Singhi & Co.
Chartered Accountants

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# 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, 2025, 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. 40 of the financial statements of the Company, it has security deposit receivable towards matured lease agreement from a related party of an amount of Rs. 10,100.00 lakhs. The Company has not identified & recognized 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 Resolution Professional (RP) 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.

Further, on January 9, 2025 the RP of Future Enterprises Limited (FEL) has filed an Interlocutory Application (IA) in Company Petition (IB), before the National Company Law Tribunal, Mumbai Bench against, amongst others, the Promoter of the Company and the Company. Under the said IA, the RP has, inter alia, claimed lease rental amounting to Rs.4,577.35 lakhs from the Company for the in-store retail infra-assets leased by FEL to the Company.

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 deposit, provision for lease rental on in-store retail infra-assets, unrecorded assets and tax implications, if any, arising on account of settlement of such transactions, which could not be recorded in the financial statements 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, non-availability of balance confirmation and non-provision for lease rental, its impact on the losses and EPS of the Company for the year ended March 31, 2025 and on the other equity as on the balance sheet date, is not ascertainable. This matter related to expected credit losses on security deposit was also disclaimed in our report on the financial statement for the year ended March 31, 2024.

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b) Balances of trade payables aggregating to Rs. 9,417.23 lakhs are subject to confirmations and reconciliations, if any, are not ascertainable. 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, 2025 and related disclosures in the Financial Statements. This matter was also disclaimed in our report on the financial statements for the year ended March 31, 2024

c) As stated in note no. 21 of the financial statements, during the year ended the Company has written back certain trade payables and provisions aggregating to Rs. 3,770.86 lakhs (Including write back of related parties balance and provisions of Rs. 2,693.72 lakhs) for the year ended March 31, 2025, reasons of which are not known to us. Hence, we are unable to comment on the correctness of these values, and if any adjustments are required to the said balances as on March 31, 2025 and related disclosures in the financial statements. The above amount includes amount due to one of the related parties which is under Corporate Insolvency Resolution Process whose Resolution Professional has raised a claim of Rs. 2,321 lakhs along with interest which has been denied by the Company and not recognized in the books, as explained in note no. 52. This matter was also disclaimed in our report on the financial statement for the year ended March 31, 2024.

d) As stated in note no. 51, the performance of the Company was affected due to shortage of inventory, liquidity and most of the stores of the Company were running into losses, which may trigger the requirement for evaluating impairment on Right of Use (ROU) Assets of the financial results having value of Rs. 12,581.29 lakhs as on March 31, 2025. Inspite 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, 2025 and on the carrying value of ROU & other equity as on March 31, 2025. This matter was also disclaimed in our report on the financial statements for the year ended March 31, 2024.

e) During the year ended March 31, 2025, the Company has closed certain stores and inventory at few of these closed stores amounting to Rs 111.32 lakhs is under the control of the respective lessors, and the Company was unable to physically verify such inventory and make appropriate provision for the same. Due to this limitation, we were unable to obtain sufficient and appropriate audit evidence to determine and quantify whether the value of Inventory will be fully recoverable and it requires any provision and hence, we are unable to comment upon the impact arising on the loss and EPS for the year ended March 31, 2025 and on the carrying value of Inventory & other equity as on March 31, 2025.

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 43 in the financial statements which states that during the year, the Company has incurred a cash loss of Rs. 4,542.46 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. 9,310.98 lakhs as at the balance sheet date [excluding the effect of the observations stated in paragraph 2(a), 2(c) 2(d) and 2(e)]. 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

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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, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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

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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 39 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 53(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 53(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 not been made available to us. 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.

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Pursuant to the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, which came into effect from April 1, 2024, and in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that, based on our audit procedures and the information and explanations provided to us, 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 been duly maintained and preserved the audit trail, as per the applicable statutory requirements for record retention.

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

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**Ravi Kapoor**
Partner
Membership No. 040404
UDIN: 25040404BMLAPH3347
Place: Mumbai
Date: May 12, 2025

**Annexure A referred to in paragraph 8 of the Independent Auditor's Report of even date to the members of Praxis Retail Home Limited for the year ended 31 March 2025**

**Referred to in paragraph 8(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 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 at reasonable intervals. However, based on the records examined and explanations provided to us, discrepancies were noticed on such physical verification of inventory, and the aggregate value of such discrepancies exceeds 10% of the value of inventory. The discrepancies have been properly dealt with in the books of account.

b) The Company has not been sanctioned working capital limits in excess of Rs. Five crores in aggregate from a bank or a financial institution on the basis of security of current assets. Hence, the reporting requirement under clause 3(ii)(b) of the Order is not applicable to 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 overdue 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.

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(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, 2025, 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 act | 28.71 | 2.87 | FY 2017-18 | Appellate Authority State Tax Officer Delhi |
| Central goods and service tax act, 2017 | Goods and service tax act | 1.91 | 0.19 | FY 2017-18 | Appellate Authority State Tax Officer Guwahati Assam |
| Central goods and service tax act, 2017 | Goods and service tax act | 61.07 | 6.11 | FY 2017-18 | Appellate Authority Central GST & Centra Excise – Chhattisgarh |
| Central goods and service tax act, 2017 | Goods and service tax act | 43.30 | 4.33 | FY 2019-20 | Appellate Authority State Tax (Appeal I)- Ahmedabad – Gujarat |

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|---|---|---|---|---|---|
| Central goods and service tax act, 2017 | Goods and service tax act | 218.02 | 21.80 | FY 2017-18 | Appellate Authority State Tax (Appeal I)- Karnataka |
| Central goods and service tax act, 2017 | Goods and service tax act | 109.25 | 10.92 | FY 2018-19 | Appellate Authority State Tax (Appeal I)- Maharashtra |
| Central goods and service tax act, 2017 | Goods and service tax act | 5.41 | 0.54 | FY 2019-20 | Appellate Authority State Tax (Appeal I)- Jharkhand |
| Central goods and service tax act, 2017 | Goods and service tax act | 27.44 | 2.74 | FY 2019-20 | Appellate Authority State Tax (Appeal I)- West Bengal |
| Central goods and service tax act, 2017 | Goods and service tax act | 367.88 | Nil | November 2017 to September 2019 | Directorate General of Anti Profiteering |
| Central goods and service tax act, 2017 | Goods and service tax act | 175.49 | 17.62 | FY 2018-19 | Appellate Authority State Tax (Appeal I)- West Bengal and Assam |

(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:

a) the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender

b) the Company has not been declared a wilful defaulter by any bank or financial institution or other lender

c) 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.

d) no funds raised on short-term basis have been used for long-term purposes by the Company.

e) 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.

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(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. 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 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 and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.

(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.

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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. 4,542.46 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. 4,942.12 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. 43 in the financial statements which states that during the year, the company has incurred a cash loss of Rs. 4,542.46 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. 9,310.99 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 54 to the financial statement and ageing and expected date of realization 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

**Ravi Kapoor**
Partner
Membership No. 040404
UDIN: 25040404BMLAPH3347
Place: Mumbai
Date: May 12, 2025

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

**Referred to in paragraph [8(ii)(g)] 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, 2025 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 out 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

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, 2025. 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, 2025 and the disclaimer does affect our opinion on the financial statements of the Company.

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

**Ravi Kapoor**
Partner
Membership No. 040404
UDIN: 25040404BMLAPH3347
Place: Mumbai
Date: May 12, 2025

SINGHI & CO. * Chartered Accountants *

**Praxis Home Retail Limited**
**CIN: L52100MH2011PLC212866**
**Balance Sheet as at March 31, 2025**

(₹ in Lakhs)

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| **1. Non-Current Assets** | | | |
| Property, Plant and Equipment | 3 (a) | **1,120.42** | 1,241.99 |
| Capital Work-In-Progress | 3 (b) | **4.39** | 57.91 |
| Right-of-use Assets | 4 | **12,581.29** | 10,725.90 |
| Other Intangible Assets | 5 (a) | **13.09** | 16.14 |
| Intangibles under development | 5 (b) | **12.09** | 10.28 |
| Financial Assets | | | |
| Other Financial Assets | 6 | **415.85** | 1,114.86 |
| Other Non-Current Assets | 7 | **12.66** | 167.68 |
| Non-Current Tax Assets | 8 | **25.67** | 29.30 |
| **Total Non-Current Assets** | | **14,185.46** | **13,364.06** |
| **2. Current Assets** | | | |
| Inventories | 9 | **3,752.17** | 5,743.61 |
| Financial Assets | | | |
| Trade Receivables | 10 | **12.12** | 28.74 |
| Cash and Cash Equivalents | 11 | **172.14** | 196.07 |
| Bank Balance other than Cash and Cash Equivalents above | 12 | **3.31** | 3.31 |
| Other Financial Assets | 6 | **10,616.60** | 10,701.39 |
| Other Current Assets | 7 | **2,595.35** | 1,885.58 |
| **Total Current Assets** | | **17,151.69** | **18,558.70** |
| **Total Assets** | | **31,337.15** | **31,922.76** |
| **Equity And Liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 13 | **6,760.91** | 6,260.91 |
| Other Equity | 14 | **(12,909.56)** | (10,578.44) |
| **Total Equity** | | **(6,148.65)** | **(4,317.53)** |
| **Liabilities** | | | |
| **1. Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Lease Liabilities | 32(b) | **10,904.60** | 8,186.64 |
| Provisions | 15 | **118.53** | 169.94 |
| **Total Non-Current Liabilities** | | **11,023.13** | **8,356.58** |
| **2. Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 16 | **11,783.15** | 7,423.00 |
| Lease Liabilities | 32(b) | **2,671.96** | 2,999.91 |
| Trade Payables | | | |
| -Total Outstanding dues of Micro and Small Enterprises | 17 | **1,487.51** | 2,068.51 |
| -Total Outstanding dues of Creditors other than Micro and Small Enterprises | 17 | **7,929.72** | 12,317.92 |
| Other Financial Liabilities | 18 | **1,925.89** | 1,763.39 |
| Other Current Liabilities | 19 | **640.55** | 1,285.38 |
| Provisions | 15 | **23.90** | 25.60 |
| **Total Current Liabilities** | | **26,462.67** | **27,883.71** |
| **Total Equity and Liabilities** | | **31,337.15** | **31,922.76** |

SINGHI & CO. Chartered Accountants

PRAXIS HOME RETAIL LIMITED MUMBAI

**Praxis Home Retail Limited**
**CIN: L52100MH2011PLC212866**
**Balance Sheet as at March 31, 2025**

(₹ in Lakhs)

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| The accompanying notes 1 to 56 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

**Ravi Kapoor**
Partner
Membership No.: 040404

Mumbai
May 12, 2025

**Asbish Bhutda**
Chief Executive Officer and Whole Time Director
DIN: 10810844

SINGHI & CO. * Chartered Accountants *

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

**Samson Samuel**
Chairman and Non-Executive Director
DIN: 07523995

**Vimal Dhruve**
Company Secretary

PRAXIS HOME RETAIL LIMITED * MUMBAI

**Praxis Home Retail Limited**
**CIN: L52100MH2011PLC212866**
**Statement of Profit and Loss for The Year Ended March 31, 2025**

(₹ in Lakhs)

| Particulars | Note No. | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|---|
| **Income** | | | |
| Revenue From Operations | 20 | **11,896.96** | 21,957.77 |
| Other Income | 21 | **3,914.69** | 636.16 |
| **Total Income** | | **15,811.65** | **22,593.93** |
| | | | |
| **Expenses** | | | |
| Purchase of Stock In Trade | | **4,932.85** | 10,316.80 |
| Change in Inventories of Stock-In-Trade (Increase)/Decrease | 22 | **2,020.98** | 1,053.26 |
| Employee Benefits Expense | 23 | **2,663.01** | 4,355.29 |
| Finance Costs | 24 | **1,671.54** | 2,206.50 |
| Depreciation and Amortization Expense | 3, 4 & 5(a) | **2,745.48** | 3,629.13 |
| Other Expenses | 25 | **5,275.64** | 8,765.68 |
| **Total Expenses** | | **19,309.50** | **30,326.66** |
| | | | |
| **Profit / (Loss) before Exceptional Items and Tax** | | **(3,497.85)** | (7,732.73) |
| **Exceptional Items** | 48 | - | (838.51) |
| **Profit / (Loss) before Tax and after Exceptional Items** | | **(3,497.85)** | (8,571.25) |
| **Tax Expense** | 35 | | |
| -Current Tax | | - | - |
| Deferred Tax | | - | - |
| **Profit/(Loss) for the Year** | | **(3,497.85)** | **(8,571.25)** |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified to statement of profit and loss** | | | |
| (a) Remeasurements of Defined benefit plans- Gain/(Loss) | 29 | **(55.57)** | (49.11) |
| (b) Income Tax relating to above | | - | - |
| **Other Comprehensive Income/(Loss) For The Year** | | **(55.57)** | **(49.11)** |
| | | | |
| **Total Comprehensive Income/(Loss) For The Year** | | **(3,553.42)** | **(8,620.35)** |
| | | | |
| **Earnings Per Equity Share of Face Value of ₹ 5/- each** | 31 | | |
| Basic | | **(2.69)** | (7.35) |
| Diluted | | **(2.69)** | (7.35) |

The accompanying notes 1 to 56 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

**Ravi Kapoor**
Partner
Membership No.: 040404

Mumbai
May 12, 2025

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

**Ashish Bhutda**
Chief Executive Officer and Whole Time Director
DIN: 10810844

**Samson Samuel**
Chairman and Non-Executive Director
DIN: 07523995

**Vimal Dhruve**
Company Secretary

SINGHI & CO. * Chartered Accountants *

PRAXIS HOME RETAIL LIMITED * MUMBAI

Praxis Home Retail Limited
CIN: L52100MH2011PLC212866
Statement of Cash Flow for The Year Ended March 31, 2025

(₹ in Lakhs)

| Sr No. | Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|---|
| A | **Cash Flows From Operating Activities** | | |
| | Loss Before Tax | (3,497.85) | (8,571.25) |
| | **Adjustments For:** | | |
| | Depreciation and Amortization Expenses | 2,745.48 | 3,629.13 |
| | Interest income on Fair Value of Financial Asset | (21.99) | (80.10) |
| | Income from expiry of gift voucher | - | (77.03) |
| | Provision for Gratuity and Leave Encashment | (53.12) | (24.16) |
| | Provision for Doubtful Debts | 61.38 | (220.83) |
| | Finance Costs | 1,671.54 | 2,206.50 |
| | Interest income on Income Tax Refund | (0.70) | - |
| | Interest Income on Electricity Refund | (0.71) | (3.83) |
| | Interest income on Fixed Deposits | (0.09) | (18.85) |
| | Employee stock option expenses | 34.82 | 49.65 |
| | Provision on Damaged and Obsolete Inventory | (29.54) | 88.46 |
| | Payment of Incidental cost of Leases | - | (14.66) |
| | Loss on disposal/write off of Property ,Plant and Equipment | 211.60 | - |
| | Write Back of Provisions and Trade payables | (3,790.09) | (304.52) |
| | Write Back of Lease Liabilities | (77.00) | (160.11) |
| | **Cash Generated (Used in)/from before Working Capital Changes** | (2,746.27) | (3,501.60) |
| | **Adjustments For:** | | |
| | Trade Receivables | 16.62 | 114.92 |
| | Loans, Other Financial Assets and Other Assets | 11.57 | (1,051.41) |
| | Inventories | 2,020.98 | 801.58 |
| | Trade Payables | (1,179.48) | 640.73 |
| | Other Financial Liabilities,Other Liabilities and Provisions | (875.81) | 76.01 |
| | **Cash Generated from / (Used in) Operations** | (2,752.40) | (2,919.77) |
| | **Income Tax (Paid)/Refund** | 3.63 | 47.57 |
| | **Net Cash Flows Generated from / (Used in) Operating Activities** | (2,748.78) | (2,872.20) |
| B | **Cash Flows From Investing Activities** | | |
| | Purchase of Property, Plant and Equipment and Intangible Assets | (133.20) | (681.39) |
| | Interest income on Fixed Deposits | 0.01 | 18.85 |
| | **Net Cash flow Generated from / (Used In) Investing Activities** | (133.19) | (662.54) |
| C | **Cash Flows From Financing Activities** | | |
| | Proceeds from Issue of Equity Shares (Net of issue expenses) | 1,200.00 | 4,729.99 |
| | Proceeds from Issue of Share Warrants (Net of issue expenses) | 487.50 | 1,318.13 |
| | (Repayment)/Proceeds from Short term Borrowings (Net) | 4,360.15 | 2,634.53 |
| | Repayment of Long term Borrowings | - | (549.32) |
| | Principal Payment of Lease Liability | (1,790.28) | (2,497.04) |
| | Interest Payment of Lease Liability | (1,234.76) | (1,290.61) |
| | Interest Paid | (164.58) | (793.42) |
| | **Net Cash flow Generated from / (Used In) Financing Activities** | 2,858.03 | 3,552.27 |
| | **Net (Decrease) / Increase In Cash and Cash Equivalents** | (23.94) | 17.53 |
| | **Net (Decrease) / Increase In Cash and Cash Equivalents** | (23.94) | 17.53 |
| | Cash and Cash Equivalents at the beginning of the year | 196.07 | 178.54 |
| | **Cash and Cash Equivalents at year end** | 172.14 | 196.07 |
| | **Components of Cash and Cash Equivalents** | | |
| | Balances with Banks - In Current Accounts | 144.42 | 143.47 |
| | Balances with Banks - Fixed Deposits | - | 12.96 |
| | Cheques on Hand | 7.40 | 0.00 |
| | Cash on Hand | 20.32 | 39.64 |
| | **Total Cash and Cash Equivalents** | 172.14 | 196.07 |
| | **Changes in liabilities arising from financing activities** | | |
| | Opening balance of borrowings | 8,053.00 | 5,337.79 |
| | Proceeds from borrowings | 6,335.61 | 7,568.00 |
| | Repayment of borrowings | (1,975.46) | (4,852.79) |
| | **Closing balance of borrowings** | 12,413.15 | 8,053.00 |

Praxis Home Retail Limited
CIN: L52100MH2011PLC212866
Statement of Cash Flow for The Year Ended March 31, 2025

(₹ in Lakhs)

| Sr No. | Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|---|

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 financial statements. 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 56 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

Ravi Kapoor
Partner
Membership No.: 040404

Mumbai
May 12, 2025

For and on behalf of Board of Directors

Ashish Bhutda
Chief Executive Officer and Whole Time Director
DIN: 10810844

Samson Samuel
Chairman and Non-Executive Director
DIN: 07523995

Vimal Dhruve
Company Secretary

SINGHI & CO. * Chartered Accountants *

PRAXIS HOME RETAIL LIMITED * MUMBAI

Praxis Home Retail Limited

Statement of Change in Equity for The Year Ended March 31, 2025

(A) Equity Share Capital *

(₹ in lakhs)

| Balance as at April 01, 2024 | Changes in Equity Share Capital during the year | Balance as at March 31, 2025 |
|---|---|---|
| 6,260.91 | 500.00 | 6,760.91 |

| 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 |

* 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

(₹ in lakhs)

| Particulars | Reserves and Surplus | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital Redemption Reserve | Share- Based Payment Reserve (Refer Note No. 30) | Retained Earnings | | |
| **Balance as at April 01, 2024** | 7,968.34 | 12,197.71 | 5.00 | 28.00 | (32,377.54) | 1,600.00 | (10,578.44) |
| Profit/(Loss) for the year | - | - | - | - | (3,497.85) | - | (3,497.85) |
| Remeasurements of Defined benefit plans | - | - | - | - | (55.57) | - | (55.57) |
| **Total Comprehensive Income For The Year** | - | - | - | - | (3,553.42) | | (3,553.42) |
| Share based payments | - | | | 34.82 | - | - | 34.82 |
| Rights Issue Expenses | - | - | - | - | - | - | - |
| Preferential Issue Expenses | - | | - | - | - | - | - |
| Adjustment pursuant to Employee Share Based Plan (ESOP Scheme) | | | - | (5.75) | 5.75 | - | - |
| Money received against share warrants | - | 1,100.00 | - | - | - | 1,687.50 | 2,787.50 |
| Share Warrant converted to Equity | | | | | | (1,600.00) | (1,600.00) |
| Money received against share warrants written back | 1,200.00 | | | | | (1,200.00) | - |
| Addition during the year - Pursuant to Rights Issue | - | - | - | - | | - | - |
| Exercise of Share Options | | | - | - | - | - | - |
| **Balance as at March 31, 2025** | 9,168.34 | 13,297.71 | 5.00 | 57.07 | (35,925.21) | 487.50 | (12,909.56) |

(₹ in lakhs)

| Particulars | Reserves and Surplus | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital Redemption Reserve | Share- Based Payment Reserve (Refer Note No. 30) | Retained Earnings | | |
| **Balance as at April 01, 2023** | 7,968.34 | 10,150.62 | 5.00 | 105.62 | (23,808.10) | - | (5,578.48) |
| Profit/(Loss) for the year | - | - | | | (8,571.25) | - | (8,571.25) |
| Remeasurements of Defined benefit plans | - | - | - | - | (49.11) | - | (49.11) |
| **Total Comprehensive Income For The Year** | - | - | - | - | (8,620.35) | | (8,620.35) |
| 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) | - | - | - |
| **Balance as at March 31, 2024** | 7,968.34 | 12,197.71 | 5.00 | 28.00 | (32,377.54) | 1,600.00 | (10,578.44) |

**Notes :**

i) There were no changes in other equity due to changes in accounting policies or prior period errors

ii) The accompanying notes 1 to 56 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

Ravi Kapoor
Partner
Membership No.: 040404

Mumbai
May 12, 2025

SINGHI & CO. ★ Chartered Accountants ★

Ashish Bhutda
Chief Executive Officer and
Whole Time Director
DIN: 10810844

For and on behalf of Board of Directors

Samson Samuel
Chairman and Non-Executive
Director
DIN: 07123995

Vimal Dhruve
Company Secretary

PRAXIS HOME RETAIL LIMITED ★ MUMBAI

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

## 1. Corporate Information

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

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

The Company is a public limited Company which is listed on two recognised stock exchanges in India. The Company is incorporated and domiciled in India under the provisions of the 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, 2025 were authorized for issue by the board of directors on May 12, 2025.

## 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

SINGHI & CO. ★ Chartered Accountants ★

PRAXIS HOME RETAIL LIMITED ★ MUMBAI ★

## 2.4 Use of judgements, estimates & assumptions

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

## 2.5 Revenue Recognition

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

SINGHI & CO. * Chartered Accountants *

PRAXIS HOME RETAIL LIMITED * MUMBAI

**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.

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.

SINGHI & CO. * Chartered Accountants *

PRAXIS HOME RETAIL LIMITED * MUMBAI

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.

| Assets | Useful life |
|---|---|
| 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,

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

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

**Liabilities**

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

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

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

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

**Operating cycle**

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

**2.11 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:

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

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

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

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

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

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

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

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

Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortized cost) (Refer note 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 is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal outstanding. Interest income from these financial assets is included in other income using the effective interest rate method.

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

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

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

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

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

**d) Impairment of Financial Assets**

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

**e) Derecognition of Financial Assets**

A financial asset is derecognised only when:

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

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

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

**(B) Financial Liabilities**

**a) Initial Recognition and Measurement**

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

**b) Subsequent measurement**

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

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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 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.

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**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.

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.

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**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 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 no. 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.

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## 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 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.

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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 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.

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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 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 no.29 for key actuarial assumptions.

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- **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 no.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.

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Notes annexed to and forming part of the financial statements

**3 (a). Property, Plant and Equipment** (₹ in Lakhs)

| Particulars | Office Equipment | Furniture and Fixture | Computers | Leasehold Improvements | Plant & Machinery | Electrical Installation | Total |
|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | |
| As At March 31, 2023 | 165.91 | 841.77 | 179.97 | 153.24 | 4.74 | 204.72 | 1,550.35 |
| Additions | 32.24 | 254.14 | 24.58 | 91.09 | 17.99 | 41.18 | 461.23 |
| Deletions | | | | (23.81) | | | (23.81) |
| As At March 31 ,2024 | 198.15 | 1,095.92 | 204.55 | 220.52 | 22.74 | 245.90 | 1,987.77 |
| Additions | 1.97 | 201.05 | 5.93 | 52.55 | 35.54 | 131.77 | 428.81 |
| Deletions | (14.61) | (149.31) | (29.68) | (89.43) | (12.40) | (45.11) | (340.53) |
| **As At Mar 31 ,2025** | **185.51** | **1147.66** | **180.80** | **183.65** | **45.87** | **332.55** | **2076.04** |
| **Accumulated Depreciation** | | | | | | | |
| As At March 31, 2023 | 56.67 | 137.97 | 159.42 | 29.71 | 0.74 | 29.89 | 414.39 |
| Depreciation for the Year | 58.17 | 211.50 | 16.90 | 15.26 | 1.66 | 51.71 | 355.19 |
| Deletions | | | | (23.81) | | | (23.81) |
| As At March 31 ,2024 | 114.84 | 349.48 | 176.32 | 21.16 | 2.39 | 81.60 | 745.78 |
| Depreciation for the Year | 31.17 | 199.36 | 12.98 | 28.23 | 7.86 | 57.65 | 337.24 |
| Deletions | (9.60) | (52.22) | (28.07) | (18.52) | (0.66) | (18.32) | (127.39) |
| **As At Mar 31 ,2025** | **136.41** | **496.62** | **161.22** | **30.87** | **9.59** | **120.93** | **955.63** |
| | | | | | | | |
| **Net Carrying Value** | | | | | | | |
| As At March 31 ,2024 | 83.31 | 746.44 | 28.23 | 199.37 | 20.34 | 164.30 | 1,241.99 |
| **As At Mar 31 ,2025** | **49.10** | **651.05** | **19.58** | **152.78** | **36.28** | **211.62** | **1,120.42** |

**3 (b). Capital Work-In-Progress** (₹ In Lakhs)

| Particulars | Total |
|---|---|
| **As At April 01, 2024** | 57.91 |
| Incurred during the year | 54.28 |
| Capitalized during the year | (107.80) |
| **As At Mar 31, 2025** | 4.39 |

| Particulars | Total |
|---|---|
| **As At April 01, 2023** | 15.07 |
| Incurred during the year | 483.17 |
| Capitalized during the year | (440.33) |
| **As At March 31, 2024** | 57.91 |

**Ageing for Capital Work-in-Progress as on March 31, 2025** (₹ 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 | 0.62 | 3.76 | - | - | 4.39 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **0.62** | **3.76** | - | - | **4.39** |

**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 | - | - | - | - | - |
| **Total** | **57.91** | - | - | - | **57.91** |

**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.

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4. Right-of-use Assets (₹ In Lakhs)

| Particulars | Buildings | Office equipments | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| As At March 31, 2023 | 15,815.66 | - | 15,815.66 |
| Additions | 7,195.40 | | 7,195.40 |
| Modifications | (935.19) | | (935.19) |
| Disposals | (3,926.70) | | (3,926.70) |
| **As At March 31 ,2024** | **18,149.17** | - | **18,149.17** |
| Additions | 5,053.87 | - | 5,053.87 |
| Modifications | - | - | - |
| Disposals | (1,963.41) | - | (1,963.41) |
| **As At March 31, 2025** | **21,239.63** | - | **21,239.63** |
| **Accumulated Depreciation** | | | |
| As At March 31, 2023 | 5,451.18 | - | 5,451.18 |
| Depreciation for the Year | 3,263.84 | | 3,263.84 |
| Modifications | - | | - |
| Disposals | (1,291.74) | | (1,291.74) |
| As At March 31 ,2024 | **7,423.28** | - | **7,423.28** |
| Depreciation for the Year | 2,403.93 | | 2,403.93 |
| Modifications | - | | - |
| Disposals | (1,168.86) | | (1,168.86) |
| **As At March 31 ,2025** | **8,658.34** | - | **8,658.34** |
| **Net Carrying Value** | | | |
| As At March 31 ,2024 | 10,725.90 | - | 10,725.90 |
| **As At March 31 ,2025** | **12,581.29** | - | **12,581.29** |

5 (a). Other Intangible Assets (₹ In Lakhs)

| Particulars | Computer Software | Total |
|---|---|---|
| Gross Carrying Amount | | |
| As At March 31, 2023 | 112.49 | 112.49 |
| Additions | 8.80 | 8.80 |
| As At March 31 ,2024 | 121.29 | 121.29 |
| Additions | 1.26 | 1.26 |
| **As At March 31 ,2025** | **122.55** | **122.55** |
| **Accumulated Amortization** | | |
| As At March 31, 2023 | 95.06 | 95.06 |
| Amortisation expense for the Year | 10.10 | 10.10 |
| As At March 31 ,2024 | 105.16 | 105.16 |
| Amortisation expense for the Year | 4.30 | 4.30 |
| **As At March 31 , 2025** | **109.46** | **109.46** |
| **Net Book Value** | | |
| As At March 31 ,2024 | 16.14 | 16.14 |
| **As At Mar 31 ,2025** | **13.09** | **13.09** |

**Notes:-**

(1) Intangible assets are other than internally generated

(2) Balance Useful life of Intangible assets is upto 5 years.

**5 (b). Intangible assets under development**

(₹ in Lakhs)

| Particulars | Total |
|---|---|
| **As At April 01, 2024** | 10.28 |
| Incurred during the year | 1.81 |
| Capitalized during the year | - |
| **As At March, 2025** | **12.09** |

| Particulars | Total |
|---|---|
| **As At April 01, 2023** | - |
| Incurred during the year | 10.28 |
| Capitalized during the year | - |
| **As At March 31, 2024** | **10.28** |

**Ageing for Intangible assets under development as on March 31, 2025** (₹ 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 | 1.81 | 10.28 | - | - | 12.09 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **1.81** | **10.28** | - | - | **12.09** |

**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 | - | - | - | - | - |
| **Total** | **10.28** | - | - | - | **10.28** |

**Note** - The Company have intangible assets under development, whose completion is overdue .

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Notes annexed to and forming part of the financial statements

**6 Other Financial Assets**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| Security Deposits - Unsecured, Considered Good | 263.68 | 415.85 | 225.43 | 1,114.86 |
| **Other Receivables** | | | | |
| a) Security Deposit - Considered Good* | 10,100.00 | - | 10,100.00 | - |
| b) Others** | | | | |
| Considered Good | 252.92 | - | 375.95 | - |
| Credit Impaired | 253.72 | - | 192.34 | - |
| Less : Allowance for doubtful debts | (253.72) | - | (192.34) | - |
| **Total** | 10,616.60 | 415.85 | 10,701.39 | 1,114.86 |

* Security Deposit is towards lease agreement which has expired. (Refer Note no.40)
** 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**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| **Unsecured, Considered Good, Unless Otherwise Stated** | | | | |
| Capital Advances | - | 12.66 | - | 167.68 |
| Advances other than Capital Advances: | | | | |
| i) Advance to Related Parties | 368.38 | | 343.92 | - |
| Less: Provision for Doubtful Advances | (300.00) | | (300.00) | - |
| Net Advance to Related Parties | 68.38 | | 43.92 | - |
| ii) Advance to Suppliers | 474.38 | | 99.83 | - |
| iii) Advance to Employees | 8.11 | | 8.60 | - |
| Prepaid Expenses | 34.01 | | 101.73 | - |
| GST paid under protest | 67.13 | | 13.50 | - |
| Balances with Statutory Authorities -Considered good | 1,943.36 | | 1,618.00 | - |
| Balances with Statutory Authorities -Considered doubtful | 55.44 | | 55.44 | - |
| Less:Provision for Doubtful Balances | (55.44) | | (55.44) | - |
| **Total** | 2,595.35 | 12.66 | 1,885.58 | 167.68 |

**8 Non-Current Tax Assets**

(₹ in Lakhs)

| Particulars | As at March 31, | As at March 31, |
|---|---|---|
| Tax deducted at source | 2.91 | 6.54 |
| Tax paid under protest | 22.76 | 22.76 |
| **Total** | 25.67 | 29.30 |

**9 Inventories**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Stock-in-Trade (including stock in transit : ₹ 318.94 Lakhs, March 31, 2024 : ₹ 265.77 Lakhs) | 3,873.56 | 5,887.18 |
| Packing Materials and Others | 66.66 | 74.01 |
| Less : Provision for Obsolete Inventory and Shrinkage | (188.05) | (217.59) |
| **Total Inventories** | 3,752.17 | 5,743.61 |

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

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**10 Trade Receivables**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Unsecured considered good unless otherwise stated** | | |
| Considered Good | 12.12 | 28.74 |
| Credit Impaired | 36.91 | 34.88 |
| | 49.03 | 63.62 |
| Less : Allowance for doubtful debts | (36.91) | (34.88) |
| **Total** | 12.12 | 28.74 |

**Trade Receivables ageing schedule as on March 31, 2025**

(₹ in Lakhs)

| Particulars | Outstanding for the following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | Total |
| Undisputed Trade receivables – considered good | - | 8.43 | 3.69 | - | - | 12.12 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | | | | - | - |
| Undisputed Trade Receivables – credit impaired | - | 0.03 | 3.69 | - | 33.19 | 36.91 |
| Disputed Trade Receivables – considered good | - | | | | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | | | | - | - |
| Disputed Trade Receivables – credit impaired | - | | | | - | - |
| **Total** | - | 8.46 | 7.38 | - | 33.19 | 49.03 |

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

(₹ in Lakhs)

| Particulars | Outstanding for the following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | Total |
| 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 | - | - | - | - | | - |
| **Total** | - | 29.59 | 1.44 | 32.60 | - | 63.62 |

**11 Cash and Cash Equivalents**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balances with Banks - In Current Accounts | 144.42 | 143.47 |
| Balances with Banks - Fixed Deposits | - | 12.96 |
| Cheques on Hand | 7.40 | 0.00 |
| Cash on Hand | 20.32 | 39.64 |
| **Total** | 172.14 | 196.07 |

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

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Bank Balance - Unclaimed amount payable towards fractional shares* | 3.31 | 3.31 |
| **Total** | 3.31 | 3.31 |

* Restricted Bank balance

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Notes annexed to and forming part of the financial statements

13 (A) Equity Share Capital

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised** | | |
| 30,00,00,000 equity shares of ₹ 5 each ( 31 March 2024: 20,00,00,000 equity shares of ₹ 5 each) | 15,000.00 | 10,000.00 |
| | | |
| **Issued** | | |
| 13,52,23,402 equity shares of ₹ 5 each ( 31 March 2024: 12,52,23,402 equity shares of ₹ 5 each) | 6,761.17 | 6,261.17 |
| | | |
| **Subscribed and Paid up** | | |
| 13,52,18,184 equity shares of ₹ 5 each ( 31st March 2024: 12,52,18,184 equity shares of ₹ 5 each) | 6,760.91 | 6,260.91 |

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

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Number of Shares | ₹ in lakhs | Number of Shares | ₹ in lakhs |
| Opening Balance of Equity Shares of ₹ 5/- each | 12,52,23,402 | 6,261.17 | 7,56,75,330 | 3,783.77 |
| Add : Shares issued during the year (Pursuant to Right Issue) | - | - | 4,91,85,572 | 2,459.28 |
| Add : Shares issued during the year (Purusant to ESOP) | - | - | 3,62,500 | 18.13 |
| Add : Shares issued during the year (Pursuant to Conversion of Warrants) | 1,00,00,000 | 500.00 | - | - |
| **Total Shares issued** | 13,52,23,402 | 6,761.17 | 12,52,23,402 | 6,261.17 |
| Less: Shares kept in abayance (Refer Note No. iii below) | 5,218 | 0.26 | 5,218 | 0.26 |
| **Total Shares outstanding at the end of the year** | 13,52,18,184 | 6,760.91 | 12,52,18,184 | 6,260.91 |

(ii) **Terms/Rights Attached to Equity Shares**

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

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

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

(iv) **Details of Shares pledged**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| No. of Shares pledged by promoters | - | - |

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

| Name of Shareholder | As at March 31, 2025 | | As at March 31, 2024 | | |
|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | % change during the year |
| **Equity Shares** | | | | | |
| Surplus Finvest Private Limited | 2,45,23,706 | 18.14 | 2,95,97,003 | 23.64 | 17% |
| Mangal Bhansali & PACs | - | - | 2,07,96,647 | 16.61 | 100% |
| Universal Trustees Pvt Ltd | - | - | 90,00,000 | 7.19 | 100% |
| Future Hospitality Private Limited | - | - | 45,13,319 | 3.6 | 100% |
| Future Corporate Resources Private Limited | - | - | 4,15,625 | 0.33 | 100% |
| Mathew Cyriac | 1,00,21,484 | 7.41 | - | - | |

(vi) **Disclosure of Shareholding of Promoters**

**Disclosure of Shareholding of Promoters as at March 31, 2025 is as follows:**

| Name of Promoter | As at March 31, 2025 | | As at March 31, 2024 | | |
|---|---|---|---|---|---|
| | No. of Shares | Percentage of total shares | No. of Shares | Percentage of total shares | % change during the year |
| Shri Kishore Biyani | 414 | 0.00% | 414 | 0.00% | 0.00% |
| Future Corporate Resources Private Limited | 4,15,625 | 0.31% | 4,15,625 | 0.33% | 0.00% |
| **Total** | 4,16,039 | 0.31% | 4,16,039 | 0.33% | 0.00% |

(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, 2025, 6,12,500 No. of Equity Shares (March 31, 2024 No. of equity shares 1,19,000) are reserved for issuance towards Outstanding Employee Stock Option granted. (Refer Note 30)

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Notes annexed to and forming part of the financial statements

**15 Non-Current Liabilities - Provisions**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non-Current |
| Provision for Employee Benefits | | | | |
| Gratuity (Refer note no.29) | 21.62 | 111.85 | 21.80 | 155.60 |
| Compensated Absences | 2.28 | 6.68 | 3.80 | 14.34 |
| Total | 23.90 | 118.53 | 25.60 | 169.94 |

**16 Financial Liability-Borrowings**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| Unsecured | Current | Non-Current | Current | Non-Current |
| Inter Corporate Deposits (Refer note A) | | | | |
| - From Related Parties | 10,105.15 | - | 4,295.00 | - |
| - From Others | 1,678.00 | - | 3,128.00 | - |
| Total | 11,783.15 | - | 7,423.00 | - |

Security:

(A) Inter Corporate Deposits are repayable on demand secured by promisory note.

**17 Trade Payables**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total Outstanding dues of Micro and Small Enterprises | 1,487.51 | 2,068.51 |
| Total Outstanding dues of Creditors other than Small and Micro Enterprises | 7,929.72 | 12,317.92 |
| Total | 9,417.23 | 14,386.43 |

Trade Payables ageing schedule as on March 31, 2025

(₹ in Lakhs)

| Particulars | Outstanding for the following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 834.06 | 629.82 | 8.56 | 15.08 | 1,487.51 |
| (ii) Others | 4,992.17 | 1,499.08 | 266.84 | 131.29 | 6,889.39 |
| (iii) Disputed dues - MSME | | - | | - | - |
| (iv) Disputed dues - Others | - | - | - | | - |
| Total | 5,826.23 | 2,128.90 | 275.40 | 146.37 | 8,376.90 |
| Unbilled trade payables (other than micro and small enterprises) | | | | | 1,040.33 |
| Grand Total | | | | | 9,417.23 |

Trade Payables ageing schedule as on March 31, 2024

(₹ in Lakhs)

| Particulars | Outstanding for the following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | 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 | - | | - | - | |
| Total | 9,144.09 | 3,401.52 | 396.73 | 240.20 | 13,182.55 |
| Unbilled trade payables (other than micro and small enterprises) | | | | | 1,203.88 |
| Grand Total | | | | | 14,386.43 |

**18 Other Financial Liabilities-Current**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Salary and Employee benefits payable | 363.90 | 405.08 |
| Unclaimed Share Money on Fraction Shares (Refer note 36) | 3.31 | 3.31 |
| Interest accrued on borrowings | 423.09 | 320.22 |
| Unredeemed Preference Shares* | 630.00 | 630.00 |
| Creditors for Capital Expenditure | 229.65 | 139.50 |
| Other Payables (Interest on MSME and other parties) | 275.94 | 265.28 |
| Total | 1,925.89 | 1,763.39 |

* 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.

**19 Other Current Liabilities**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Advances From Customers | 507.11 | 1,047.00 |
| Statutory dues payable | 133.44 | 238.37 |
| Total | 640.55 | 1,285.38 |

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Notes annexed to and forming part of the financial statements

(₹ In Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **14. Other Equity** | | |
| **Capital Reserve** | | |
| **Opening Balance** | 7,968.34 | 7,968.34 |
| Addition/(Appropriation) During The Year | 1,200.00 | - |
| **Closing Balance (A)** | 9,168.34 | 7,968.34 |
| **Security Premium** | | |
| **Opening Balance** | 12,197.71 | 10,150.62 |
| Pursuant to the exercise of share options | | 76.36 |
| Pursuant to the Rights Issue | - | 2,459.28 |
| Rights Issue Expenses | | (206.69) |
| Preferential Issue Expenses | | (281.87) |
| Pursuant to the Share Warrants | 1,100.00 | |
| **Closing Balance (B)** | 13,297.71 | 12,197.71 |
| **Capital Redemption Reserve** | | |
| **Opening Balance** | 5.00 | 5.00 |
| Addition/(Appropriation) During The Year | - | - |
| **Closing Balance (C)** | 5.00 | 5.00 |
| **Share- Based Payment Reserve (Refer Note No. 30)** | | |
| **Opening Balance** | 28.00 | 105.62 |
| Share based payments | 34.82 | 49.65 |
| Options lapsed as per ESOP scheme | (5.75) | (50.91) |
| Exercise of share options - ESOP Plan 2021 | - | (76.36) |
| **Closing Balance (D)** | 57.07 | 28.00 |
| **Retained Earnings** | | |
| **Opening Balance** | (32,377.51) | (23,808.08) |
| Profit/(Loss) For The Year | (3,497.85) | (8,571.25) |
| Options lapsed as per ESOP scheme | 5.75 | 50.91 |
| **Other Comprehensive Income/(Loss) For The Year** | | |
| Re-measurement Gain/(Loss) on Defined Benefit Plans | (55.57) | (49.11) |
| Income Tax relating to above | - | - |
| **Closing Balance (E)** | (35,925.17) | (32,377.51) |
| **Money received against share warrants** | | |
| **Opening Balance** | 1,600.00 | - |
| Money received against share warrants | 1,687.50 | 1,600.00 |
| Share Warrant converted to Equity | (1,600.00) | |
| Money received against share warrants written back | (1,200.00) | |
| **Closing Balance (F)** | 487.50 | 1,600.00 |
| **Total (A+B+C+D+E+F)** | (12,909.56) | (10,578.44) |

**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. During the year ended March 31, 2025, the respective warrant holder did not exercise the option to convert three crore equity share warrants within the conversion period ending on February 2, 2025. These equity share warrants were cancelled by the Company and application money amount of ₹1,200 lakhs received on August 2,2023 was forfeited in terms of the issue of said warrants and treated as Capital Reserve.

**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. 45)

Notes annexed to and forming part of the financial statements

20 Revenue From Operations

(₹ In Lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Sale of Products | 11,847.46 | 21,862.61 |
| Other Operating Income | | |
| - Income from sale of Non Saleable Merchandises | 49.49 | 18.12 |
| - Income from expiry of Gift Voucher | - | 77.03 |
| Total | 11,896.96 | 21,957.77 |

21 Other Income

(₹ In Lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Lease and other liabilities written back | 3,867.08 | 464.63 |
| Interest Income | 23.49 | 102.78 |
| Other Miscellaneous Income | 24.12 | 68.75 |
| Total | 3,914.69 | 636.16 |

Note : Other Income for the year ended March 31, 2025 includes ₹ 3,770.86 lakhs on account of write back of trade payables and provisions (including write back of related parties balance and provisions of ₹ 2693.72 lakhs).

22 Change In Inventories of Stock-In-Trade

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| **Opening Inventories** | | |
| Stock In Trade | 5,887.18 | 6,899.31 |
| Packing Materials and Others | 74.01 | 115.14 |
| **Closing Inventories** | | |
| Stock-In-Trade | 3,873.56 | 5,887.18 |
| Packing Materials and Others | 66.66 | 74.01 |
| Change In Inventories | 2,020.98 | 1,053.26 |

23 Employee Benefits Expense

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Salaries, Wages and Bonus | 2,372.63 | 3,869.65 |
| Contribution to Provident and Other Fund (Refer note no. 29) | 125.90 | 206.15 |
| Employee Stock Option Expense (Refer note no. 30) | 34.82 | 49.65 |
| Gratuity (Refer note no. 29) | 36.50 | 36.94 |
| Staff Welfare Expenses | 93.15 | 192.90 |
| Total | 2,663.01 | 4,355.29 |

24 Finance Costs

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Interest on Borrowings | 335.88 | 748.45 |
| Unwinding Interest on Lease Liabilities | 1,234.76 | 1,290.61 |
| Other interest costs | 100.90 | 167.44 |
| Total | 1,671.54 | 2,206.50 |

25 Other Expenses

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Power & Fuel | 898.37 | 1,279.22 |
| Rent | 655.74 | 1,057.30 |
| Repairs and Maintenance | 75.11 | 153.67 |
| Insurance | 16.31 | 19.77 |
| Rates and Taxes | 62.88 | 271.93 |
| Travelling & Conveyance | 76.54 | 223.32 |
| Advertisement and Marketing | 416.22 | 1,434.64 |
| House Keeping Charges | 186.04 | 278.80 |
| Transportation Charges | 297.61 | 561.13 |
| Warehousing & Distribution Charges | 247.04 | 510.25 |
| Manpower Agency - Staff Hire Charges | 263.51 | 259.34 |
| Home Delivery Expenses | 222.22 | 413.02 |
| Legal & Professional | 505.62 | 775.65 |
| Directors' Sitting Fees | 10.40 | 16.90 |
| Payment to Auditors (Refer Note no. 38) | 16.32 | 24.11 |
| Loss on Foreign Currency translation or transactions | 19.51 | 22.26 |
| Loss on disposal/write off of Fixed Assets | 211.60 | |
| Subvention and Credit Card Charges | 268.66 | 468.53 |
| Miscellaneous Expenses | 825.94 | 995.85 |
| Total | 5,275.64 | 8,765.68 |

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Notes annexed to and forming part of the financial statements

## 26. Fair value measurements:

### (a) Financial instruments by category

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | **Amortised cost** | **Fair Value** | Amortised cost | Fair Value |
| **Financial assets** | | | | |
| Trade Receivables | 12.12 | - | 28.74 | - |
| Cash and cash equivalents | 172.14 | - | 196.07 | - |
| Bank Balance other than Cash and Cash Equivalents above | 3.31 | - | 3.31 | - |
| Other Financial Assets | 10,352.92 | 679.53 | 10,475.95 | 1,340.29 |
| **Total financial assets** | **10,540.48** | **679.53** | **10,704.07** | **1,340.29** |
| **Financial liabilities** | | | | |
| Borrowings | 11,783.15 | - | 7,423.00 | |
| Lease Liabilities | 13,576.56 | - | 11,186.55 | |
| Trade payables | 9,417.23 | - | 14,386.43 | |
| Other financial liabilities | 1,925.89 | - | 1,763.39 | |
| **Total financial liabilities** | **36,702.83** | - | **34,759.37** | - |

**Note** : The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables, other financial liabilities and trade receivables because their carrying amounts are reasonable approximation of fair value.

### (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, 2025**

(₹ in Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Security deposits | - | - | 679.53 | **679.53** |
| Other Receivables | - | - | - | - |
| **Total financial assets** | - | - | **679.53** | **679.53** |
| **Financial Liabilities** | | | | |
| Borrowings | - | - | - | - |
| **Total financial liabilities** | - | - | - | - |

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Assets and liabilities which are measured at fair values disclosed as at March 31, 2024

(₹ in Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Security deposits | - | - | 1,340.29 | **1,340.29** |
| Other Receivables | - | - | - | - |
| **Total financial assets** | - | - | **1,340.29** | **1,340.29** |
| **Financial Liabilities** | | | | |
| Borrowings | - | - | - | - |
| **Total financial liabilities** | - | - | - | - |

**Notes**

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 ₹ 49.03 lakhs and ₹ 506.64 lakhs as on March 31, 2025 respectively and ₹ 63.62 Lakhs and ₹ 568.29 lakhs as on March 31, 2024 respectively.

**(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.

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ii) **Maturity of Financial Liabilities**

The amounts disclosed below are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

| March 31, 2025 | Less than 1 year | More than 1 Year | Total |
|---|---|---|---|
| Interest bearing borrowings* | 12,206.24 | - | 12,206.24 |
| Trade Payables | 9,417.23 | - | 9,417.23 |
| Lease Liabilities | 2,671.96 | 10,904.60 | 13,576.56 |
| Other Financial Liabilities | 1,925.89 | - | 1,925.89 |
| **Total** | **26,221.32** | **10,904.60** | **37,125.92** |

(₹ 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 | 8,186.64 | 11,186.55 |
| Other Financial Liabilities | 1,763.39 | | 1,763.39 |
| **Total** | **26,892.95** | **8,186.64** | **35,079.59** |

*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) Sensitivity Analysis**

Profit or Loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

(₹ in Lakhs)

| Impact on Profit/(Loss) after tax | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Interest rates increase by 100 basis points | - | - |
| Interest rates decrease by 100 basis points | - | - |

**(d) Foreign Currency Risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods. Foreign exchange risk arises if recognised liabilities denominated in a currency that is not the functional currency of the Company. The Company hedges its foreign exchange risk using foreign exchange forward contracts within the guidelines laid down by risk management policy of the Company. Overall, Company always has a limited exposure to foreign currency risk.

Following table details the carrying amounts of the Company's unhedged foreign currency denominated monetary items at the end of the reporting period

(in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Trade Payable** | | |
| US Dollar (USD) | 6.50 | 7.57 |

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A 5% strengthening in USD will increase the loss for the year by ₹ 25.97 Lakhs (March 31, 2024 - ₹ 31.50 Lakhs) and a 5% weakening in USD will decrease the loss for the year by ₹ 25.97 Lakhs (March 31, 2024 - ₹ 31.50 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, 2025 | As at March 31, 2024 |
|---|---|---|
| Borrowings | 11,783.15 | 7,423.00 |
| Less: Cash and Cash Equivalents | 172.14 | 196.07 |
| **Net Debt (A)** | **11,611.01** | **7,226.93** |
| | | |
| Equity | 6,760.91 | 6,260.91 |
| Other Equity | (12,909.56) | (10,578.44) |
| **Total Capital (B)** | **(6,148.65)** | **(4,317.53)** |
| **Gearing Ratio (C = A/B)** | **-1.89** | **-1.67** |

**(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.

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

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Contirbution to Provident fund | 101.57 | 169.17 |
| Contirbution to ESIC | 13.14 | 24.72 |
| Contirbution to NPS | 10.94 | 11.85 |
| Contirbution to LWF | 0.25 | 0.41 |
| **Total** | **125.90** | **206.15** |

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**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 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total Expenses Recognised in the Statement of Profit and Loss | **0.92** | - |

**(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, 2025. 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, 2025** | **As at March 31, 2024** |
|---|---|---|
| Defined Benefit Obligation at the beginning of the year | **177.41** | 169.07 |
| Service Cost | **24.53** | 24.72 |
| Interest Cost | **11.97** | 12.22 |
| Benefits Paid | **(136.00)** | (77.71) |
| Re-measurement-Actuarial (gains)/losses | **55.57** | 49.11 |
| Defined Benefit Obligation at the end of the year | **133.47** | **177.41** |

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

(₹ in Lakhs)

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| Defined Benefit Obligation | **133.47** | 177.41 |
| Fair value of Plan Assets | - | - |
| (Surplus) / Deficit | **133.47** | **177.41** |
| Effects of Assets Ceiling | - | - |
| Net Defined Benefit Liability / (Assets) | **133.47** | **177.41** |

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

(₹ in Lakhs)

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| Current Service Cost | **24.53** | 24.72 |
| Net interest on the net defined benefit liability/assets | **11.97** | 12.22 |
| Total Expenses Recognised in the Statement of Profit and Loss | **36.50** | **36.94** |

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

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Actuarial (Gains)/Losses | 42.76 | 11.37 |
| Gain / (Loss) from change in financial assumptions | 3.48 | 3.08 |
| Gain / (Loss) from change in demographic assumptions | 9.33 | 34.66 |
| Total (Gain) / Loss included in OCI | 55.57 | 49.11 |

**(e) Reconciliation of Amounts in Balance Sheet**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Defined Benefit Obligation at the beginning of the year | 177.41 | 169.07 |
| Defined Benefit cost included in Profit and Loss | 36.50 | 36.94 |
| Total amount included in OCI | 55.57 | 49.11 |
| Benefits paid | (136.00) | (77.71) |
| Defined Benefit Obligation at the end of the year | 133.47 | 177.41 |

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

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| OCI (Income) / Loss at the beginning of the year | 40.75 | (8.36) |
| Total Remeasurement included in OCI | 55.57 | 49.11 |
| OCI (Income) / Loss at the end of the year | 96.32 | 40.75 |

(g) Expected Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Year 1 | 21.62 | 21.80 |
| Year 2 | 22.16 | 22.87 |
| Year 3 | 25.57 | 24.12 |
| Year 4 | 24.97 | 29.10 |
| Year 5 | 26.22 | 32.30 |
| Years 6 to 10 | 102.84 | 162.90 |
| Above 10 Years | 125.53 | 432.58 |

**(h) Assumptions**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Discount Rate | 6.60% | 7.19% |
| Expected rate of Salary increase | 2% flat | 2% flat |
| Mortality Rate | IALM (2012-14) ultimate | IALM (2012-14) ultimate |
| Withdrawal Rate | Service < 5 Years : 31% Service > 5 Years : 14% | Service < 5 Years : 28% Service > 5 Years : 9% |
| Retirement age | 58 Years | 58 Years |

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(i) Sensitivity Analysis

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Defined Benefit Obligation at the end of the year | **133.47** | 177.41 |
| Discount Rate | **6.60%** | 7.19% |
| Expected rate of Salary increase | **2% flat** | 2% flat |
| **Discount Rate** | | |
| Discount Rate -100 basis points | **139.80** | 188.82 |
| Discount Rate +100 basis points | **127.66** | 167.18 |
| **Salary increase rate** | | |
| Rate -100 basis points | **128.09** | 167.45 |
| Rate +100 basis points | **139.26** | 188.27 |

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Notes annexed to and forming part of the financial statements

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.

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 & 2024-25, 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 17,05,000 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.

**Praxis Employee Stock Option Plan -2024**

The ESOP Plan titled as Praxis Home Retail Limited Employee Stock Option Plan – 2024 ("ESOP - 2024") was approved by the Board of Directors at its meeting held on November 11, 2024 and the shareholders at the Extra Ordinary General Meeting held on April 27, 2024. In aggregate, 30,00,000 stock options were covered under the ESOP – 2024.

During the year 2024-25, the Nomination and Remuneration Committee ("NRC") of the Company had granted 5,00,000 options under the ESOP Plan – 2024 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.

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

| Option Series | Number of Options outstanding as on March 31, 2025 | Number of Options outstanding as on March 31, 2024 | Grant Date | Vesting Date | Exercise Price (₹) | Fair Value at Grant Date (₹) |
|---|---|---|---|---|---|---|
| Praxis SVAR Plan - 2018 | - | 6,500 | 27-03-2019 | * | 176.00 | 88.40 |
| Praxis Employee Stock Option Plan -2021 | 1,12,500 | 1,12,500 | 27-01-2022 | ** | 5.00 | 62.10 |
| Praxis Employee Stock Option Plan -2024 | 5,00,000 | - | 11-11-2024 | *** | 5.00 | 21.67 |

*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.*

**** The options granted shall vest over a period of 3 years from the date of the grant (in the ratio of 30% in Year 1, 30% in Year 2 and 40% in Year 3) in the manner specified in the resolution passed by the NRC while granting the options.*

(b) Movement of Share Option

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Outstanding at the beginning of the year | 1,19,000 | 8,03,750 |
| Granted During the year | 5,00,000 | - |
| Expired /cancelled during the year | 6,500 | 3,22,250 |
| Exercised during the year | - | 3,62,500 |
| Outstanding at the end of the year | 6,12,500 | 1,19,000 |
| Exercisable at the end of the year | 1,12,500 | 6,500 |

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,032 days (2024 : 1,373 days)

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**(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) | Praxis Employee Stock Option Plan - 2024 (Granted November 11, 2024) |
|---|---|---|---|
| | For 5 year vesting period | For 3 year vesting period | For 3 year vesting period |
| Risk Free Interest Rate | 7.12% | 5.72% | 6.85% |
| Expected Life | 5.85 Years | 3.4 Years | 3.60 Years |
| Expected Volatility | 46.10% | 55.94% | 54.56% |
| Dividend Yield | 0.00% | 0.00% | 0.00% |
| Exercise Price | 176.00 | 5.00 | 5.00 |

**(d) Compensation Expenses arising on account of the Share Based Payments** (₹ in lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Expenses arising from equity – settled share-based payment transactions | 34.82 | 49.65 |

**31. Earnings Per Share (EPS)**

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Profit/(Loss) for the year (Rs in Lakhs) | (3,497.85) | (8,571.25) |
| Weighted average number of Equity Share for Basic EPS | 12,97,93,526 | 11,36,01,091 |
| Nominal Value per Equity Share (Rs) | 5/- | 5/- |
| Earning/(Loss) per Equity Share - Basic (Rs) | (2.69) | (7.35) |
| Weighted average number of potential equity shares on account of Employee stock option scheme and Equity warrants* | 66,89,381 | 94,10,529 |
| Weighted average number of Equity Share for Diluted EPS | 12,97,93,526 | 11,36,01,091 |
| Nominal Value per Equity Share (Rs) | 5/- | 5/- |
| Earning/(Loss) per Equity Share - Diluted (Rs) | (2.69) | (7.35) |

* 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, 2025 and March 31, 2024, the same is not considered in the calculation of weighted average number of equity shares for the Diluted EPS.

**32. 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.

**(a) Carrying amounts of Lease assets recognised and the movements during the year** (₹ in lakhs)

| Particulars | March 31, 2025 | | | March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Office Equipments | Buildings | Total | Office Equipments | Buildings | Total |
| **Opening Balance** | - | 10,725.90 | 10,725.90 | - | 10,364.48 | 10,364.48 |
| Additions | - | 5,053.87 | 5,053.87 | - | 7,195.40 | 7,195.40 |
| Modifications | - | - | - | - | (935.19) | (935.19) |
| Deletions | - | (794.55) | (794.55) | - | (2,634.96) | (2,634.96) |
| Depreciation Expenses | - | (2,403.93) | (2,403.93) | - | (3,263.84) | (3,263.84) |
| **Balance at the end of the year** | - | **12,581.29** | **12,581.29** | - | **10,725.90** | **10,725.90** |

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**(b) Carrying amounts of lease liabilities and the movements during the year** (₹ in lakhs)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Opening Balance (Buildings and Office Equipments)** | 11,186.56 | 10,402.01 |
| Additions | 5,028.49 | 6,990.47 |
| Modifications | | (985.80) |
| Finance Charge accrued during the year | 1,234.76 | 1,290.61 |
| Payment of Lease Liabilities | (3,124.56) | (3,946.24) |
| Deletions | (748.68) | (2,564.49) |
| **Balance at the end of the year** | **13,576.56** | **11,186.56** |
| Current | 2,671.96 | 2,999.91 |
| Non current | 10,904.60 | 8,186.64 |

The effective interest rate for lease liabilities is in the range of 11.50% to 12.00% as on 31 March 2025 (10.15% to 11% as on March 31, 2024)

**(c) The following are the amounts recognised in statement of profit and loss** (₹ in lakhs)

| **Particulars** | **Year Ended March 31, 2025** | **Year Ended March 31, 2024** |
|---|---|---|
| Depreciation expense of Lease assets | 2,403.93 | 3,263.84 |
| Interest expense on Lease liabilities | 1,234.76 | 1,290.61 |
| Expense relating to short term leases/Variable Lease Payments (Included in Rent including Lease Rentals) | 655.74 | 1,057.30 |
| **Total amount recognised in statement of profit and loss** | **4,294.43** | **5,611.75** |

**(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, 2025** | **Year Ended March 31, 2024** |
|---|---|---|
| Fixed rent | 2,817.56 | 2,835.48 |
| Variable rent with minimum payment | 808.48 | 1,452.09 |
| Variable rent only | 154.26 | 555.34 |

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, 2025 | As at March 31, 2024 |
|---|---|---|
| The total future minimum lease rent payable at the Balance Sheet date : | | |
| - For a period not later than one year | **2,671.96** | 2,999.91 |
| - For a period later than one year and not later than 5 years | **10,380.86** | 5,613.99 |
| - For a period later than five years | **11,252.99** | 12,130.28 |

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Notes annexed to and forming part of the financial statements

**33. 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.

**34. Disclosure under Micro, Small and Medium Enterprise Development Act, 2006**

(₹ in lakhs)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Principal amount due to suppliers as at the year end | **1,487.51** | 2,068.51 |
| Interest accrued, due to suppliers on the above amount, and unpaid as at the year end | **275.94** | 18.01 |
| Payment made to suppliers(other than interest) beyond the appointed date under Section 16 of MSMED | **3,090.43** | 4,639.20 |
| 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 | **3,090.43** | 4,639.20 |
| 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 | - | - |
| Amount of interest accrued and remaining unpaid at the end of each accounting year to suppliers | **275.94** | 18.01 |
| 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 | **275.94** | 18.01 |

**35. Income Tax Expense**

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

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Income Tax expense** | | |
| 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, 2025 | As at March 31, 2024 |
|---|---|---|
| Profit/(Loss) before tax | (3,497.85) | (8,571.25) |
| Applicable Tax Rate | 25.17% | 25.17% |
| Tax at the Indian tax rate | (880.34) | (2,157.21) |
| **The effect of amounts which are not deductible in calculating taxable income** | | |
| **Expenses not allowed for tax purposes:** | | |
| Provision for Advances | - | (23.73) |
| Provision for Doubtful debts | (15.96) | - |
| Provision for Inventory | 47.33 | 54.76 |
| Interest payable to MSMED | 69.45 | 4.53 |
| Interest on ITC reversal (GST) | 40.31 | 37.61 |
| Lease Accounting as per IND AS 116 | (129.40) | 153.08 |
| Diasllowance u/s 40 | 10.33 | 59.62 |
| Gratuity paid during the year | (25.04) | (10.26) |
| Interest Income as per IND AS 109 | (5.56) | (29.78) |
| Depreciation | 28.13 | 39.49 |
| Lease Liability Written back | (19.20) | (40.30) |
| Non Payment of MSME Due as on year end | 374.38 | 569.21 |
| Interest on Lease liability | 310.76 | 324.82 |
| Unabsorbed Depreciation on which no DTA recognised | 57.83 | 52.45 |
| Others | 4.79 | 2.29 |
| Business loss on which no deferred tax asset is recognized | 132.18 | 963.43 |
| Utilisation of bought forward losses | - | - |
| Tax Expense charged to the Statement of Profit and Loss | - | - |

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(iii) Year wise expiry of such losses as at March 31, 2025 is as under:

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Deferred Tax asset on following Business loss & Unabsorbed Depreciation not recognized** | | |
| **Business Loss:** | | |
| Expiring within AY 24-25 | - | 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 | 2,805.13 | 2,805.13 |
| Expiring within AY 32-33 | 6,615.00 | 4,021.11 |
| Expiring within AY 33-34 | 525.18 | - |
| Total (A) | 29,292.68 | 31,234.70 |
| Unabosrbed Depreciation: | | |
| Without expiry limit | 1,049.95 | 820.18 |
| Total (B) | 1,049.95 | 820.18 |
| **Total (A+B)** | 30,342.63 | 32,054.88 |

**(iv) Components of Deferred Tax Assets**

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deferred Tax Assets on account of : | | |
| Unabsorbed brought forward losses | 7,372.38 | 7,851.99 |
| Unabsorbed Depreciation | 264.25 | 206.44 |
| Property plant and Equipment | 87.46 | 64.73 |
| Provision for Leave Encashment | - | (2.29) |
| Provision for Gratuity | (25.04) | (10.26) |
| Provision for Doubtful debts | (15.96) | (23.73) |
| Provision for Inventory | 47.33 | 54.76 |
| Lease Accounting as per IND AS 116 | (129.40) | 153.08 |
| **Closing balance** | 7,601.03 | 8294.72 |

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.

**36. Unclaimed Fractional Share Money**

Pursuant to the Composite Scheme of Arrangement , 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.

**37. 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 (upto 25th September,2024)<br>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**

| | |
|---|---|
| **(i) Enterprises over which Companies/Individual described in (a) have control/significant influence** | 1. Future Retail Limited |
| | 2. Future Lifestyle Fashions Limited |
| | 3. Cutcost Consumers Private 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.Niyman Mall Management Co. |
| | 12. Smartsters Private Limited |
| | 13. Nubusiness Ventures Pvt Ltd. |
| | 14. Future Capital Investment Private Limited |
| | 15. FDRT Consultancy Services Limited |
| | 16. Future Hospitality Private Limited |
| | 17. Future Ideas Company Limited |
| | 18.Future Generali India Insurance Company Limited |
| | 19.Future Coupons Limited |
| | 20. Future Consumer Limited |
| | 21. Future Media (India) Limited |
| | 22. Surplus Finvest Private Limited (Post 25th September, 2024) |
| | 23.Suhani Mall Management Company Pvt Limited |

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(c) Key Management Personnel :
Mr. Swetank Jain (Chief Executive Officer and Whole Time Director) upto August 11, 2024
Mr. Mahesh Shah (Managing Director) upto October 31,2023
Mr. Ashish Bhutda (Chief Executive Officer and Whole Time Director) w.e.f November 11, 2024
Mr. Samir Kedia (Chief Financial Officer)
Ms.Sanu Kapoor (Company Secretary and Compliance Officer) upto August 2, 2024
Mr. Vimal Dhruve (Company Secretary) w.e.f August 12, 2024

(d) Directors :
Mr. Mahesh Shah (upto June 28, 2024) (Chairman and Non -Executive Director)
Ms. Anou Singhvi (Independent Director)
Mr. Jacob Mathew (Independent Director)
Mr. Samson Samuel (Non-Executive Non-Independent Director)
Ms. Lynette Robert Monteiro (Non Executive Non-Independent Director)
Mr. Vijai Singh Dugar (w.e.f August 12, 2024) (Non-Executive Non-Independent Director)
Mr. Ashish Bhutda ( w.e.f November 11, 2024) (Chief Executive Officer and Whole Time Director)

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 | - | 151.93 | - |
| | - | (320.43) | - |
| Other Income | - | 1.95 | |
| | - | (9.20) | |
| Rent | - | 125.35 | |
| | | (157.00) | - |
| Other Expenses | - | 15.15 | - |
| | - | (69.34) | - |
| Insurance Premium | - | - | - |
| | - | (10.62) | - |
| Interest Expenses | - | 70.12 | - |
| | (78.82) | (388.34) | - |
| Inter-Corporate Deposit - Taken | | 3,285.61 | - |
| | (150.00) | (4,290.00) | |
| Inter-Corporate Deposit - Repaid | | 475.45 | - |
| | (1,440.00) | (880.00) | |
| Liabilities no longer required written back | - | 2,699.72 | - |
| | - | - | - |
| Expenses incurred in behalf of related parties/Debit note raised | - | - | - |
| | - | (448.34) | - |
| Remuneration to Key Managerial Personnel and Directors * | - | - | 254.89 |
| | | | (406.85) |
| Outstanding Balance as on 31st March,2025: | | | |
| Equity Shares held in the Company | - | 1,246.97 | - |
| | (1,479.86) | (225.67) | |
| Security Deposit Receivable | - | 10,149.74 | - |
| | - | (10,149.74) | - |
| Trade Payable | - | 118.46 | - |
| | - | (3,307.57) | - |
| Advance given | - | 331.97 | - |
| | | (331.97) | - |
| Provision for Doubtful Advances | - | 300.00 | |
| | - | (300.00) | - |
| Inter-Corporate Deposit - Taken(including interest accrued) | 779.54 | 9,672.12 | - |
| | (402.54) | (4,108.54) | - |
| Remuneration payable | | | 18.30 |

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

Note: Previous year figures are given in parenthesis.

Details of Employee Stock Options outstanding during the Balance Sheet date.

| | FY 24-25 | | | |
|---|---|---|---|---|
| Particulars | ESOPs outstanding as on 1/4/24 | ESOP Granted | ESOPs Lapsed/Cancelled | ESOPs outstanding as on 31/3/25 |
| Ashish Bhutda | - | 5,00,000 | - | 5,00,000 |
| Samir Kedia | 67,500 | | - | 67,500 |
| **Total** | 67,500 | 5,00,000 | - | 5,67,500 |

| | FY 23-24 | | | |
|---|---|---|---|---|
| Particulars | ESOPs outstanding as on 1/4/23 | ESOP (Exercised) | ESOPs Lapsed/Cancelled | ESOPs outstanding as on 31/3/24 |
| Mahesh Shah | 4,00,000 | (2,50,000) | (1,50,000) | - |
| Samir Kedia | 1,35,000 | (67,500) | | 67,500 |
| **Total** | 5,35,000 | (3,17,500) | (1,50,000) | 67,500 |

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**2. Significant Related Party Transactions**

A. Purchases includes purchase from Future Retail Limited ₹ Nil (2024: ₹ 3.86 lakhs), Smartsters Private Limited ₹ 151.93 lakhs (2024: ₹ 320.43 lakhs) & Transportation and Warehousing services includes to Future Supply Chain Solutions Limited ₹ Nil (2024: ₹ 690.48 lakhs).

B. Other income includes income from U2L Learning Solutions Limited (Rental Income) ₹ 1.93 lakhs (2024: ₹ 9.20 lakhs).

C. Rent expenses from Future Market Networks Limited ₹ 100.32 lakhs (2024: ₹ 119.07 lakhs) and Ojas Tradelease and Mall Management Private Limited ₹ 25.03 lakhs (2024: ₹ 37.92 lakhs).

D. Other Expenses from U2L Learning Solutions Limited (Training & Development Expenses) ₹ 13.85 lakhs (2024: ₹ 65.23 lakhs), Future Market Network Limited ₹ 1.16 lakhs (Advertisement Expenses) (2024: ₹ 3.83 lakhs), Future Ideas Company Limited (Employee welfare expenses) ₹ 0.14 lakhs (2024: ₹ 0.28 lakhs).

E. Insurance Premium paid to Future Generali India Insurance Company Limited ₹ Nil (2024: ₹ 10.62 lakhs).

F. Interest expenses include interest paid/payable to Future Capital Investment Private limited ₹ Nil (2024: ₹ 128.68 lakhs), FDRT Consultancy Services Limited ₹ Nil (2024: ₹ 98.89 lakhs), Future Hospitality Private Limited ₹ Nil (2024: ₹ 55.63 lakhs), Future Market Networks Limited ₹ 41.42 lakhs (2024: ₹ 0.39 lakhs), Nubusiness Ventures Private Limited ₹ Nil (2024: ₹ 104.75 lakhs) ,Surplus Finvest Private Limited ₹ Nil (2024: ₹ 78.82 lakhs) and Suhani Mall Management Company Pvt Ltd ₹ 28.70 (2024: ₹ Nil). During the year related parties of the Company, have agreed to waive the interest accrued on the loan from April 1, 2024 till December 31, 2024 aggregating to ₹ 466.33 lakhs.

G. Inter-Corporate Deposit Taken from Future Capital Investment Private Limited ₹ Nil (2024: ₹ 1300.00), FDRT Consultancy Services Limited ₹ 525.00 lakhs (2024: ₹ 1,440.00 lakhs), Future Hospitality Private Limited ₹ Nil (2024: ₹ 900.00 lakhs), Future Market Networks Limited ₹ 168.00 lakhs (2024: ₹ 250.00 lakhs), Nubusiness Ventures Private Limited ₹ 79.61 lakhs (2024: ₹ 400.00 lakhs), Surplus Finvest Private Limited ₹ 800.00 lakhs (2024 : ₹ 150.00 lakhs), Suhani Mall Management Company Pvt Limited ₹ 380.00 (2024: ₹ Nil), Cutcost Consumers Private ltd ₹ 350.00 (2024: ₹ Nil) and Niyman Mall Management Company ₹ 983.00 (2024: ₹ Nil).

H. Inter-Corporate Deposit Repaid to FDRT Consultancy Services Limited ₹ Nil (2024: ₹ 880.00 lakhs), Surplus Finvest Private Limited ₹ 403.00 lakhs (2024 : ₹ 1485.00 lakhs) and Future Hospitality Private Limited ₹ 70.00 (2024: ₹ Nil)

I. Liabilities no longer required written back includes amount against Ojas Tradelease and Mall Management Private Limited ₹ Nil (2024: ₹ 96.06 lakhs) ,Future Lifestyle Fashions Limited ₹ 907.15 lakhs (2024: ₹ Nil), Future Retail Limited ₹ 240.57 lakhs (2024: ₹ Nil), Future Supply Chain Solutions Limited ₹ 1519.71 lakhs (2024: ₹ Nil), Nufuture Digital (India) Limited ₹ 24.52 lakhs (2024: ₹ Nil) and Future Brands Limited ₹ 1.76 lakhs (2024: ₹ Nil).

J. Expenses incurred in behalf of related parties includes amount paid on behalf of Future Lifestyle Fashions Limited ₹ Nil (2024: ₹ 448.34 lakhs).

K. Managerial Remuneration includes Mr. Ashish Bhutda ₹ 24.90 lakhs ( 2024 : ₹ Nil) Mr. Mahesh Shah ₹ Nil (2024 : ₹ 139.33 lakhs), Mr. Swetank Jain ₹ 69.05 lakhs (2024: ₹ 110.19 lakhs), Mr. Samir Kedia ₹ 112.56 lakhs (2024: ₹ 106.30 lakhs), Mr. Vimal Dhurve ₹ 26.72 lakhs (2024 : ₹ Nil) and Ms. Sanu Kapoor ₹ 11.25 lakhs (2024: ₹ 34.13 lakhs).
Director Sitting fees paid to Mr. Mahesh Shah ₹ 0.60 lakhs (2024: ₹ 1.50 lakhs), Mr. Jacob Mathew ₹ 3.00 lakhs (2024: ₹ 4.10 lakhs), Mr. Harminder Sahni ₹ Nil (2024: ₹ 3.90 lakhs), Ms. Anou Singhvi ₹ 1.70 lakhs (2024: ₹ 3.20 lakhs), Ms. Lynette Monteiro ₹ 1.20 lakhs (2024: ₹ 1.80 lakhs), Mr. Samson Samuel ₹ 2.00 lakhs (2024: ₹ 2.40 lakhs) and Mr. Vijay Singh Dugar ₹ 1.90 lakhs (2024: ₹ Nil )

**Outstanding Balance as on 31st March,2025:**

A. Equity shares held in the Company - Surplus Finvest Private Limited ₹ 1,226.19 lakhs (2024:₹ 1,479.85 lakhs), Future Corporate Resources Private Limited ₹ 20.78 lakhs (2024: ₹ 20.78 lakhs), Future Hospitality Private Limited ₹ Nil lakhs (2024: ₹ 225.67 lakhs), Kishore Biyani ₹ 0.01 lakhs (2024: ₹ 0.01 lakhs)

B. Security Deposit receivable from Future Enterprises Limited, amounting to ₹ 10,100.00 lakhs (2024: ₹ 10,100.00 lakhs) and Future Market Network Limited, amounting to ₹ 49.74 lakhs (2024: ₹ 49.74 lakhs).

C. Trade Payables includes payable to Future Supply Chains Solutions Limited of ₹ Nil (2024: ₹ 1,519.71 lakhs), Future Lifestyle Fashions Limited ₹ Nil (2024: ₹ 610.59 lakhs) and Provisions ₹ Nil (2024: ₹ 729.05 lakhs), Future Retail Limited ₹ Nil (2024: ₹ 240.47 lakhs), Smartsters Private Limited ₹ 52.81 lakhs (2024: ₹ 133.90 lakhs), Ojas Tradelease and Mall Management Private Limited ₹ Nil (2024: ₹ Nil) and Provisions of ₹ 39.54 lakhs (2024: ₹ 17.01 lakhs), Future Market Networks Limited ₹ 58.91 lakhs (2024: ₹ 80.86 lakhs) and Provisions ₹ 6.74 lakhs (2024: ₹ 5.21 lakhs), Nufuture Digital (India) Limited of ₹ Nil (2024: ₹ 24.52 lakhs), U2L Learning Solutions Limited ₹ Nil (2024: ₹ 15.28 lakhs) and Future Brands Limited ₹ Nil (2024: ₹ 1.76 lakhs).

D. Advances given includes lease rental advances to Future Enterprises Limited ₹ 331.97 lakhs (2024: ₹ 331.97 lakhs) and Ojas Tradelease and Mall Management Private Limited ₹ 36.40 lakhs (2024: ₹ 11.95 lakhs).

E. Provision for Doubtful Advances against lease rental advances given to Future Enterprises Limited ₹ 300.00 lakhs (2024: ₹ 300.00 lakhs).

F. Inter-Corporate Deposit Taken (including interest accrued) Outstanding from Future Capital Investment Private Limited ₹ 1,370.39 lakhs (2024: ₹ 1,370.39 lakhs), FDRT Consultancy Services Limited ₹ 1,112.32 lakhs (2024: ₹ 590.32 lakhs), Future Hospitality Private Limited ₹ 878.73 lakhs (2024: ₹ 948.73 lakhs), Future Market Networks Limited ₹ 459.71 lakhs (2024: ₹ 250.35 lakhs), Nubusiness Ventures Private Limited ₹ 1,017.42 lakhs (2024: ₹ 948.73 lakhs), Surplus Finvest Private Limited ₹ 779.54 lakhs (2024: ₹ 402.54 lakhs), Cutcost Consumer Pvt Limited ₹ 3,444.71 lakhs (2024: ₹ Nil), Niyman Mall Management Co. ₹ 983.00 lakhs (2024: ₹ Nil) and Suhani Mall Management Company Pvt Ltd ₹ 405.83 lakhs (2024: ₹ Nil).

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**38. Payment to the Auditors (excluding GST)**

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| For Statutory Audit | 6.00 | 14.50 |
| For Limited Review (includes ₹ 3.00 lakhs pertaining to erstwhile Statutory Auditor during Year ended March 31, 2025) | 6.00 | 7.50 |
| For Certifications | 3.60 | 1.20 |
| Out of pocket expenses | 0.72 | 0.91 |
| Total | 16.32 | 24.11 |

**39. 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 ₹ 1,220.45 Lakhs (2024: ₹ 444.00 Lakhs).

**b. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as on March 31, 2025 :

Capital Commitments - ₹ 9.81 lakhs (2024: ₹ 356.43 lakhs)

**(ii) Contingent Liability:**

(a) The Company has not provided for Income Tax demand demand excluding contingent interest of ₹ 113.80 lakhs (2024: ₹113.80 lakhs) which is pending before CIT Appeals & for GST Tax demand of ₹ 670.62 lakhs (2024: ₹ Nil) which is pending before GST Appellate Authorities.

(b) On November 27, 2020, The Company has received demand notice from the Directorate General of Anti Profiteering department wherein the department has stated that the Company has contravened the provisions of Section 171(1) of the Central Goods and Service Tax Act, 2017 and the benefit of the rate reduction in GST from 28% to 18% was not passed on to the recipients by increasing the base price of the products. As per the report the total amount of profiteering covered for the period 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.

(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) In FY 2021-22, an operational creditor filed an application under IBC with NCLT, Mumbai bench for alleged non-payment of its dues (including interest) amounting to ₹ 100.65 lakhs. However, the total outstanding as per the Company's books is only ₹ 0.83 lakhs. As at March 31, 2025, the said matter was pending before the NCLT.

(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.

40. During the Financial Year 2022-23, tenure of a lease rental agreement entered by the Company with a related party - Future Enterprises Limited (Lessor) pursuant to the demerger of business and assignment of the original lease arrangement expired on November 30, 2022. The Company has security deposits of ₹ 10,100 lakhs receivable from the Lessor. The Company continues to hold the possession of the Stores leased assets (PPE) from the Lessor. The Company has made follow up with the Lessor for transfer of Stores leased assets and recovery of security deposit amount. In the year 2023, the Company obtained a valuation report from an independent professional firm under which the value of these assets were more than the amount of security deposit. The Company has considered the security deposits amount is good and adequately receivable against realizable value of these assets. Further, no lease rental charges are liable to be paid in view of expiration of the agreement with the Lessor. Accordingly, no provision towards lease rental has been provided in the books of accounts. Further it may also be mentioned that post expiry of lease term the Lessor has been referred under Corporate Insolvency Resolution Process with effect from February 27, 2023. The Resolution Professional ("RP") of the said Lessor has filed an Interlocutory Application (IA) in Company Petition (IB) No.513/NCLT/MB/2022 on January 9, 2025, before the National Company Law Tribunal, Mumbai bench (NCLT) under the IBC, 2016 against, amongst others, the Promoter of the Company and the Company. In the said IA, the RP has, inter alia, claimed the lease rental amounting to ₹ 4577.35 lakhs from the Company for the in-store retail infra assets leased by the Lessor to the Company. The said IA is challenged on the grounds that the RP has relied upon the unauthenticated, unsiged and incomplete Transaction Audit report. The Company is in the process of filing its reply disputing all the claims.

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**41. 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, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| **Type of Goods or Service** | | |
| Sale of Goods (net of tax) | 11,847.46 | 21,862.61 |
| Other Operating Income | 49.49 | 95.16 |
| **Total revenue from contracts with customers** | 11,896.95 | 21,957.77 |
| India | 11,896.95 | 21,957.77 |
| Outside of India | - | - |
| **Total revenue from contracts with customers** | 11,896.95 | 21,957.77 |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 11,896.95 | 21,957.77 |
| Services transferred over time | - | - |
| **Total revenue from contracts with customers** | 11,896.95 | 21,957.77 |

**2. Contract Balances**

(₹ in lakhs)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Trade Receivables | 12.12 | 28.74 |
| Contract Liabilities (Advance from Customers): | | |
| Opening Balance | 1,047.00 | 1,144.10 |
| Closing Balance | 507.11 | 1,047.00 |
| Net (Increase)/Decrease | 539.89 | 97.10 |

Note - During year ended March 31, 2025, revenue recognized is ₹ 1,047.00 lakhs and advances collected is ₹ 507.11 lakhs. During year ended March 31, 2024, revenue recognized is ₹ 1,144.10 lakhs and advances collected is ₹1,047.00 lakhs.

**42.** 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.

**43.** The Company has incurred a cash loss of ₹ 4542.46 lakhs during the year ended March 31, 2025. 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 year, the Company has raised funds through issue of share warrants amounting to ₹ 487.50 lakhs, issue of equity shares amounting to Rs 1200 lakh and also announced raising further funds under Rights Issue to improve its liquidity position. Further, the Company is committed to improve its operational efficiency to boost sales, reduce cost and to explore various possible options to raise the funds. These together are expected to bring finanical stability and improve the networth enabling the Company to meet all obligations. Accordingly, the financial results of the Company have been prepared on a going concern basis.

**44. Rights Issue:** a) The Board of Directors of the Company approved Rights Issue for an aggregate amount of ₹ 4,958.00 Lakh. The Company has received necessary in-principle approvals of the Stock Exchanges. Subsequent to such approvals, the Company has fixed issue price of Rs.10/- per equity share under the Rights Issue. However, as at March 31, 2025, the issue was pending to open for subscription.

(b) 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.

**45. Preferential Allotment**

a) Pursuant to the Shareholders' approval at the Extra Ordinary General Meeting held on April 27, 2024, the Company on May 9, 2024 issued and allotted 45,07,629 Share Warrants at an issue price of ₹ 43.26 per Share 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 (₹ 1950 lakhs) for the Share Warrants. The Warrants shall be converted into equivalent number of 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 Share Warrants.

b) Pursuant to the terms of 4,00,00,000 Share Warrants issued and allotted in 2023-24, a holder of the said Share Warrants exercised the option to convert 1,00,00,000 Share Warrants into equity shares by paying remaining 75% amount thereon and accordingly, the Company allotted 1,00,00,000 equity shares on October 15, 2024 at an issue price of Rs.16 per equity share.

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**46. Subsequent Events**

i. After close of the Finanical Year 2024-25, the Chief Financial Officer of the Company resigned w.e.f. April 30, 2024.

ii. Pursuant to approval of the Board of Directors, the Shareholders at the Extra Ordinary General Meeting held on March 13, 2025 had approved to issue 52,88,900 equity shares at an issue price of Rs.23.19 per equity share to various trade creditors of the Company on a preferential basis ("Preferential Issue"). The said Preferential Issue was subject to, inter alia, receipt of 'in-principle approvals' of the Stock Exchanges under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and achieving requisite compliances with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"). Subsequent to the passing of special resolution by the shareholders, the Company was in receipt of a specific query from BSE Limited with respect to compliance with regulation 163(3) of the ICDR Regulations regarding issuance of equity shares for 'consideration other than cash'. The Company responded stating that issue of new shares against settlement of trade liabilities is to be considered for 'cash' and therefore, do not attract provisions of regulation 163(3) of ICDR Regulations. However, BSE Limited did not agree with the interpretation and accordingly, has closed the application of the Company on 22nd April 2025, upon expiry of given timeframe, without according "in-principle approval" for the Preferential Issue as required under regulation 28 of Listing Regulations. In view of closure of application for 'in-principle approval' by BSE Limited, the special resolution passed by the shareholders for allotment under Preferential Issue was not acted upon.

**47.** 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 ₹ 1,183.60 lakhs and ₹ 2,277.83 lakhs respectively along with the simultaneous reversal of such amounts from purchases / trade payables.

**48.** Exceptional items for the year ended March 31, 2024 includes ₹ 838.51 lakhs reversal of overheads. 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 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.

**49.** 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.

**50.** 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, 2025. 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)

| Name of struck off Company | Nature of transaction with struck off Company | Balance outstanding as on March 31, 2025 | Balance outstanding as on March 31, 2024 | Relationship with the Struck off company |
|---|---|---|---|---|
| Veteran Facility Management Services Private Limited | Payables | 4.76 | 4.76 | NA |

**51.** During the year, 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 year 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 ₹ 12,581.29 lakhs. However, The Company has received necessary in-principle approvals of the Stock Exchanges for the Right Issue amounting to ₹ 4,918.55 lakhs. Subsequent to such approvals, the Company has fixed issue price of Rs.10/- per equity share under the Rights Issue. However, as at March 31, 2025, the issue was pending to open for subscription.The Company 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 financial year.

**52.** 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.

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**53. 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 (2024: ₹ Nil) towards CSR based on profitability of the Company, against the same ₹ Nil has been spent by the Company.

**54. Ratio Analysis**

| Particulars | Refer note below for variance reasons | March 31, 2025 | March 31, 2024 | Variance |
|---|---|---|---|---|
| **i) Current Ratio (times)** | | 0.65 | 0.67 | -3% |
| **ii) Debt Equity Ratio (times)** | (4) | (1.92) | (1.72) | -11% |
| **iii) Debt Service Coverage Ratio (times)** | (1) | (0.79) | (1.10) | -28% |
| **iv) Return on Equity (%)** | (6) | (66.84) | (280.45) | 76% |
| **v) Inventory Turnover Ratio (times)** | (7) | 1.46 | 1.84 | -20% |
| **vi) Trade Receivables Turnover Ratio (times)** | (2) | 2.40 | 0.63 | 284% |
| **vii) Trade Payables Turnover Ratio (times)** | (3) | 0.34 | 0.73 | -53% |
| **viii) Net Capital Turnover Ratio (times)** | (5) | (1.28) | (2.35) | 46% |
| **ix) Net Profit Ratio (%)** | (1) | (29.40) | (35.22) | 17% |
| **x) Return on Capital Employed (%)** | (1) | (32.41) | (177.95) | 82% |
| **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 FY 24-25.

(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.

(6) Return on Equity has improved on account of losses being curtailed down in compared to previous year.

(7) Inventory turnover ratio has improved on account of inventory reduction and decrease in purchase of stock -in-trade.

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**55. 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, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases , relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.

**56.** Previous years figures have been regrouped or reclassified wherever necessary to conform to current year's presentation which are not considered to be material to the Financial Statements.

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

For and on behalf of Board of Directors
Praxis Home Retail Limited
CIN: L52100MH2011PLC212866

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

**Ravi Kapoor**
Partner
Membership No.: 040404

Mumbai
May 12, 2025

**Ashish Bhutda**
Chief Executive Officer and Whole Time Director
DIN: 10810844

**Samson Samuel**
Chairman and Non-Executive Director
DIN: 07523995

**Vimal Dhruve**
Company Secretary

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