Lease Liability Written back	(40.30)	-
Non Payment of MSME Due as on March'24	569.21	-
Interest on Lease liability	324.82	-
Reversal of ROU & Lease liability	-	(348.86)
Unabsorbed Depreciation on which no DTA recognised	52.45	39.28
Others	2.29	(26.84)
Business loss on which no deferred tax asset is recognized	963.43	356.51
Utilisation of bought forward losses	-	-
Tax Expense charged to the Statement of Profit and Loss	-	-

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

### (iii) Year wise expiry of such losses as at March 31, 2024 is as under:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax asset on following Business loss &amp; Unabsorbed Depreciation not recognized</b>		
<b>Business Loss:</b>		
Expiring within AY 24-25	5,061.09	5,061.09
Expiring within AY 25-26	1,402.82	1,402.82
Expiring within AY 26-27	67.57	67.57
Expiring within AY 27-28	2,163.24	2,163.24
Expiring within AY 28-29	6,106.59	6,106.59
Expiring within AY 29-30	9,607.15	9,607.15
Expiring within AY 30-31	-	-
Expiring within AY 31-32	2,961.86	2,961.86
Expiring within AY 32-33	4,021.11	-
<b>Unabsorbed Depreciation:</b>		
Without expiry limit	821.79	611.85
<b>Total</b>	<b>32,213.22</b>	<b>27,982.18</b>

### (iv) Components of Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax Assets on account of :</b>		
Unabsorbed brought forward losses	7,851.99	6,889.11
Unabsorbed Depreciation	206.44	154.00
Property plant and Equipment	64.73	40.37
Provision for Leave Encashment	(2.29)	(22.95)
Provision for Gratuity	(10.26)	(42.18)
Provision for Advances	-	75.51
Provision for Doubtful debts	(23.73)	85.11
Provision for Inventory	54.76	77.07
Lease Accounting as per IND AS 116	153.08	177.13
<b>Closing balance</b>	<b>8,294.72</b>	<b>7,433.18</b>

**Note:** - Since the Company recognized DTA only to the extent of DTL, no deferred tax income / expenses are recognized in the statement of profit and loss during the year.

### 37. 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. This balance has been kept in a separate bank account.

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 38. 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) Companies exercising significant influence over Praxis Home Retail Limited	i) Surplus Finvest Private Limited ii) Future Corporate Resources Private Limited (through direct holding/ holding through its subsidiary)"
(ii) Person having influence over Companies mentioned above	Shri Kishore Biyani

### (b) Other related parties where transactions have taken place during the year

<b>(i) Enterprises over which Companies/ individual described in (a) have control/ significant influence</b>	1. Future Retail Limited
	2. Future Lifestyle Fashions Limited
	3. Future Generali India Insurance Company Limited
	4. U2L Learning Solutions Limited
	5. Future Supply Chain Solutions Limited
	6. Future Enterprises Limited
	7. Future Market Networks Limited
	8. Ojas Tradelease and Mall Management Pvt Ltd
	9. Future Brands Limited
	10. Nufuture Digital (India) Limited
	11. City Centre Mall Nashik Private Limited (upto March 21, 2023)
	12. Future Coupons Limited
	13. Smartsters Private Limited
	14. Nubusiness Ventures Pvt. Ltd.
	15. Surplus Finvest Private Limited
	16. Future Consumer Limited
	17. Future Media (India) Limited
	18. Future Capital Investment Private Limited
	19. FDRT Consultancy Services Limited
	20. Future Hospitality Private Limited
	21. Future Ideas Company Limited

### (b) (c) Key Management Personnel:

Mr. Mahesh Shah (Managing Director) upto October 31, 2023  
 Mr. Swetank Jain (Chief Executive Officer and Whole Time Director) from September 1, 2023  
 Mr. Samir Kedia (Chief Financial Officer)  
 Ms. Smita Chowdhury (Company Secretary and Compliance Officer) upto March 2, 2023  
 Ms. Sanu Kapoor (Company Secretary) w.e.f March 23, 2023

### (d) Directors:

Mr. Mahesh Shah (from November 1, 2023) (Chairman and Non-Executive Director)  
 Ms. Anou Singhvi (Independent Director)  
 Ms. Avni Biyani (upto December 8, 2022) (Non-Executive Non-Independent Director)  
 Mr. Harminder Sahni (upto March 20, 2024) (Independent Director)  
 Mr. Jacob Mathew (Independent Director)  
 Mr. Shrirang Sarda (upto March 21, 2023) (Non-Executive Non-Independent Director)  
 Mr. Samson Samuel (from March 14, 2023) (Non-Executive Non-Independent Director)  
 Ms. Lynette Robert Monteiro (from April 13, 2023) (Non-Executive Non-Independent Director)

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 1. Transaction with Related Parties

(₹ in Lakhs)

Nature of Transactions	Companies exercising significant influence	Enterprises over which Companies/ individual described in (a) have control/ significant influence	Key Management Personnel
Purchases	-	320.43	-
	-	(793.07)	-
Sales	-	-	-
	-	(823.12)	-
Income from expiry of Gift Voucher **	-	-	-
	-	(550.00)	-
Other Income	-	9.20	-
	-	(14.30)	-
Rent	-	157.00	-
	-	(553.55)	-
Other Expenses	-	69.34	-
	-	119.59	-
Insurance Premium	-	10.62	-
	-	(10.62)	-
Provision for Doubtful Advances	-	-	-
	-	(300.00)	-
Interest Expenses	78.82	388.34	-
	(197.48)	(3.15)	-
Inter-Corporate Deposit - Taken	150.00	4,290.00	-
	(550.00)	(500.00)	-
Inter-Corporate Deposit - Repaid	1,485.00	880.00	-
	(480.00)	-	-
Liabilities no longer required written back	-	-	-
	-	(1,730.64)	-
Balances no longer required written off	-	-	-
	-	(0.71)	-
Expenses incurred in behalf of related parties/Debit note raised	-	448.34	-
	-	(140.54)	-
Remuneration to Key Managerial Personnel and Directors *	-	-	406.85
	-	-	(461.58)
<b>Closing Balance as on March 31, 2024</b>			
Equity Shares held in the Company	1,500.63	225.67	-
	(1,234.76)	(612.06)	-
Security Deposit Receivable	-	10,149.74	-
	-	(10,149.74)	-
Trade Payable	-	3,307.57	-
	-	(3,813.02)	-
Advance given	-	331.97	-
	-	(331.97)	-
Provision for Doubtful Advances	-	300.00	-
	-	(300.00)	-
*Inter-Corporate Deposit - Taken (including interest accrued)	402.54	4,108.54	-
	(1,765.80)	(502.84)	-

\* Remuneration does not include post-employment benefits, as they are determined on an actuarial basis for the Company as a whole.

\*\* The GV was expired in FY22-23 and recognized as income.

**Note:** Previous year figures are given in parenthesis.

## Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

Details of Employee Stock Options (Praxis SVAR Plan - 2018 and ESOP - 2021) outstanding during the Balance Sheet date.

Particulars	FY23-24			
	ESOPs outstanding as on 1/4/23	ESOP Granted/ (Exercised)	ESOPs Lapsed/ Cancelled	ESOPs outstanding as on 31/3/24
Mahesh Shah	400,000	(250,000)	(150,000)	-
Samir Kedia	135,000	(67,500)		67,500
<b>Total</b>	<b>535,000</b>	<b>(317,500)</b>	<b>(150,000)</b>	<b>67,500</b>

Particulars	FY22-23			
	ESOPs outstanding as on 1/4/23	ESOP Granted/ (Exercised)	ESOPs Lapsed/ Cancelled	ESOPs outstanding as on 31/3/24
Mahesh Shah	500,000	(100,000)	-	400,000
Samir Kedia	225,000	(90,000)	-	135,000
Smita Chowdhury	32,000	(12,000)	(20,000)	-
<b>Total</b>	<b>757,000</b>	<b>(202,000)</b>	<b>(20,000)</b>	<b>535,000</b>

### 2. Significant Related Party Transactions

- A. Purchases includes purchase from Future Retail Limited ₹ Nil (2023: ₹ 3.86 lakhs), Smartsters Private Limited ₹ 320.43 lakhs (2023: ₹ 98.73 lakhs) & Transportation and Warehousing services includes to Future Supply Chain Solutions Limited ₹ Nil (2023: ₹ 690.48 lakhs).
- B. Sales includes sale to Future Supply Chain Solutions Limited ₹ Nil (2023: ₹ 822.37 lakhs) and Future Ideas Company Limited ₹ Nil (2023: ₹ 0.75 lakhs).
- C. Income from expiry of Gift Voucher from Future Coupons Limited ₹ Nil (2023: ₹ 550.00 lakhs)
- D. Other Income includes income from U2L Learning Solutions Limited (Rental Income) ₹ 9.20 lakhs (2023: ₹ 14.30 lakhs).
- E. Rent expenses from Future Lifestyle Fashions Limited ₹ Nil (2023: ₹ 223.67 lakhs), Future Market Networks Limited ₹ 119.07 lakhs (2023: ₹ 186.93 lakhs) and Ojas Tradelease and Mall Management Private Limited ₹ 37.92 lakhs (2023: ₹ 66.05 lakhs).
- F. Other Expenses from U2L Learning Solutions Limited (Training & Development Expenses) ₹ 65.23 lakhs (2023: ₹ 56.09 lakhs), Future Market Network Limited ₹ 3.83 lakhs (Advertisement Expenses) (2023: ₹ 2.48 lakhs), Future Ideas Company Limited (Employee welfare expenses) ₹ 0.28 lakhs (2023: ₹ Nil) and Future Brands Limited ₹ Nil (Royalty Expenses) (2023: ₹ 2.57 lakhs).
- G. Insurance Premium paid to Future Generali India Insurance Company Limited ₹ 10.62 lakhs (2023: ₹ 10.62 lakhs).
- H. Provision for Doubtful Advances includes amount against Future Enterprises Limited ₹ Nil (2023: ₹ 300.00 lakhs).
- I. Interest expenses include interest paid/payable to Future Capital Investment Private Limited ₹ 128.68 lakhs (2023: ₹ Nil), FDRT Consultancy Services Limited ₹ 98.89 lakhs (2023: ₹ Nil), Future Hospitality Private Limited ₹ 55.63 lakhs (2023: ₹ Nil), Future Market Networks Limited ₹ 0.39 lakhs (2023: ₹ Nil), Nubusiness Ventures Private Limited ₹ 104.75 lakhs (2023: ₹ 3.15 lakhs) and Surplus Finvest Private Limited ₹ 78.82 lakhs (2023: ₹ 197.48 lakhs).

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

- J. Inter-Corporate Deposit Taken from Future Capital Investment Private Limited ₹ 1,300.00 lakhs (2023: ₹ Nil), FDRT Consultancy Services Limited ₹ 1,440.00 lakhs (2023: ₹ Nil), Future Hospitality Private Limited ₹ 900.00 lakhs (2023: ₹ Nil), Future Market Networks Limited ₹ 250.00 lakhs (2023: ₹ Nil) Nubusiness Ventures Private Limited ₹ 400.00 lakhs (2023: ₹ 500.00 lakhs) and Surplus Finvest Private Limited ₹ 150.00 lakhs (2023: ₹ 550.00 lakhs).
- K. Inter-Corporate Deposit Repaid to FDRT Consultancy Services Limited ₹ 880.00 lakhs (2023: ₹ Nil) and Surplus Finvest Private Limited ₹ 1,485.00 lakhs (2023: ₹ 480.00 lakhs).
- L. Liabilities no longer required written back includes amount against Ojas Tradelease and Mall Management Private Limited ₹ 96.06 lakhs (2023: ₹ Nil), Future Enterprises Limited ₹ Nil (2023: ₹ 1,724.17 lakhs), Future Ideas Company Limited ₹ Nil (2023: ₹ 4.89 lakhs) and Future Consumer Limited ₹ Nil (2023: ₹ 1.57 lakhs).
- M. Balances no longer required written off includes amount against Future Media (India) Limited ₹ Nil (2023: ₹ 0.71 lakhs)
- N. Expenses incurred in behalf of related parties includes amount paid on behalf of Future Supply Chain Solutions Limited ₹ Nil (2023: ₹ 56.11 lakhs), Future Lifestyle Fashions Limited ₹ 448.34 lakhs (2023: ₹ 220.53 lakhs) and Future Retail Limited ₹ Nil (2023: ₹ 84.43 lakhs)
- O. Managerial Remuneration includes Mr. Mahesh Shah ₹ 139.33 lakhs (2023 : ₹ 287.67 lakhs), Mr. Swetank Jain ₹ 110.19 lakhs (2023: ₹ Nil), Mr. Samir Kedia ₹ 106.30 lakhs (2023: ₹ 140.29 lakhs), Ms. Smita Chowdhury ₹ Nil (2023: ₹ 18.09 lakhs) and Ms. Sanu Kapoor ₹ 34.13 lakhs (2023: ₹ 0.93 lakhs).
- For the year ended March 31, 2023, the above numbers are in the nature of Short term employee benefits ₹ 371.74 lakhs (2023: ₹ 409.84 lakhs) and share based payments ₹ 18.21 lakhs (2023: ₹ 37.14 lakhs) as per IND AS 24. Managerial remuneration does not include provision for gratuity and compensated absences.
- Director Sitting fees paid to Mr. Sarda Shirang Kisanlal ₹ Nil (2023: ₹ 2.10 lakhs), Mr. Mahesh Shah ₹ 1.50 lakhs (2023: ₹ Nil), Mr. Jacob Mathew ₹ 4.10 lakhs (2023: ₹ 3.60 lakhs), Mr. Harminder Sahni ₹ 3.90 lakhs (2023: ₹ 4.80 lakhs), Ms. Anou Singhvi ₹ 3.20 lakhs (2023: ₹ 3.20 lakhs), Ms. Avni Biyani ₹ Nil (2023: ₹ 0.60 lakhs), Ms. Lynette Monteiro ₹ 1.80 lakhs (2023: ₹ Nil), Mr. Samson Samuel ₹ 2.40 lakhs (2023: ₹ 0.30 lakhs)."
- P. Equity shares held in the Company - Surplus Finvest Private Limited ₹ 1,479.85 lakhs (2023: 896.88 lakhs), Future Corporate Resources Private Limited ₹ 20.78 lakhs (2023: 337.87 lakhs), Future Hospitality Private Limited ₹ 225.67 lakhs (2023: ₹ 612.06 lakhs), Kishore Biyani ₹ 0.01 lakhs (2023: 0.01 lakhs).
- Q. Security Deposit receivable from Future Enterprises Limited, amounting to ₹ 10,100.00 lakhs (2023: ₹ 10,100.00 lakhs) and Future Market Network Limited, amounting to ₹ 49.74 lakhs (2023: ₹ 49.74 lakhs).
- R. Trade Payables includes payable to Future Supply Chains Solutions Limited of ₹ 1,519.71 lakhs (2023: ₹ 1,519.71 lakhs), Future Lifestyle Fashions Limited ₹ 610.59 lakhs (2023: ₹ 1,033.78 lakhs) and Provisions ₹ 729.05 lakhs (2023: ₹ 445.65 lakhs), Future Retail Limited ₹ 240.57 lakhs (2023: ₹ 240.47 lakhs), Future Enterprises Limited ₹ Nil (2023 : ₹ Nil), Smartsters Private Limited ₹ 133.90 lakhs (2023: ₹ 18.77 lakhs), Ojas Tradelease and Mall Management Private Limited ₹ Nil (2023: ₹ 98.83 lakhs) and Provisions of ₹ 17.01 lakhs (2023: ₹ Nil), Future Market Networks Limited ₹ 80.86 lakhs (2023: ₹ 384.95 lakhs) and Provisions ₹ 5.21 lakhs (2023: ₹ 8.54 lakhs), Nufuture Digital (India) Limited of ₹ 24.52 lakhs (2023: ₹ 54.23 lakhs), U2L Learning Solutions Limited ₹ 15.28 lakhs (2023: ₹ 6.33 lakhs) and Future Brands Limited ₹ 1.76 lakhs (2023: ₹ 1.76 lakhs).
- S. Advances given includes lease rental advances to Future Enterprises Limited ₹ 331.97 lakhs (2023: ₹ 331.97 lakhs) and Ojas Tradelease and Mall Management Private Limited ₹ 11.95 lakhs (2023: ₹



## Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

T. Provision for Doubtful Advances against lease rental advances given to Future Enterprises Limited ₹ 300.00 lakhs (2023: ₹ 300.00 lakhs).

U. Inter-Corporate Deposit Taken (including Interest accrued) Outstanding from Future Capital Investment Private Limited ₹ 1,370.39 lakhs (2023: ₹ Nil), FDRT Consultancy Services Limited ₹ 590.32 lakhs (2023: ₹ Nil), Future Hospitality Private Limited ₹ 948.73 lakhs (2023: ₹ Nil), Future Market Networks Limited ₹ 250.35 lakhs (2023: ₹ Nil), Nubusiness Ventures Private Limited ₹ 948.73 lakhs (2023: ₹ 502.84 lakhs), Surplus Finvest Private Limited ₹ 402.54 lakhs (2023: ₹ 1,765.80 lakhs).

### 39. Payment to the Auditors (excluding GST)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
For Statutory Audit	14.50	17.00
For Limited Review (includes ₹ 3.00 lakhs pertaining to erstwhile Statutory Auditor during Year ended March 31, 2023)	7.50	8.00
For Certifications	1.20	-
Out of pocket expenses	0.91	0.42
<b>Total</b>	<b>24.11</b>	<b>25.42</b>

### 40. Commitments and Contingent Liabilities

#### (i) Commitments

##### a. Leases - Operating Lease commitments - Company as lessee

The Company has entered into lease agreement and its undiscounted present value of the lease rental for the non-cancellable term is ₹ 444.00 Lakhs (2023: ₹ 360.00 Lakhs).

##### b. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as on March 31, 2024 (2023):

Capital Commitments - ₹ 365.43 lakhs (2023: ₹ 178.77 lakhs)

#### (ii) Contingent Liability:

- The Company has not provided for Income Tax demand excluding contingent interest of ₹ 113.80 lakhs (2023: ₹ 113.80 lakhs) which is pending before CIT Appeals.
- 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 argued and 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. Further clarification was required by the Directorate General of Anti Profiteering department on November 3, 2022, for which Company has submitted its reply vide letter date November 17, 2022. Final order is awaited in this regard.

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

- (c) Based on consultation with the legal advisors of the Company, the management believes that the tax authorities are not likely to be able to substantiate their tax assessments / demands & accordingly it has not provided for these tax demands at the Balance sheet date.
- (d) 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. Various hearing has happened till March 31, 2023 and the matter is sub judice. The next hearing is scheduled on May 6, 2024.
- (e) The Company is a party to various legal proceedings in normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow. Amounts of such disputes are unascertainable.

**41.** During the financial year 2022-23, tenure of a lease rental agreement entered by the Company with a related party (Lessor) expired. In the past, the Company has given security deposits of ₹ 10,100 lakhs pursuant to such agreement. The Company still holds the possession of the moveable assets (PPE) taken by it under this agreement for its usage. The Company is following up with the lessor to recover the amount of security deposits. During the financial year 2022-23, the Company has obtained a valuation report of such assets by an independent professional firm. The Company believes that these receivables are secured by the assets, which are in its possession, whose value as determined by the independent valuer is higher than the security deposits and hence the Company has considered the security deposits as secured and good and fully receivable. Further, till the time these assets are in the possession of the Company, which will be surrendered on receipt of the amount of ₹ 10,100 lakhs, as conveyed by the Company to such related party, no lease rental charges will be paid post the closure of the tenure of this agreement. Accordingly, no provision towards lease rental, if any, to be claimed by such related party in the future has been provided in the books of accounts.

## **42. Ind AS 115 : Revenue from contracts with customers**

The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the standalone financial statements.

### **1. Disintegrated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Type of Goods or Service</b>		
Sale of Goods (net of tax)	21,862.61	37,907.48
Other Operating Income	95.16	697.07
<b>Total revenue from contracts with customers</b>	<b>21,957.77</b>	<b>38,604.55</b>
India	21,957.77	38,604.55
Outside of India	-	-
<b>Total revenue from contracts with customers</b>	<b>21,957.77</b>	<b>38,604.55</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	21,957.77	38,604.55
Services transferred over time	-	-
<b>Total revenue from contracts with customers</b>	<b>21,957.77</b>	<b>38,604.55</b>

# Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 2. Contract Balances

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Trade Receivables	28.74	143.65
Contract Liabilities (Advance from Customers):		
Opening Balance	1,144.10	2,295.66
Closing Balance	1,047.00	1,144.10
Net (Increase)/Decrease	97.10	1,151.56

**Note** - During year ended March 31, 2024, revenue recognized is ₹ 1,144.10 lakhs and advances collected is ₹ 1,047.00 lakhs. During year ended March 31, 2023, revenue recognized is ₹ 1,745.66 lakhs, income from gift voucher expiry is ₹ 550.00 lakhs and advances collected is ₹ 1,144.10 lakhs.

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 Company has incurred a cash loss of ₹ 4,942.12 lakhs during the year ended March 31, 2024. Further, 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 current period, the Company has raised funds through rights issue of equity shares and issue of share warrants to improve its liquidity position. 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.

### 45. Rights Issue

The Company in its Letter of Offer dated May 26, 2023 offered 4,91,85,572 Equity shares by way of rights issue at a face value of ₹ 5 each and a price of ₹ 10 per equity share (including a premium of ₹ 5 per equity share). The issue opened on June 6, 2023 and closed on June 14, 2023. The Company allotted 4,91,85,572 equity shares of face value of ₹ 5 each on the basis of allotment approved by Committee of Directors of the Board of Directors of the Company on June 22, 2023, aggregating to ₹ 4,918.55 Lakhs including Securities Premium of ₹ 2,459.28 Lakhs. As on March 31, 2024, the net proceeds has been fully utilised towards the stated objectives of repayment of outstanding trade payables and general corporate purposes.

### 46. Preferential Allotment

Pursuant to the Shareholders' approval in the Extraordinary General Meeting on July 22, 2023, the Company on August 3, 2023 issued and allotted 4,00,00,000 Equity Share Warrants of ₹ 16 each Warrant to the Specified Investors - 1) Mr. Mathew Cyriac (3,96,00,000 Warrants) & 2) Mr Naveen Jain (4,00,000 Warrants), on preferential allotment basis, on receipt of 25% (₹ 1,600 lakhs) of the total consideration price (₹ 6,400 lakhs) for the Equity Share Warrants. The Warrants shall be converted into equity shares at a conversion price of ₹ 16 per equity share on receipt of the remaining consideration of 75% within a period of 18 months from the date of allotment of Warrants.

### 47. Subsequent Events

#### i. Proposed Preferential Allotment

Pursuant to the Shareholders' approval in the Extraordinary General Meeting on April 27, 2024, the

# Notes

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Company on May 10, 2024 issued and allotted 45,07,629 Convertible Warrants at a price of ₹ 43.26/- each Warrant to the Specified Investor – Bennett Coleman And Company Limited, on preferential allotment basis, on receipt of 25% (₹ 487.50 lakhs) of the total consideration price (₹ 1,950 lakhs). The Warrants shall be converted into equity shares at a conversion price of ₹ 43.26/- per equity share on receipt of the remaining consideration of 75% within a period of 18 months from the date of allotment of Warrants."

48. As on the balance sheet date (current year and previous year), the Company has reversed the inventories which were purchased on Sale or Return basis (SOR) basis of ₹ 2,277.83 lakhs and ₹ 2,124.12 lakhs respectively along with the simultaneous reversal of such amounts from purchases / trade payables.
49. Till year ended March 31, 2023, the Company has a practice to load the overheads, under standard cost method, in the inventories by increasing the costs of purchases of stock in trade, including costs which were yet to be incurred by it. Subsequently, as and when the actual costs were incurred towards supply chain for such purchases, they were getting added at that point in time with the cost of purchases of stock in trade, rather than being charged in the respective line items of statement of profit & loss. From year ended March 31, 2024 onwards, to comply with the requirements of Ind AS, the Company has stopped such practice and has identified and reversed all such overheads aggregating to ₹ 838.51 lakhs which were lying in its opening inventories of ₹ 6,633.64 lakhs. As per the requirements of Ind AS, such rectification which pertains to the past periods is required to be carried out in the comparative financial statements in the line item of "(increase) / decrease in inventories of stock in trade" and "purchases of stock in trade" to make it comparable with the current year's financial statements and restating the opening inventories and networth of the Company as on April 1, 2022 and March 31, 2023. However, the Company found it more prudent not to restate the financial statements and to charge the costs in the current financial year as an exceptional item. Exceptional items for the year ended March 31, 2024 includes ₹ 838.51 lakhs reversal of overheads as explained above and for the year ended March 31, 2023 includes ₹ 1,386.12 lakhs (net impact in P&L statement in future years: ₹ 8.71 lakhs) on account of changes arising in Right of use asset and Lease liabilities due to the decision taken by the management about the continuity plans of the loss making stores and ₹ 1,724.16 lakhs on account of write back of trade payables as approved by the Board of Directors.
- 50: During the quarter, the performance of the Company was abnormal due to shortage of inventory and liquidity. Pursuant to which there is an increase in losses in the current quarter as compared to the preceding periods. Most of the stores of the Company were running into losses during this period, which may trigger up the requirement for providing impairment on Right of Use (ROU) Assets of ₹ 10,725.90 lakhs. However, as management has raised funds of ₹ 4,918.55 lakhs through Right Issue in the quarter ended June 30, 2023 and is in the process of raising further funds of ₹ 4,800 lakhs through outstanding balances of issued warrants, it is confident that the liquidity and profitability position of the Company will improve in the next financial year. And hence, it envisages that there may not be a need arising to provide any impairment on ROU in the current quarter / current financial year.
- 51: Resolution Professional (RP) of Future Lifestyle Fashions Limited ("FLFL") has filed an Interlocutory Application against the Promoter, Mr. Kishore Biyani and Praxis Home Retail Limited ("Respondents") before Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), in the matter relating to Corporate Insolvency Resolution Process initiated against FLFL, which is received by the Company on 4 January 2024. In the said Interlocutory Application filed against the Respondents, the RP has prayed to NCLT to treat the transactions carried out by the erstwhile directors of the Corporate Debtor as fraudulent transactions, in accordance with Section 66 of the Code and has sought directions from NCLT directing the Respondents to pay the amount due to FLFL to the tune of ₹ 23.21 Crore along with interest. The Company is in the process of seeking legal advice and is taking appropriate steps to contest this matter. Till the time the claim is not substantiated, it is considered as contingent liability.
52. Balances of Trade Payables and Other Receivables are subject to confirmations and reconciliation, if any. Such reconciliation, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.

## Notes annexed to and forming part of the financial statements for The Year Ended March 31, 2024

53. The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 during the year ended March 31, 2024. However, it had a transaction of ₹ 4.76 Lakhs with Veteran Facility Management Pvt. Ltd. (a company struck off under section 248 of Companies Act, 2013) during year ended March 31, 2023.

(₹ in Lakhs)

Balance outstanding as on March 31, 2023	Nature of transaction with struck off Company	Balance outstanding as on March 31, 2024	Balance outstanding as on March 31, 2023	Relationship with the Struck off company
Veteran Facility Management Services Private Limited	Payables	4.76	4.76	NA

### 54. Other Statutory informations

- i. The Company does not have any transaction which are 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. During the year the company is not declared wilful defaulter by any bank or financial institution or other lender.
- v. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- vi. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- vii. The Company has not defaulted in repayment of loans or other borrowings or payment of interest thereon to any lender.
- viii. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- ix. Corporate Social Responsibility (CSR) - As per the section 135 of the Companies Act 2013, the Company is required to spend ₹ Nil (2023: ₹ Nil) towards CSR based on profitability of the Company, against the same ₹ Nil has been spent by the Company.

# Notes

annexed to and forming part of the financial statements for The Year Ended March 31, 2024

## 55. Ratio Analysis

Particulars	Refer note below for variance reasons	March 31, 2024	March 31, 2023	Variance
i) Current Ratio (times)		0.67	0.75	-11%
ii) Debt Equity Ratio (times)	(4)	(1.72)	(2.97)	42%
iii) Debt Service Coverage Ratio (times)	(1)	(1.10)	0.53	-306%
iv) Return on Equity (%)		(280.45)	(244.58)	-15%
v) Inventory Turnover Ratio (times)		1.84	2.06	-11%
vi) Trade Receivables Turnover Ratio (times)	(2)	0.63	1.60	-61%
vii) Trade Payables Turnover Ratio (times)	(3)	0.73	0.91	-21%
viii) Net Capital Turnover Ratio (times)	(5)	(2.35)	(6.20)	62%
ix) Net Profit Ratio (%)	(1)	(35.22)	(13.50)	-161%
x) Return on Capital Employed (%)	(1)	(177.95)	(85.69)	-108%
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 including exceptional items / 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 including exceptional items / Net Sales
- x) Return on Capital Employed = EBIT including exceptional items / Capital Employed
- xi) Return on Investment = Income generated from investment / Average investments.

- (1) Decrease was primarily on account of losses incurred in FY23-24.
- (2) Change in trade receivables turnover ratio was primarily on account of decrease in credit sales.
- (3) Decrease was primarily on account of decrease in purchase of stock-in-trade.
- (4) Debt Equity ratio has changed primarily on account of increase in borrowings and negative shareholders' equity.
- (5) Net Capital turnover ratio changed on account of decrease in operational revenue and increase in negative working capital.



## 56. Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## 57. Previous year figures

Previous year figures have been regrouped and rearranged wherever found necessary to conform to current year’s presentation including material regrouping:

(₹ in Lakhs)

Particulars	Prior to re-grouping	Post re-grouping	Difference
Purchase of Stock in Trade	16,317.61	14,126.32	2,191.29
Other expenses	9,289.26	11,480.55	-2,191.29

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Amit Hundia

Partner  
Membership No.: 120761  
Mumbai  
May 23, 2024

#### Swetank Jain

Chief Executive Officer and  
Whole Time Director  
DIN: 08859745

#### Samir Kedia

Chief Financial Officer

### For and on behalf of Board of Directors

#### Mahesh Shah

Chairman and Non-Executive Director  
DIN: 01488017

#### Sanu Kapoor

Company Secretary

## Statement on Impact of Audit Qualifications (for audit report with disclaimer of opinion)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

(₹ in Lakhs)

I. Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications*)
1	Turnover/ Total income	22,559.67	
2	Total Expenditure	30,326.66	
3	Net Profit/(Loss)	(8,571.25)	Not ascertainable
4	Earnings Per Share (₹)	(7.35)	
5	Total Assets	31,922.76	
6	Total Liabilities	36,240.29	
7	Net Worth	(4,317.53)	
8	Any other financial item(s) (as felt appropriate by the management)		

#### II. Audit Qualification (each audit qualification separately):

##### 1 a. Details of Audit Qualification :

As stated in note no. 7(a) of the financial results of the Company, it has "Deposit receivables towards matured lease agreement (which were given in the nature of security deposit)" from a related party of an amount of Rs. 10,100 lakhs. The Company has not identified & recognised loss allowance for expected credit losses (ECL) on such other receivables, which is not in conformity with the requirements of Ind AS 109 "Financial Instruments". Further, we are informed by the management that till date the Company has not received any appropriate / adequate response from the lessor towards refunding such amount. Considering these facts and the available financial position / statement of such related party where there is an indication about material uncertainty towards its ability to continue as going concern and where an Interim Resolution Professional has been appointed by Hon'ble National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and other relevant surrounding circumstances, we are unable to determine and quantify whether this amount will be fully recoverable and it requires any provision of ECL. These facts also give rise to material uncertainty as regards possible material adjustments that may be required to made to the values of recorded security deposits and unrecorded assets and tax implications, if any, arising on account of settlement of such transactions, which could not be recorded in the financial results on account of these being not readily ascertainable. Pursuant to non-receipt of response from the lessor towards refunding the specified amount and non-determination of the ECL provision and availability of balance confirmation, its impact on the losses and EPS of the Company for the quarter and year ended March 31, 2024 and on the other equity as on the balance sheet date, is not ascertainable. This matter was also modified in our report on the financial results for the year ended March 31, 2023.

**b. Type of Audit Qualification:** Disclaimer of Opinion.

**c. Frequency of Qualification:** Repetitive.

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

- i. Management's estimation on the impact of audit qualification: Nil.
- ii. If management is unable to estimate the impact, reasons for the same: During the year ended March 31, 2023, tenure of a lease rental agreement entered by the Company with a related party (Lessor) expired. 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 moveable 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. During the year ended March 31, 2023, the Company has obtained a valuation report of such assets by an independent professional firm. The Company believes that these receivables are secured by the assets, which are in its possession, whose value as determined by the independent valuer is higher than the security deposits and hence the Company has considered the security deposits as secured and good and fully receivable.
- iii. Auditors' Comments on (i) or (ii) above: As stated in note no. 7(a) of the financial results of the Company, it has "Deposit receivables towards matured lease agreement (which were given in the nature of security deposit)" from a related party of an amount of Rs. 10,100 lakhs. The Company has not identified & recognised loss allowance for expected credit losses (ECL) on such other receivables, which is not in conformity with the requirements of Ind AS 109 "Financial Instruments". Further, we are informed by the management that till date the Company has not received any appropriate / adequate response from the lessor towards refunding such amount. Considering these facts and the available financial position / statement of such related party where there is an indication about material uncertainty towards its ability to continue as going concern and where an Interim Resolution Professional has been appointed by Hon'ble National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and other relevant surrounding circumstances, we are unable to determine and quantify whether this amount will be fully recoverable and it requires any provision of ECL. These facts also give rise to material uncertainty as regards possible material adjustments that may be required to made to the values of recorded security deposits and unrecorded assets and tax implications, if any, arising on account of settlement of such transactions, which could not be recorded in the financial results on account of these being not readily ascertainable. Pursuant to non-receipt of response from the lessor towards refunding the specified amount and non-determination of the ECL provision and availability of balance confirmation, its impact on the losses and EPS of the Company for the quarter and year ended March 31, 2024 and on the other equity as on the balance sheet date, is not ascertainable. This matter was also modified in our report on the financial results for the year ended March 31, 2023

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**2 a. Details of Audit Qualification:** Balances of trade payables aggregating to Rs. 9,776.20 lakhs and write backs of amounts of Rs. 206.47 lakhs, of respective parties are subject to confirmations and reconciliations, if any, amounts of which are not ascertainable. Hence, we are unable to comment on the correctness of these figures and if any adjustments are required to the said balances as on the March 31, 2024 and related disclosures in the Financial Statements. This matter was also modified in our report on the financial results for the year ended March 31, 2023.

**b. Type of Audit Qualification:** Disclaimer of Opinion.

**c. Frequency of Qualification:** Repetitive.

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

- i. Management's estimation on the impact of audit qualification: Nil
- ii. If management is unable to estimate the impact, reasons for the same: The Company will strengthen the reconciliation process and ensure to provide confirmations for majority of balances henceforth.
- iii. Auditors' Comments on (i) or (ii) above: Balances of trade payables aggregating to Rs.

9,776.20 lakhs and write backs of amounts of Rs. 206.47 lakhs, of respective parties are subject to confirmations and reconciliations, if any, amounts of which are not ascertainable. Hence, we are unable to comment on the correctness of these figures and if any adjustments are required to the said balances as on the March 31, 2024 and related disclosures in the Financial Statements. This matter was also modified in our report on the financial results for the year ended March 31, 2023.

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- 3 a. Details of Audit Qualification:** As stated in note no. 10 of the financial results wherein it is stated that the Company has not created provisions towards impairment on Rights of Use assets (ROU), having value of Rs. 10,725.90 lakhs as on March 31, 2024. The Company has incurred cash losses during the year, its net worth is completely eroded and its current liabilities exceed current assets. In spite of these indicators no assessment of impairment has been carried out. Hence, we are unable to comment upon the impact arising on the loss and EPS for the quarter and year ended March 31, 2024 and on the carrying value of ROU & other equity as on March 31, 2024.
- b. Type of Audit Qualification:** Disclaimer of Opinion.
- c. Frequency of Qualification:** Appeared for the first time.
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:**
- i. Management's estimation on the impact of audit qualification:
  - ii. If management is unable to estimate the impact, reasons for the same: In the current period, the Company has raised funds through rights issue of equity shares and issue of share warrants to improve its liquidity position. Further, the Company is committed to improve its operational efficiency and has taken various initiatives at the end of the year to boost sales and reduce cost. These initiatives will yield desired results and the management is confident that there is no need to create impairment provision on ROU Assets.
  - iii. Auditors' Comments on (i) or (ii) above: As stated in note no. 10 of the financial results wherein it is stated that the Company has not created provisions towards impairment on Rights of Use assets (ROU), having value of Rs. 10,725.90 lakhs as on March 31, 2024. The Company has incurred cash losses during the year, its net worth is completely eroded and its current liabilities exceed current assets. In spite of these indicators no assessment of impairment has been carried out. Hence, we are unable to comment upon the impact arising on the loss and EPS for the quarter and year ended March 31, 2024 and on the carrying value of ROU & other equity as on March 31, 2024.
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- 4 a. Details of Audit Qualification:** As explained in note no. 4 of the financial results, during the year the Company has rectified the cost of its inventories, whereas as per the earlier practice, overheads including the costs which were yet to be incurred were loaded on a standard rate in the inventory. This approach was not in compliance with Ind AS - 2 "Inventories". Such rectification in the financial statement has not been carried out in accordance with the requirements of Ind AS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and Ind AS - 1 "Presentation of Financial Statements" by not restating and presenting the comparative financial statements for an amount of Rs. 838.51 lakhs. This amount has been charged as an exceptional item to the Statement of Profit and Loss, which is also not as per the requirement of Division II of Schedule III. Due to such accounting treatments, losses of current quarter are higher by Rs. 164.95 lakhs and losses of the year and other equity as on March 31, 2023 are higher by Rs. 838.51 lakhs, respectively. Impact on the losses of the previous year and on the other equity as on April 1, 2022 and March 31, 2023 of the Company is not known. In addition to this matter, considering the matters described in paragraph 3(a) to 3(c) above, even impact on the EPS of the current quarter / year and the previous year is not known. The comparative quarters figures / presentation with regards to these transactions have also not been restated / reclassified.
- b. Type of Audit Qualification:** Disclaimer of Opinion.
- c. Frequency of Qualification:** Appeared for the first time.

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
Not Applicable

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

- i. Management's estimation on the impact of audit qualification: Nil
- ii. If management is unable to estimate the impact, reasons for the same: Till the last financial year, the Company had a practice to load the overheads, under standard cost method, in the inventories by increasing the costs of purchases of stock in trade, including costs which were yet to be incurred by it. Subsequently, as and when the actual costs were incurred towards supply chain for such purchases, they were getting added at that point in time with the cost of purchases of stock in trade, rather than being charged in the respective line items of statement of profit & loss. From current year onwards, to comply with the requirements of Ind AS, the Company has stopped such practice and has identified and reversed all such overheads aggregating to ₹ 838.51 lakhs which were lying in its opening inventories of ₹ 6,633.64 lakhs. Though, the requirement of Ind AS is to restate the comparative period's financial statements with regard to such kind of reversal, management found it more prudent not to restate the financial statements which were already approved by the shareholders in the past and filed with the regulators and hence, the costs have been charged in the current financial year as an exceptional item.
- iii. Auditors' Comments on (i) or (ii) above: As explained in note no. 4 of the financial results, during the year the Company has rectified the cost of its inventories, whereas as per the earlier practice, overheads including the costs which were yet to be incurred were loaded on a standard rate in the inventory. This approach was not in compliance with Ind AS - 2 "Inventories". Such rectification in the financial statement has not been carried out in accordance with the requirements of Ind AS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and Ind AS - 1 "Presentation of Financial Statements" by not restating and presenting the comparative financial statements for an amount of Rs. 838.51 lakhs. This amount has been charged as an exceptional item to the Statement of Profit and Loss, which is also not as per the requirement of Division II of Schedule III. Due to such accounting treatments, losses of current quarter are higher by Rs. 164.95 lakhs and losses of the year and other equity as on March 31, 2023 are higher by Rs. 838.51 lakhs, respectively. Impact on the losses of the previous year and on the other equity as on April 1, 2022 and March 31, 2023 of the Company is not known. In addition to this matter, considering the matters described in paragraph 3(a) to 3(c) above, even impact on the EPS of the current quarter / year and the previous year is not known. The comparative quarters figures / presentation with regards to these transactions have also not been restated / reclassified.

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**5 a. Details of Audit Qualification:** We draw attention to note 3 in the financial results which states that during the year, the company has incurred a cash loss of Rs. 4,942.12 lakhs and its net worth is negative as on the Balance Sheet date. Further, the Company's current liabilities exceeded its current assets by Rs. 10,045.55 lakhs as at the balance sheet date [excluding the effect of the observations stated in paragraph 3(a), 3(c) and 3(d)]. The Company has also received notice for application under the Insolvency and Bankruptcy Code 2016 from one of the operational creditors. The above situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In view of above, we are unable to obtain sufficient appropriate audit evidence as to whether the Company will be able to service its debts, realize its assets and discharge its liabilities as and when they become due over the period of next twelve months. Accordingly, we are unable to comment on whether the Company will be able to continue as Going Concern

**b. Type of Audit Qualification:** Disclaimer of Opinion.

**c. Frequency of Qualification:** Appeared for the first time.

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
Not Applicable

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

- i. Management's estimation on the impact of audit qualification: Nil
  - ii. If management is unable to estimate the impact, reasons for the same: In the current period, the Company has raised funds through rights issue of equity shares and issue of share warrants to improve its liquidity position. Further, the Company is committed to improve its operational efficiency and has taken various initiatives at the end of the year 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. Further infusion of equity funds will also happen in the next financial year by subscription of remaining 75% of warrants application money. Accordingly, the financial results of the Company have been prepared on a going concern basis.
  - iii. Auditors' Comments on (i) or (ii) above: We draw attention to note 3 in the financial results which states that during the year, the company has incurred a cash loss of Rs. 4,942.12 lakhs and its net worth is negative as on the Balance Sheet date. Further, the Company's current liabilities exceeded its current assets by Rs. 10,045.55 lakhs as at the balance sheet date [excluding the effect of the observations stated in paragraph 3(a), 3(c) and 3(d)]. The Company has also received notice for application under the Insolvency and Bankruptcy Code 2016 from one of the operational creditors. The above situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In view of above, we are unable to obtain sufficient appropriate audit evidence as to whether the Company will be able to service its debts, realize its assets and discharge its liabilities as and when they become due over the period of next twelve months. Accordingly, we are unable to comment on whether the Company will be able to continue as Going Concern.
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**III. Signatories:**

Mr. Swetank Jain  
**Chief Executive Officer &  
Whole-time Director**  
DIN: 08859745

Mr. Samir Kedia  
**Chief Financial Officer**

**Date:** May 23, 2024  
**Place:** Mumbai

Mr. Jacob Mathew  
**Chairman – Audit Committee**  
DIN: 00080144  
Non-Executive Independent Director  
**Place:** Bengaluru

Mr. Amit Hundia  
**Partner, Singhi & Co.**  
Statutory Auditors



**Statement of Deviation / Variation in utilisation of funds raised through Issue of Equity Share Warrants on Preferential Basis**

Name of listed entity	Praxis Home Retail Limited
Mode of Fund Raising	Issue of 4,00,00,000 (Four Crores) convertible Equity Shares Warrants on a Preferential Basis to the Specified Investors
Date of Raising Funds	August 03, 2023 (Date of allotment)
Amount Raised	Rs.16,00,00,000 (Being 25% application money of total consideration of Rs. 64,00,00,000 for issue of 4,00,00,000 convertible equity share warrants @ Rs. 16/- each warrant to the specified investors). There were no warrants conversion during the reporting period.
Report filed for Quarter ended	March 31, 2024
Monitoring Agency	Not applicable

**Is there a Deviation / Variation in use of funds raised** **No deviation / Variation**

If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not applicable
If Yes, Date of shareholder Approval	Not applicable
Explanation for the Deviation / Variation	Not applicable
Comments of the Audit Committee after review	None
Comments of the auditors if any	None
Objects for which funds have been raised and where there has been a deviation, in the following table	As mentioned in the table below

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
To meet the expansion plans of the Company, for reduction of debt of the Company towards working capital requirements and for its general corporate purpose	Not applicable	Rs.16,00,00,000	None	Rs.16,00,00,000	None	There were no warrants conversion during reporting period

Notes: Funds amounting to Rs.16,00,00,000 received as 25% application money on issue of 4,00,00,000 Warrants at Rs.16 per Warrant on 3 August, 2023 were fully utilized during the quarter ended September 30, 2023 and post that there were no warrants conversion including during the reporting quarter.

Deviation or variation could mean:

- Deviation in the objects or purposes for which the funds have been raised or
- Deviation in the amount of funds actually utilized as against what was originally disclosed or
- Change in terms of a contract referred to in the fund-raising document i.e. prospectus, letter of offer, etc

For **Praxis Home Retail Limited**

Samir Kedia  
**Chief Financial Officer**

**Place:** Mumbai

**Date:** May 23, 2024









**Registered & Corporate Office**

2<sup>nd</sup> Floor, Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road,  
Jogeshwari-East, Mumbai-400060, Maharashtra, India.

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

CIN: L52100MH2011PLC212866