



PRAXIS HOME RETAIL LIMITED

Our Company was originally incorporated on January 31, 2011 under the Companies Act, 1956 as GRN Energy Private Limited with the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Further, the name of our Company was changed to GRN Retail Private Limited and a fresh certificate of incorporation was issued on December 21, 2016 by RoC. Furthermore, the name of our Company was changed to Praxis Home Retail Private Limited and a fresh certificate of incorporation was issued on January 5, 2017 by RoC. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to Praxis Home Retail Limited and a fresh certificate of incorporation was issued by the RoC on June 21, 2017. For details of change in name and registered office of our Company, see "General Information" on page 38.

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

Telephone: +91 22 7106 8031

Contact Person: Smita Chowdhury, Company Secretary and Compliance Officer

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

Corporate Identity Number: L52100MH2011PLC212866

OUR PROMOTERS: KISHORE BIYANI AND FUTURE CORPORATE RESOURCES PRIVATE LIMITED

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

ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("RIGHTS EQUITY SHARES") OF THE COMPANY FOR CASH AT A PRICE OF ₹[●] EACH (INCLUDING A SHARE PREMIUM OF ₹[●] PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO ₹4,950.00 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●]. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 150.

WILFUL DEFAULTER

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

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "Risk Factors" on page 18.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

LEAD MANAGER TO THE ISSUE

VIVRO

VIVRO FINANCIAL SERVICES PRIVATE LIMITED

607/608 Marathon Icon, Opp. Peninsula Corporate Park, Off. Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai - 400 013, Maharashtra, India.

Telephone: +91 22 6666 8040/41/42;

Email: praxis.rights@vivro.net

Investor Grievance Email: investors@vivro.net

Website: www.vivro.net

Contact Person: Yogesh Malpani

SEBI Registration No.: INM000010122

REGISTRAR TO THE ISSUE

LINKIntime

LINK INTIME INDIA PRIVATE LIMITED

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

Telephone: +91-22-49186200

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

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

Website: www.linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

ISSUE PROGRAMME

ISSUE OPEN ON

[●]

LAST DATE FOR ON MARKET RENUNCIATION*

[●]

ISSUE CLOSES ON#

[●]

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

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/ chapters titled “Industry Overview”, “Statement of Special Tax Benefits”, “Financial Information” and “Outstanding Litigations and Defaults” and “Terms of Issue” on pages 55, 51, 77 and 140, 150 respectively, shall have the meaning given to such terms in such sections.

General terms

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

Company related terms

Term	Description
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The statutory auditor of our Company, being M/s Pathak H. D. & Associates LLP, Chartered Accountants.
Audited Financial Statements/ Audited Financial Information	The audited financial statements of our Company for the financial year ended March 31, 2021 which comprises of the balance sheet as at March 31, 2021, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Statements” on page 77.
Board / Board of Directors	Board of Directors of our Company, including any committees thereof.
Corporate Promoter	Future Corporate Resources Private Limited.
Equity Share(s)	The equity shares of our Company of a face value of ₹5 each, unless otherwise specified in the context thereof.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Individual Promoter	Kishore Biyani
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page 73.
Memorandum of Association	Memorandum of association of our Company, as amended from time to time.

Term	Description
Association / MoA	
Preference Shares	The 9% redeemable non-cumulative preference shares of our Company of a face value of ₹100 of our Company each, unless otherwise specified in the context thereof.
Promoter(s)	The Promoters of our Company, namely Kishore Biyani and Future Corporate Resources Private Limited.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai 400 042.
Registrar of Companies/ RoC	The Registrar of Companies, Maharashtra at Mumbai.
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time.
SVAR Plan-2018 / Praxis SVAR Plan-2018	Praxis Home Retail Limited Share Value Appreciation Rights Plan -2018 pursuant to a special resolution passed by the shareholders of our Company on September 18, 2018.

Issue related terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The accounts opened with the Banker to the Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Account(s) will be opened, in this case being [●].
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted and the Rights Equity Shares pursuant to this Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer.
Application	Application made (i) through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process or (ii) filling the online Application Form available under the RWAP facility (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts) to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Form in terms of which an Applicant shall make an application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper applications and online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the

Term	Description
	Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper.
ASBA Applicants / ASBA Investors	Applicants / Investors who make Application in this Issue using the ASBA Process.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker to the Company	[●]
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Bank(s) and the Refund Account Bank to the Issue, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker(s) transfer of funds to the Allotment Account, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange under this Issue and which is described in “ <i>Terms of the Issue</i> ” on page 150.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time and/or such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI or the Stock Exchange(s), from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer / DLOF	This draft letter of offer dated August 7, 2021 filed with the Stock Exchanges includes any addenda or corrigenda thereto.
Equity Shareholder(s) / Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares as on the Record Date, i.e. [●]
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●]
Issue / Rights Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹ [●] per Rights Equity Share, including a share premium of ₹ [●] per Rights Equity Share for an aggregate

Term	Description
	amount upto ₹ 4,950.00 lakhs on a rights basis by our Company to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders on the Record Date.
Issue Agreement	Issue agreement dated April 26, 2021 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds/Gross Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to [●] Rights Equity Shares aggregating to an amount upto ₹ 4,950.00 lakhs.
Lead Manager to the Issue/ Lead Manager	Vivro Financial Services Private Limited.
Letter of Offer / LOF	The letter of offer to be filed with the Stock Exchanges and with SEBI for record purposes.
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Materiality Policy	<i>'Policy for Determination and Disclosure of Materiality of an Event or Information'</i> adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality policy adopted by the Board of Directors through its resolution passed by circulation dated March 11, 2021 for the purpose of litigation disclosures in this Draft Letter of Offer.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see <i>"Objects of the Issue"</i> on page 46.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Non – ASBA Applicant/ Non - ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Offer Document(s)	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the ASBA Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●].
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the ASBA Circular, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being [●]
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being [●]
Registrar / Registrar to the Issue	Link Intime India Private Limited

Term	Description
Registrar Agreement	Agreement dated April 26, 2021 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility.
Renouncee(s)	Person(s) who, has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the ASBA Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 2,00,000 (including an HUF applying through karta in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	<p>The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held by the Eligible Equity Shareholder on the Record Date.</p> <p>Pursuant to the provisions of the SEBI ICDR Regulations and the ASBA Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and the link of which is available on the website of our Company.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
R-WAP	Registrar's web based application platform accessible at [●], instituted as an optional mechanism in accordance with the R-WAP Circulars. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.
R-WAP Circulars	SEBI circular bearing SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021.
Self-Certified Syndicate Banks / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time and/or such other website(s) as maybe prescribed by SEBI from time to time.
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the

Term	Description
	Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays.

Business and Industry Related Terms

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

Conventional, General Terms and Abbreviations

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

Term		Description
/ FPI		
Fugitive Offender	Economic	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI		Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations		Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP		Gross Domestic Product
Government of India / GoI		Government of India
GST		Goods and Services Tax
HUF		Hindu Undivided Family
ICAI		The Institute of Chartered Accountants of India
IFRS		International Financing Reporting Standards of the International Accounting Standards Board
Ind AS		Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Regulations	Trading	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN		International Securities Identification Number allotted by the depository
IT		Information Technology
I.T. Act / IT Act		Income Tax Act, 1961
I. T. Rules		Income Tax Rules, 1962
Listing Agreements		The listing agreements entered into by our Company with the Stock Exchanges
MAT		Minimum Alternate Tax
MCA		Ministry of Corporate Affairs, Government of India
MICR		Magnetic ink character recognition
MoU		Memorandum of Understanding
Mutual Fund		Mutual Fund registered with SEBI under the SEBI Mutual Fund Regulations.
NA / N.A.		Not Applicable
NACH		National Automated Clearing House which is a consolidated system of ECS
NAV		Net asset value
NCLT		National Company Law Tribunal
NCLAT		National Company Law Appellate Tribunal
NEFT		National Electronic Fund Transfer
Net Worth		The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act		Negotiable Instruments Act, 1881
NSDL		National Securities Depositories Limited
NR / Non-Resident		A person resident outside India, as defined under the FEMA
NRE Account		Non-Resident External Account
NRO Account		Non-Resident Ordinary Account
NRI		Non-Resident Indian
NSE		The National Stock Exchange of India Limited
OCB / Corporate Body	Overseas	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
OCI		Overseas Citizen of India

Term			Description
p.a.			Per Annum
PAC			Persons Acting in Concert
PAN			Permanent Account Number
PAT			Profit After Tax
PBT			Profit Before Tax
P/E Ratio			Price / Earnings Ratio
PIO			Persons of Indian Origin
RBI			Reserve Bank of India
RBI Act			Reserve Bank of India Act, 1934
RTGS			Real Time Gross Settlement
RONW			Return on Net Worth
SCORES			SEBI Complaints Redress System
SCRA			Securities Contracts (Regulation) Act, 1956
SCRR			Securities Contracts (Regulation) Rules, 1957
SEBI			Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act			Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations			Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations			Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended
SEBI FPI Regulations			Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Rights Circulars/ Issue Circulars	Rights Issue	Issue	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the R-WAP Circulars
SEBI Regulations	Takeover		Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act			United States Securities Act of 1933
SICA			Sick Industrial Companies (Special Provisions) Act, 1985
STT			Securities Transaction Tax
TAN			Tax Deduction Account Number
Trade Marks Act			Trade Marks Act, 1999
US			United States of America
US GAAP			Generally Accepted Accounting Principles in United States
VCF			A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

NOTICE TO INVESTORS

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

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

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

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

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

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

purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

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

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

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

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

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

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

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

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

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

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

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Financial Statements for the financial year ended on March 31, 2021. For further information, see “*Financial Information*” on page 77.

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

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

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

Market and Industry Data

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

Certain industry related information in the sections titled “*Industry Overview*”, “*Our Business*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 55, 66, 18 and 133 respectively, have been derived from an industry report titled “*India Home Furniture Market*” dated July 28, 2021, prepared by Mordor Intelligence (the “**Home Furniture Report**”), an independent research house, pursuant to an engagement with our Company.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All

references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

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

Exchange Rates

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

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

Currency	Exchange rate as on	
	March 31, 2021	March 31, 2020
1 US\$	73.50	75.39

(Source: www.fbil.org.in)

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

FORWARD LOOKING STATEMENTS

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

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

- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Our ability to successfully implement our strategy;
- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner;
- Any imitation of our brand, product solutions, or any reproduction of likenesses of our products;
- Increasing competition in, and the conditions of, the Indian home products industry;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 18, 66 and 133, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 18, 46, 66 and 140 respectively.

Summary of our Business

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

Objects of the Issue

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

		(₹ In lakhs)
S. No.	Particulars	Estimated amount
1.	To reduce the current liabilities by repaying part of our outstanding trade payables	2,250.00
2.	To repay certain unsecured loans availed by our Company	1,500.00
3.	General corporate purposes*	[●]
Total Net Proceeds**		[●]

* Will be finalized upon determination of Issue Price. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, see “*Objects of the Issue*” on page 46.

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

Our Promoters, and members of our Promoter Group have undertaken to subscribe to the full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR, except to the extent of renunciation by certain members of Promoter and Promoter Group, of their Rights Entitlement in favour other members of Promoter and Promoter Group and /or of prospective investors in part or full. In addition, the eligible members of our Promoter Group reserve the right to subscribe to additional Equity Shares in the Issue.

Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlement (including unsubscribed portion of the Issue, if any), subject to compliance with the SEBI SAST Regulations and minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

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

Summary of Outstanding Litigations and Defaults

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

of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved* (₹ lakhs)
Litigations involving our Company and Promoters		
Proceedings involving moral turpitude or criminal liability on our Company	Nil	Nil
Proceedings involving material violations of statutory regulation by our Company and Promoters	2	1,778.25
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil

* To the extent quantifiable.

For further details, see “*Outstanding Litigations and Defaults*” beginning on page 140..

Risk Factors

For details of the risks associated with our Company, please see the section titled “*Risk Factors*” on page 18.

Contingent Liabilities

For details of contingent liabilities for the Fiscal 2021, please see the section titled “*Financial Statement*” on page 77.

Related Party Transactions

For details of related party transactions for the Fiscal 2021, please see the section titled, see “*Financial Statements*” on page 77.

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

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

SECTION II – RISK FACTORS

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

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

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Financial Information” beginning on pages 66, 77 and 55 respectively, as well as the financial, statistical and other information contained in this Draft Letter of Offer. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences to you of an investment in our Rights Equity Shares.

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

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

Internal Risk Factors

- 1. The recent novel coronavirus (“COVID-19”) outbreak has impacted our business, results of the operations and financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

COVID-19 was first identified in Wuhan, China in December 2019, and has spread throughout the world, including across India. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses including home furnishing and retail sector. The pandemic and the lockdown has caused disruption in relation to availability, supply and transportation of products in our stores, operation of our stores by staff amidst lockdown and transportation restriction, foot-fall of customers in our stores and maintenance of demand supply balance. Further, our online business also drastically reduced from March 2020 on all platforms and cashflow from market places impacted were due to disruption caused by lockdown in effect. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

The impact of COVID-19 on the retail sector is at two phases. Firstly, in order to contain the spread of the infection, a nationwide lockdown was imposed by the Government of India and relevant state government w.e.f. March 25, 2020 and since our products did not come under “essential products” category, our principal channels of sales were not allowed to be operated as part of the lockdown for a varying number of days inflicting adverse impact on our revenues and profitability. Although, such restrictions have been largely lifted and the process of resuming normalcy is ongoing, it might take more time to normalise operations in our stores, increase the foot-fall of customers in our stores. Secondly, the consumers may not choose to shop for discretionary products as compared to essentials, owing to *inter alia*, economic slowdown and job cuts leading to availability of less disposable income for discretionary spends. Therefore, even if the restriction on movement and functioning of shopping malls or our other stores are removed, the pace of recovery and growth might be significantly slow.

The loss in sales due to COVID-19 has impacted our profitability and cash flows since we have a fixed cost structure that consists of lease rental, employee costs, fixed overheads and other expenses. Our Company had proactively taken all necessary steps for controlling the overheads and creating necessary liquidity, both by reducing costs and deferring payments.

The Company has resumed normal operations from the first week of June 2020 as permitted by the Government and local regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities. Our Company has made initial assessment of likely adverse impact on economic environment in general, and financial risks on account of COVID-19. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. Certain states had again reinstated lockdown conditions due to a “second wave” of the COVID- 19 outbreak and the discovery of new strains of the coronavirus, may cause Central Government and State Governments to reinstate complete lockdown conditions or impose additional restrictions. Therefore, even if the restriction on movement and functioning of our stores are restricted in some part of the geographies, the pace of recovery and growth in sale of products and in result our Company might be significantly slow. .

For the Fiscal 2021, we incurred a loss of ₹ 10,322.16 lakhs primarily on account of lockdown and consequent fall in sales while we continued to incur fixed cost (including the salary/ wage cost for our employees) and interest cost on debt. As of the date of this Draft Letter of Offer, there is still some uncertainty relating to the impact of the COVID-2019 pandemic on the global and the Indian economy, however we are seeing some green shoots emerging in retail sector but we are still unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. If the uncertainty relating to the impact of the COVID-19 pandemic continues, our operations will be severely impacted. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

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

Our Company, has incurred losses amounting to ₹ 10,322.16 lakhs as per Audited Financial Statements for Fiscal 2021. Our losses during the above mentioned periods have been primarily on account of COVID-19 induced lockdown and the overall slowdown of the economy during the pandemic. On account of the losses suffered by our Company, our Company has taken various initiatives to improve sales and optimise costs to improve profitability in the forthcoming years. These losses have resulted in erosion of net worth of the Company, which indicates material uncertainty on our Company’s ability to continue as a going concern. Our ability to operate profitably depends upon a number of factors, some of which are beyond our direct control. These factors include, but are not limited to, competition, customer taste and preferences. If we continue to incur losses, our business and the financial conditions could be adversely affected.

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

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

Our Company and Promoters are currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate

courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For further details on the outstanding litigations pertaining to our Company, refer to chapter titled “*Outstanding Litigation and Defaults*” beginning on page 140.

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

SEBI vide its order dated February 3, 2021 (“**Order**”), has prohibited and restrained our Promoters, Kishore Biyani and Future Corporate Resources Private Limited, and one of the members of our Promoter Group, Anil Biyani from accessing the securities market and prohibited them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one (1) year from the date of the Order and has also imposed a penalties with respect to the investigation conducted in the scrip of Future Retail Limited (“**FRL**”) to ascertain whether certain persons/entities had traded during the period March 10, 2017 to April 20, 2017 on the basis of unpublished price sensitive information in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 read with the SEBI PIT Regulations. Our Promoters have challenged the Order before the Securities and Appellate Tribunal (“**SAT**”) and the SAT has vide order dated February 15, 2021, stayed the Order of SEBI. The matter is currently pending before SAT. However, we cannot assure that the said challenge will be successful and any adverse order or unfavourable order in the appellate forum may adversely affect the Company, the Issue and the price of its Equity Shares. For further details, refer to chapter titled “*Outstanding Litigation and Defaults*” beginning on page 140.

5. *Our Statutory Auditors has included certain remarks or matters of emphasis in our Audited Financial Statements. In addition, the annexure to our Statutory Auditors’ report issued under the Companies (Auditor’s Report) Order, 2016 (“CARO”), on our Audited Financial Statements contain statements on certain matters.*

Our Statutory Auditors have included certain remarks or matters of emphasis in relation to our Company in our Audited Financial Statements for Fiscal 2021. In addition, the annexure to our Statutory Auditors’ report issued under the Companies (Auditor’s Report) Order, 2016, on our Audited Financial Statements for Fiscal 2021 contain statements on certain matters relating to potential impact of COVID-19 pandemic on the operational and financial statements the Company. For further information, see “*Management’s Discussion and Analysis on the Financial Conditions and Results of Operations - Reservations, qualifications, matter of emphasis, adverse remarks / other observations in caro*” page 133.

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

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

We offer wide range of a wide range of furniture, home furnishing goods, kitchenware, other home related accessories and quality services including complete home design, modular kitchen, among others. We offer our products at our stores that our consumers require and our success is dependent on our ability to meet our consumers’ requirements. It is difficult to predict consistently and successfully the consumption patterns of the customers. The success of our business depends in part on our ability to identify and respond to the evolving consumption patterns in various lines of businesses that we operate in. Our success depends upon our ability to forecast, anticipate and respond to the changing customer preferences and home decor trends in a timely manner which may include designing new products or modifying our existing products in line with such changing customer preferences and home decor trends.

We plan our products based on the forecast of consumer buying patterns as well as on the forecast of home retail and trends in the forthcoming seasons. The retail consumer spending is heavily dependent on the economy and, to a large

extent, on various festive occasions. Any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory and requiring us to resort to higher markdown and thus lower margins in order to clear such inventory. Consumer preferences are susceptible to change with change in home retail and trends, and their service level expectations too can change from time to time.

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

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

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

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

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

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

The present COVID 19 pandemic has temporarily affected our supply chain across all locations of our operation. We do not have long term agreements with our suppliers, and we obtain products based on purchase orders. Should our supply of products be disrupted, we may not be able to procure an alternate source of supply of products in time to meet the demands of our customers, or we may not be able to procure products of equal quality or on equally competitive terms, or at all. Such disruption to supply would materially and adversely affect our business, profitability, customer confidence and expectation and reputation. In addition, disruptions to the delivery of products to our distribution centres and stores may occur for reasons such as poor handling, transportation bottlenecks, or labour or transport strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of products.

Some of the furniture, furnishings and general merchandise items retailed through our stores are imported from countries like Indonesia, China, Malaysia, Thailand and Vietnam. Any inability to maintain stable supply network with suppliers in these countries or any adverse political, economic or social condition in these countries, may lead to disruption or delay in supply of goods to us, which may have an adverse impact on our business, results of operations and financial condition. Further, in the event, any anti-dumping or import duty were to be levied on such imports or vendors or imports from such countries or vendors is prohibited or restricted, the import of goods may become unviable for us or may be disrupted, which may adversely impact our operations and financial results.

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

As of June 30, 2021, we have 44 stores across 28 cities across 17 states majorly in Maharashtra, West Bengal, Karnataka, Uttar Pradesh, Telangana and Delhi NCR. We do not own any of the premises in which our stores and distribution centres are situated, and these are operated on a leasehold/ leave and license basis. Our office premises at Mumbai is also on leasehold basis. Our registered office is located at “iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai- 400 042, which is not owned by our Company. Such leasehold/ leave and license basis arrangements may require renewal or escalations in rentals/ license fee from time to time during the lease/ license period.

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

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

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

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

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

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

- i. anticipating and responding to changing customers' demands;
- ii. to satisfy and explain properly the specialties of each product;

- iii. sourcing products efficiently;
- iv. to undertake strong and effective marketing;
- v. to provide post sell services in relation to the product bought by the customer;
- vi. to maintain our reputation in the markets in which we operates;
- vii. to increase our presence at different platform including e – retailing; and
- viii. to maintain the relationship with customers’ and our brand partners.

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

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

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

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

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

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

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

security, inflation, and other factors relating to the suppliers and the countries in which they are located are beyond our control. These and other socio economic factors affecting our suppliers and our access to products could adversely affect our financial performance.

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

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

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

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

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

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

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

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

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

Our business is dependent on the trust our customers have in the quality of our merchandise as well as on our ability to protect our trademarks and our intellectual property to maintain our brand value. If we fail to adequately protect our intellectual property, competitors may market products similar to ours. Any negative publicity regarding our Company, brands, or products, including those arising from a drop in quality of merchandise from our vendors, disputes concerning the ownership of intellectual property, mishaps at our stores, or any other unforeseen events could adversely affect our reputation our brand value, our operations and our results from operations.

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

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

17. *Industry information included in this Draft Letter of Offer has been derived from an industry report titled “India Home Furniture Market” dated July 28, 2021, prepared by Mordor Intelligence (the “Home Furniture Report”). There can be no assurance that such third- party statistical, financial and other industry information is complete, reliable or accurate.*

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

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

As at March 31, 2021, contingent liabilities disclosed in the notes to our audited financial statements aggregated ₹ 582.33 lakhs. Set forth below are our contingent liabilities that have not been provided for as at March 31, 2021:

S. No.	Particulars	As at March 31, 2021 (In ₹ lakhs)
1.	Income tax demand pending before CIT Appeals	113.80
2.	Anti Profiteering case pending before National Anti-Profiteering Authority	367.88
3.	Vendor case pending before NCLT for hearing	100.65
	Total	582.33

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

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

We have recently and in the past entered into transactions with several related parties. For details of the related party transactions as per Ind AS 24 entered into by our Company for Fiscals 2021 and 2020 and, as reported in the Financial Statements, see “Financial Statements” on page 77. While our Company believe that all such transactions have been conducted on an arm’s length basis and are accounted as per Ind AS 24, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations.

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

As on the date of Draft Letter of Offer, 2,11,37,076 Equity Shares aggregating to 66.66% of the paid up share capital of our Company are owned by the Promoters and Promoter Group. After the completion of the Rights Issue, our Promoters and Promoter Group will have significant shareholding in our Company. Accordingly, the Promoters and Promoter Group are likely to have the ability to exercise significant control over most matters requiring approval by shareholders, including the election and removal of directors and significant corporate transactions except for matters requiring approval through majority of minority shareholders as per the requirements of the SEBI Listing Regulations. Our Promoter and Promoter Group will be able to influence our major policy decisions. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in our best interests. The interests of our controlling shareholders could conflict with the interests of our other shareholders, including the holders of the Equity Shares, and the controlling shareholders could make decisions that adversely affect your investment in the Equity Shares.

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

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

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

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

The success of any exclusive brand outlet depends in part on its location. We sell our products through stores, spaces and warehouses which are taken on lease. The location of such leased outlets and spaces significantly impacts our

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

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

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

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

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

We are governed by various laws and regulations for carrying our business activities. Shops and establishment legislations are applicable in the states where we have our stores and distribution centres. This legislation regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of *inter alia* registration, opening and closure of hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Therefore, we are required to obtain registration under the same. Further, we are also required to comply with the provisions of the Legal Metrology Act, 2009 and trade license for operating stores under the respective state legislatures in India. In addition, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business.

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

failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations or permits that have been or may be issued to us, may materially and adversely affect our business or results of operations.

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

We maintain insurance that we consider to be sufficient typical in our industry in India and in amounts which are commercially appropriate for a variety of risks, including fire, burglary, terrorist activities, group medical and group personal accident insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. For further details, see the chapter titled “Our Business” on page 66.

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

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

Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the local market and the retail industry to operate the retail stores that we open. As of June 30, 2021, we had 1,523 employees on roll. We rely on our design team comprising of skilled designers for designing of our products such as home furniture and home fashion. Our employee benefits expense accounted for 17.23% our revenue from operations for the Fiscals 2021. Further, in the retail industry, the level and quality of sales personnel and customer service are key competitive factors.

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

27. Increased losses due to fraud, shrinkage, employee negligence, theft or similar incidents may have an adverse impact on us.

Our business and the industry we operate in are vulnerable to the problem of shoplifting by customers, pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our existing and future retail stores or our retail channels may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash from our retail stores to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of

coverage under the relevant policy. Shrinkage at our stores and/or our distribution centres may occur through a combination of shoplifting by customer, pilferage by employee, damage, obsolescence and error in documents and transaction that go un-noticed and later adjusted for upon physical verification of stock with book stock. An increase in shrinkage levels at our existing and future stores or our distribution centres may force us to hire additional supply chain management personnel or additional security staff or install additional security and surveillance equipments, which will increase our operational costs and may have an adverse impact on our profitability.

28. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds for working capital requirements including repayment of identified unsecured loans and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

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

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

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

Our Company and our Promoter are subject to certain obligations and reporting requirements under Insider Trading Regulations, Takeover Code and Listing Regulations. Though our Company and our Promoter endeavour to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements, such as delay for submission of events by our Company relating to initiating of corporate insolvency resolution process (“CIRP”) against the Company, appointment of resolution professional, settlement between the Company and operational creditor and withdrawal of CIRP by the National Company Law Tribunal- Mumbai Bench and non-compliance with Regulation 3(3) of the SEBI Takeovers Regulation due to partial conversion of the CCDs issued by the Company. Although our Company/our Promoter have responded and explained the causes of such delays/non-compliance, there could be a possibility that penalties may be levied against our Company/our Promoter for non-compliance and delays in complying with such obligations/reporting requirements.

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

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

compliances, we cannot assure that we will not be subject to any action including levy of penalty by the RoC or other authorities.

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

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

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

Our financial statements are presented in Indian Rupees. However, some of our operating expenses and finance charges are influenced by the currencies of those countries where import of our products. We import some of our products like furniture and home décor items from other countries like Indonesia, China, Malaysia, Thailand, Vietnam, United States and Germany. During Fiscal 2021, our imported stocks accounted for approximately 13.77% of our total cost of purchase of stock-in-trade for that period. The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future.

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

External Risk Factors

34. Terrorist attacks, civil disturbances, wars, regional and communal conflicts, natural disasters, fuel shortages, epidemics and labour strikes in India and elsewhere in Asia may have a material adverse effect on our Company's business and on the market for securities in India.

India has experienced civil and social unrest, terrorist attacks such as the attacks in November 2008 and July 2011 in the city of Mumbai, and other acts of violence. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, future financial performance, cash flows and the market price of our Equity Shares. Southern Asia has also, from time to time, experienced instances of civil unrest, political tensions and hostilities among neighbouring countries. Additionally, any of these events could lower confidence in India's economy and create a perception that investments in companies with Indian operations involve a high degree of risk, which could have a material adverse effect on the price of the Equity Shares. Any discontinuation of business or loss of profits due to such extraneous factors may affect our operations. Further, our operations are dependent on our ability to protect our facilities and infrastructure from fire, explosions, floods, typhoons, earthquakes, power failures and other similar events. India has experienced natural disasters such as earthquakes, a tsunami, floods and droughts in the past few years.

35. Compliance with fresh and changing corporate governance and public disclosure requirements may add compliance requirements.

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, SEBI regulations and Indian stock market listing regulations have increased the complexity of our compliance obligations. These new or changed laws, regulations and standards may be subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. On – going revisions to such governance standards could result in continuing uncertainty regarding compliance matters and higher costs of compliance. Our efforts to comply with evolving laws, regulations and standards in this regard may result in increased general and administrative expenses and cause a diversion of management resources and time. If we fail to comply

with new or changed laws, regulations or standards, our reputation and business may be harmed.

36. *Our business is dependent on economic growth in India.*

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production. Any future slowdown in the Indian economy could harm our business, results of operations and financial condition.

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

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

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

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

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

39. *Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against our Company,*

its directors or executive officers.

All of our directors and key managerial personnel are residents of India and all or substantial portion of our assets are located in India. As a result, it may be difficult for investors outside India to effect service of process upon us, our directors, executive officers or such experts in countries outside India, including the United States, or enforce, in Indian courts, judgments obtained in foreign courts, against us or such persons or entities.

40. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, which include regulations applicable to our Board of Directors, and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as our shareholders than as shareholders of a corporation in another jurisdiction.

41. Conditions in Indian stock exchange may affect the price or liquidity of the Equity Shares.

The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of their listed securities. The Indian stock exchanges have experienced problems that, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. Problems in the past included temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on the trading of certain securities and limitations on price movements and margin requirements. Furthermore, disputes have occurred from time to time between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

42. There may be less company information available in Indian securities markets than in securities markets in certain other countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in markets in the United Kingdom, the United States and certain other economies. The SEBI is responsible for monitoring, ensuring and improving disclosure and other regulatory standards for the Indian securities markets and has issued regulations and guidelines on disclosure requirements, insider trading and other matters. Investors may, however, have access to less information about our business, results of operations and financial conditions, on an on-going basis, than investors would have in the case of companies subject to reporting requirements of certain other countries.

43. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business results of operations, cash flows and financial performance.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital

market transactions or sale of shares may affect investor returns.

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

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

45. There is no guarantee that the Rights Equity Shares issued pursuant to this Issue will be listed on the Stock Exchange in a timely manner.

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the investors in any manner promptly after the Closing Date. In any such event, the ownership of the investors over Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see “*Terms of Issue*” beginning on page 150.

46. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors / shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, if a potential takeover of our Company would result in the purchase of the Rights Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

47. Applicants to the Issue are not allowed to withdraw their Applications after the Issue Closing Date.

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

the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

48. Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form.

In accordance with SEBI ICDR Regulations, the Rights Equity Shares shall be issued only in dematerialised form. Investors will not have the option of getting the allotment of Rights Equity Shares in physical form. The Rights Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Rights Equity Shares. For details, see “*Terms of the Issue – Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 150.

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

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

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realized on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction (subject to section 112A of the Income Tax Act, 1961). The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long term capital gains at the rate of 10%, where the long term capital gains exceed ₹ 100,000, subject to certain exceptions in case of a resident individuals and HUF. Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019 and have come into effect from July 1, 2020.

51. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

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

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

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

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

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

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

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

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

55. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with R-WAP Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at [●]), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see “*Terms of the Issue – Procedure for Application through the R-WAP*” on page 161. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;

- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Investors should also note that only certain banks provide a net banking facility by way of which payments can be made on the R-WAP platform. In the event that your bank does not provide such facility, you will have to use an UPI ID to make a payment. Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on the part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on January 29, 2021, pursuant to Section 62(1)(a) of the Companies Act, 2013.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” on page 150.

Equity Shares proposed to be issued	Up to [●] Equity Shares
Rights Entitlements	[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.
Record Date	[●]
Face value per Equity Share	₹ 5
Issue Price per Rights Equity Share	₹ [●]
Issue Size	Up to ₹ 4,950.00 lakhs
Equity Shares issued and subscribed prior to the Issue	3,03,88,426 Equity Shares of ₹5 each *
Equity Shares paid up prior to the Issue	3,03,83,208 Equity Shares of ₹5 each
Equity Shares issued and subscribed after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares of ₹ 5 each
Equity Shares paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares of ₹ 5 each
Security Codes	ISIN: INE546Y01022 BSE: 540901 NSE: PRAXIS ISIN for Rights Entitlement: [●]
Use of Issue Proceeds	For details, see “ <i>Objects of the Issue</i> ” on page 46.
Terms of the Issue	For details, see “ <i>Terms of the Issue</i> ” on page 150.
Terms of Payment	The full amount of the Issue Price being ₹ [●] will be payable on application.

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

GENERAL INFORMATION

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

Registered Office, Corporate Identity Number and Registration Number

Praxis Home Retail Limited

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

Telephone: +91 22 7106 8031

E-mail: investorrelations@praxisretail.in

Website: www.praxisretail.in

Corporate Identity Number: L52100MH2011PLC212866

Registration Number: 212866

Changes in the Registered Office Address

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

Address of the RoC

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

Registrar of Companies

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

Company Secretary and Compliance Officer

Smita Chowdhury

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

Telephone: +91 22 7106 8031

E-mail: investorrelations@praxisretail.in

Statutory Auditors of our Company

M/s Pathak H. D. & Associates LLP

Chartered Accountants

814-815, Tulsiani Chambers,
212, Nariman Point, Mumbai – 400 021

Contact Person: Jigar T. Shah

Telephone: +91 022 3022 8508

E-mail: jigar.s@phd.ind.in

Firm Registration no. 107783W/W100593

Peer Review No.: 012083

Lead Manager to the Issue**Vivro Financial Services Private Limited**

607/608 Marathon Icon, Opp. Peninsula Corporate Park,
Off. Ganpatrao Kadam Marg, Veer Santaji Lane,
Lower Parel, Mumbai - 400 013

Telephone: +91 22 6666 8040/41/42;

Fax: +91 22 6666 8047

Email: praxis.rights@vivro.net

Investor Grievance Email: investors@vivro.net

Website: www.vivro.net

Contact Person: Yogesh Malpani

SEBI Registration No.: INM000010122

Statement of responsibilities

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

Advisors to the Issue**Metta Capital Advisors LLP**

803, Symphony, Nehru Road
Vile Parle East, Mumbai– 400 057
Maharashtra, India

Telephone: +91-22 - 2611 9900

E-mail: projectblue@mettacapital.in

Contact Person: Nishant Gadia

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.

4th Floor, State Bank Building
N.G.N Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India

Telephone: +91 22 2266 3353

E-mail: sanjay.asher@crawfordbayley.com

Registrar to the Issue**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park,
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Vikhroli (West),
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SEBI Registration No.: INR000004058

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process)), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see “Terms of the Issue” on page 150.

Expert

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

Our Company has received a written consent from our Statutory Auditors, Pathak H. D. & Associates LLP, Chartered Accountants, to include their name in this Draft Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated August 7, 2021, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

Banker(s) to the Issue and Refund Banker

[●]

Self-Certified Syndicate Banks

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

Issue Schedule

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

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements[#]	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

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

*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine

from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●], 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●], 2021.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see “*Terms of the Issue*” beginning on page 150.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at [●] after keying in their respective details along with other security control measures implemented there at. For further details, see “*Terms of the Issue - Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*”.

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

Credit Rating

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

Debenture Trustee

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

Monitoring Agency

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

Appraising Entity

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

Underwriting

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

Filing

The copy of this Draft Letter of Offer has been filed with BSE and NSE for seeking their in-principle approval for the proposed Issue.

Further, in accordance with the SEBI ICDR Regulations, our Company shall file the copy of Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011, for the purpose of their information and dissemination on its website.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of rejection of applications, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “*Terms of the Issue*” on page 150.

CAPITAL STRUCTURE

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

<i>(In ₹ lakhs, except share data)</i>		
Particulars	Aggregate value at nominal value	Aggregate value at issue price
AUTHORISED SHARE CAPITAL		
7,54,00,000 Equity Shares of ₹ 5 each	3,770.00	NA
6,30,000 Redeemable Preference Shares of ₹ 100 each	630.00	
TOTAL AUTHORISED SHARE CAPITAL	4,400.00	
ISSUED AND SUBSCRIBED SHARE CAPITAL		
3,17,13,897 Equity Shares [#] of ₹ 5 each	1,585.69	NA
6,30,000 Redeemable Preference Shares of ₹ 100 each [@]	630.00	NA
PAID UP SHARE CAPITAL		
3,17,08,679 Equity Shares of ₹ 5 each [#]	1,585.43	NA
6,30,000 Redeemable Preference Shares of ₹ 100 each [@]	630.00	NA
PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER⁽¹⁾		
Up to [●] Rights Equity Shares (for Eligible Equity Shareholders)	[●]	[●]
ISSUED AND SUBSCRIBED SHARE CAPITAL AFTER THE ISSUE⁽¹⁾⁽²⁾		
[●] Equity Shares of ₹ 5 each	[●]	
6,30,000 Redeemable Preference Shares of ₹ 100 each [@]	630.00	NA
PAID UP SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of ₹ 5 each [#]	[●]	
6,30,000 Redeemable Preference Shares of ₹ 100 each [@]	630.00	NA
SECURITIES PREMIUM ACCOUNT		
Before the Issue		7,146.23
After the Issue		[●] [*]

⁽¹⁾The Issue has been authorised by our Board through its resolution dated January 29, 2021 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

⁽²⁾Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

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

^{*}Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

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

Notes to Capital Structure

1. Shareholding Pattern of our Company

- i. The details of the shareholding pattern of our Company as on June 30, 2021 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/praxis-home-retail-ltd/praxis/540901/shareholding-pattern/> and NSE at

- https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=P RAXIS.
- ii. The details of shareholders of our Company holding 1% or more of the paid-up capital as on June 30, 2021 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=540901&qtrid=109.00&CompName=Praxis%20Home%20Retail%20Ltd&QtrName=March%202021&Type=TM> and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=P RAXIS.
 - iii. The details of the Equity Shares held by our Promoter and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540901&qtrid=109.00&QtrName=June%202021> and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=P RAXIS.
 - iv. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2021 can be accessed

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

Praxis Home Retail Limited Share Value Appreciation Rights Plan -2018

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

As on June 30, 2021, the details of options pursuant to SVAR Plan-2018 are as follows:

Particulars	Grant I	Grant II
Options granted on March 27, 2019	3,07,500	1,59,000
Options outstanding as on March 31, 2021 ^{##}	Nil	52,850
Options vested [#]	Nil	22,650
Options exercised	Nil	0
Options cancelled/lapsed*	3,07,500	83,500
Total Options outstandings	Nil	75,500

*Cancelled/lapsed due to resignation

As of 31st March, 2021, vesting is for year 1 and year 2

Options not yet vested for year 3, 4 and 5

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

3. Except as disclosed below, no Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as on June 30, 2021:

Shareholder	Number of Equity Shares	Equity Shares as a percentage of total shares
Equity Shares locked-in		
Future Corporate Resources Private Limited	70,75,471	22.31%
Equity Shares pledged		
Future Corporate Resources Private Limited	90,20,819	28.45%

4. Except as disclosed below, our Promoter and Promoter Group have not acquired any Equity Shares in the one year immediately preceding June 30, 2021 with Designated Stock Exchange except the following.

Sr. No	Name of shareholder	Pre-acquisition holding	No. of Equity Shares acquired	Post-acquisition holding	Mode	Date of Acquisition
1.	Future Corporate Resources Private Limited	1,74,32,558 (57.38%)	13,25,471	1,87,58,029 (59.16%)	Conversion of CCDs into Equity Shares	May 27, 2021
2.	Future Corporate Resources Private Limited	1,46,82,558 (53.13%)	27,50,000	1,74,32,558 (57.38%)	Conversion of CCDs into Equity Shares	January 16, 2021

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

Our Promoters, and members of our Promoter Group have undertaken to subscribe to the full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR, except to the extent of renunciation by certain members of Promoter and Promoter Group, of their Rights Entitlement in favour other members of Promoter and Promoter Group and /or of prospective investors in part or full. In addition, the eligible members of our Promoter Group reserve the right to subscribe to additional Equity Shares in the Issue.

Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlement (including unsubscribed portion of the Issue, if any), subject to compliance with the SEBI SAST Regulations and minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

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

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

OBJECTS OF THE ISSUE

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

1. To reduce the current liabilities by repaying part of our outstanding trade payables;
 2. To repay certain unsecured loans availed by our Company; and
 3. General corporate purposes.
- (Collectively, referred to as the “**Objects**”)

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

Issue Proceeds

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

(₹ in lakhs)	
Particulars	Estimated Amount
Gross Proceeds*	Up to 4,950.00
Less: Issue related expenses	[●]
Net Proceeds	[●]

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

Requirement of funds and utilisation of Net Proceeds

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

(₹ in lakhs)	
Particulars	Estimated Amount
To reduce the current liabilities by repaying part of our outstanding trade payables	2,250.00
To repay certain unsecured loans availed by our Company	1,500.00
General corporate purposes*	[●]
Net Proceeds**	[●]

*The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds.

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

Utilization of Net Proceeds and schedule of implementation

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

(₹ in lakhs)			
Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds Fiscal 2022
1.	To reduce the current liabilities by repaying part of our outstanding trade payables	2,250.00	2,250.00
2.	To repay certain unsecured loans availed by our Company	1,500.00	1,500.00
3.	General corporate purposes*	[●]	[●]
	Net Proceeds**	[●]	[●]

*The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds.

*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "*Risk factors - The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring Agency and shall be purely dependent on the discretion of the management of our Company*" on page 30.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Means of Finance

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

Details of the Objects of the Issue

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

We require goods and services to run our business operations and we routinely source the same on credit basis. The Covid-19 pandemic had a significant impact on the businesses worldwide and this impact has been particularly severe for retail sector like ours. The impact of Covid-19 on the retail sector can be summarised in two phases. Firstly, in order to contain the spread of the infection, a nationwide lockdown was imposed by the Government of India and relevant state governments from time to time with effect from March 25, 2020 and since our products did not fall under the "essential products" category, our principal channels of sales were not allowed to be operated as part of the lockdowns for a varying number of days inflicting adverse impact on our revenues from operations and profitability. While operations at all our stores were initially suspended during the lockdown period due to the Government orders, we have been able to resume operations gradually at all our stores with certain restrictions. Secondly, even after these lockdowns' restrictions were lifted, the footfalls in our stores have been much lower than pre-Covid period. With the operating costs not falling in tandem to our revenue from operations, the cash flows of our Company have been severely impacted, which has consequently resulted into unpaid trade payables of the Company. These non-payments are having an adverse implication on the ongoing operations of our Company and we are required to repay such unpaid trade payables to rebuild our business operations, rebuild our vendor ecosystem and to continue to operate within our available credit lines given by our vendors.

As on June 30, 2021, we have ₹ 15,697.03 lakhs as outstanding against our trade payables out of which we intend to pay ₹2,250.00 lakhs to trade payables other than related parties through the Net Proceeds of the Issue. Since, the

outstanding trade payables cannot be met from our existing debt facilities and supplier credit, we expect the same to be met out of fresh infusion of funds by way of equity.

The following are our outstanding trade payables as on June 30, 2021:

		(₹ in lakhs)
Particulars	Total amount of outstanding	
Amount due to related parties		6,531.63
Trade Payables other than related parties		9,165.40
TOTAL		15,697.03

* Our Statutory Auditor, M/s. Pathak H.D. & Associates LLP, Chartered Accountants, pursuant to their certificate dated August 7, 2021 have confirmed these details of outstanding trade payables and the amount outstanding.

Out of the above outstanding as on June 30, 2021, we intend to pay ₹2,250.00 lakhs to some of the trade payables who are other than related parties from the Net Proceeds of the Issue. The selection of outstanding trade payables to be paid from the Net Proceeds shall be based on various factors, including, amongst others (i) amount outstanding to our Company; (ii) terms and conditions with such trade payables and (iii) other commercial considerations as per decision of our management. Further, considering that these trade payables, routinely provide payment credit to our Company it is possible that some of these trade payables may get paid in routine course of operations from the routine cash flow and internal accruals of the Company, such trade payables would be substituted with other trade payables and those would be paid from the Net Proceeds.

2. To repay certain unsecured loans availed by our Company

Our Company has entered into certain financial arrangements with our Corporate Promoter i.e. Future Corporate Resources Private Limited (“FCRPL”) and our Promoter Group company i.e. Surplus Finvest Private Limited (“SFPL”). As of June 30, 2021, we have availed an amount of ₹ 2,600 lakhs by way of unsecured loan from these entities for meeting our working capital requirements and other general corporate purpose.

Our Company proposes to utilize the part of the Net Proceeds aggregating to ₹ 1,500.00 lakhs towards repayment of these unsecured loans availed by our Company from FCRPL and SFPL.

The details of the identified unsecured loans availed by our Company from FCRPL and SFPL, proposed to be repaid, in the manner detailed above, are as follows:

Name of the Lender	Nature of Borrowing	Total Principal Amount (₹ in lakhs)	Principal Amount outstanding as on June 30, 2021 (₹ in lakhs)	Purpose	Tenure	Interest rate (% per annum)	Prepayment penalty/conditions
Surplus Finvest Private Limited	Unsecured Borrowing	2,300.00	2,300.00	To meet Working Capital Requirement and other general corporate purposes	Repayable on demand within 30days of notice for repayment	12%	No Prepayment charges
Future Corporate Resources Private Limited	Unsecured Borrowing	300.00	300.00	To meet Working Capital Requirement and other	Repayable on demand within 30days of notice for repayment	12%	No Prepayment charges

Name of the Lender	Nature of Borrowing	Total Principal Amount (₹ in lakhs)	Principal Amount outstanding as on June 30, 2021 (₹ in lakhs)	Purpose	Tenure	Interest rate (% per annum)	Prepayment penalty/conditions
				general corporate purposes			
Total		2,600.00	2,600.00				

* Our Statutory Auditor, M/s. Pathak H.D. & Associates LLP, Chartered Accountants, pursuant to their certificate dated August 7, 2021 have confirmed that these unsecured loans have been utilized for the purposes for which they were availed, as provided in the relevant documents.

We believe that repayment of the abovementioned unsecured loans will help reduce our outstanding indebtedness and enable utilisation of our internal accruals for our operations.

3. General Corporate Purposes

The remaining Net Proceeds, if any, shall be utilised towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals / consents, as applicable.

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

Estimated Issue related expenses

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

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (₹ in lakhs)	% of Estimated Issue size	% of Estimated Issue expenses
Fees of the Lead Manager	[●]	[●]	[●]
Fees of Registrar to the Issue	[●]	[●]	[●]
Fee to the legal advisor, other professional service providers and statutory fee	[●]	[●]	[●]
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]	[●]
Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

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

Appraisal of the Objects

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

Interim Use of Funds

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

Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument pending receipt of the Net Proceeds.

Monitoring Utilization of Funds from Issue

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

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Strategic and Financial Partners to the Objects of the Issue

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

Key Industry Regulations for the Objects of the Issue

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

Other Confirmations

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

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

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Praxis Home Retail Limited
iThink Techno Campus,
Jolly Board Tower D, Ground Floor,
Kanjurmarg (East),
Mumbai 400 042

Dear Sirs,

Re: Proposed rights issue of equity shares of face value of Rs. 5 each (“Equity Shares”) of Praxis Home Retail Limited (“Company” and such offering, the “Issue”).

This certificate is issued in accordance with the terms of our engagement letter dated January 08, 2021.

The preparation of the Statement is the responsibility of the management of the Company for the “Issue”, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,’ issued by the ICAI.

The Management of the Company has prepared “Statement of possible special tax benefits” under direct tax laws i.e. Income tax Rules, 1962 (hereinafter referred to as “Income Tax Laws”), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the **Annexure I and II**, are available to the Company and its shareholders.

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

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

- (i) the Company or its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the draft letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may also be relied upon by the Company, Lead Manager, their affiliates and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration Number: 107783W/W100593

Jigar T. Shah

Partner

Membership Number: 161851

Date: August 7, 2021

UDIN: 21161851AAAAAT4947

Place: Mumbai

Encl: As above

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PRAXIS HOME RETAIL LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as ‘the Act’)

1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of Praxis Home Retail Limited

Vikash Kabra
Deputy Chief Financial Officer

Date: August 7, 2021
Place: Mumbai

ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO PRAXIS HOME RETAIL LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)

1. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of Praxis Home Retail Limited

Vikash Kabra
Deputy Chief Financial Officer

Date: August 7, 2021

Place: Mumbai

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

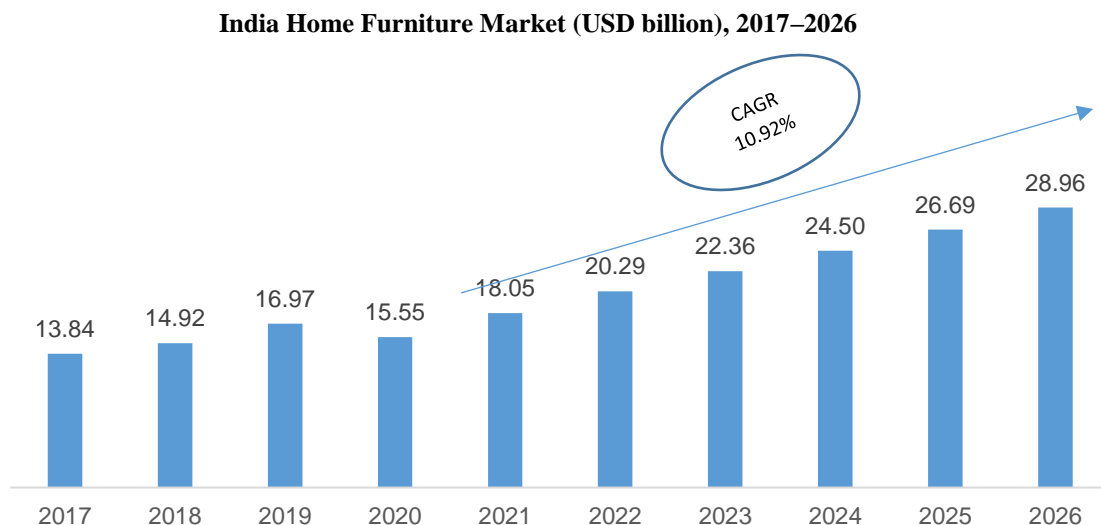
*The industry related information in this chapter is derived from the reports titled “India Home Furniture Market” dated July 28, 2021 (referred as “**Home Furniture Report**”) prepared by Mordor Intelligence (“**Mordor**”), except for other publicly available information as cited in this chapter. Neither we nor any other person connected with the Issue has verified the information in the Home Furniture Report or other publicly available information cited in this chapter. Further, the Home Furniture Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. Opinions in the Home Furniture Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Home Furniture Report.*

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

MARKET INSIGHTS AND DYNAMICS OF INDIA HOME FURNITURE MARKET

MARKET OVERVIEW

- The Indian home furniture market was valued at USD 15.55 billion in 2020, and it is expected to reach USD 28.96 billion by 2026, registering a CAGR of 10.92%, during the period of 2020-2026.
- The bedroom furniture segment held the highest market share of 40.26% in 2020, followed by the living room and dining room furniture segment (32.67%) and the kitchen furniture segment (13.31%) in the same year.
- The demand for residential furniture is increasing by the orders from contract customers. The number of single and two-person households has been increasing, resulting in the demand for small and portable furniture.
- Factors such as growth in the residential construction market, rising internet penetration, the rising popularity of eco-friendly products, and lifestyle changes are contributing to the growth of the home furniture market.



Source: Mordor Intelligence

- The key factors driving the increase in demand for home furniture in India include growing housing and

commercial construction and an increase in income levels that influence customers to adopt global lifestyle options, especially in urban affluent Indians.

- In terms of age bracket, the age group of 25-35 years has been considered as the prime target group by furniture retailers in India. Based on cities, most of the demand for furniture products from the organized companies has originated from tier-1 cities.
- In terms of structure, the sector remains mostly inward-oriented and extremely fragmented, with unstructured companies corresponding to about 85% of manufacturers.
- Some of the major furniture manufacturer's brands in India include Godrej Interio, Hometown, Nilkamal, Durian, and Wipro.
- With the fast-growing and transforming retail sector, it is expected that large retailers will continue to expand their presence on e-commerce platforms, and various furniture companies, such as Pepperfry, Urban Ladder, Hometown.in and others, are creating huge demand from online channels.
- The trend of purchase of small furniture items, such as bean bags and coffee tables, through online portals, has gradually changed to higher volume sales of heavy furniture products. The average ticket size of online purchase of furniture products has been observed between INR 10,000 and INR 15,000 in the past few years.
- Online furniture sales also witnessing a significant increase in the country. To tap this opportunity, Flipkart doubled the number of sellers in its furniture category on the marketplace since 2019 to over 10,000 sellers across the country in 2020 and increased its selection to over 3.5 lakh products to meet consumers' evolving demand.
- Due to the COVID-19 situation, the increased emergence of Work From Home culture has also created a huge demand in the country for work from home furniture.
- Players like Pepperfry claimed that demand for tables and chairs increased by up to 175% and 135% respectively in 2020 when compared to 2019. Godrej Interio also witnessed an increase in their online sales by over 40% in 2020. Amongst the most frequently purchased bestsellers were tables and chairs. However, consumers also increased their purchases on dining tables and couches, and the bulk of these purchases happened online.
- The market is also witnessing increased investment activity, especially in terms of international players. IKEA for instance plans to invest INR 10,500 crore in its India operations.

MARKET DRIVERS AND RESTRAINTS

DRIVERS

Growth in Residential Real Estate in India

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

- The Indian real estate sector is undergoing a revival, as the transaction volumes have increased by 45-60% annually, in the major cities.
- The government is also encouraging real estate activities in the country and has introduced various initiatives, such as the government's flagship scheme Pradhan Mantri Awas Yojana (PMAY), launched in June 2015 which aims to build about 12 million urban houses and 29.5 million rural houses by 2022 and "The Smart City Project", which is an ambitious plan to build 100 smart cities in India.
- With homes growing smaller and the population exploding, there has been a surge in demand for space-conscious goods. Multi-functional furniture & homewares is growing in popularity to offer added convenience and make far better use of available household space.

Growing Demand for Luxury Furniture Products

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

RESTRAINTS

Volatile Raw Material Costs

- Even under the best of circumstances, the costs of raw materials always represent an issue for furniture manufacturers. With the current pandemic situation and a global trade war growing more intense, volatile raw material prices, which posed distinct challenges throughout 2019, are expected to pose further challenges into the foreseeable future. The raw materials and other input costs are anticipated to rise further and face volatility.
- The impact of the pandemic and the subsequent lockdown resulted in issues ranging from production loss to severe scarcity of labor and raw materials.
- Furthermore, amid the current pandemic, the closure of some production plants has also resulted in the prices of raw materials increasing.

OPPORTUNITIES

The Rise in E-commerce Retailing

- The rise in the e-commerce industry has contributed to the increase in the online furniture industry in India and e-commerce is changing the way products were developed and shipped.
- Work from home has further augmented the market growth and has brought the increased focus of consumers on home-décor.

With home spaces also doubling up as work zones, there has been a subsequent increase in demand for furniture, especially in categories, such as living room seating like recliners and bean bags. Bedroom furniture, such as beds and mattresses, saw growth. However, the categories witnessing the highest growth online are tables and desks

Growing Adoption of Local Furniture Products

- As India aims at becoming a global manufacturing hub, there has been a major policy push, with initiatives like 'Make In India' and 'Vocal for Local' etc., that has given a boost to the manufacturing sector, including furniture

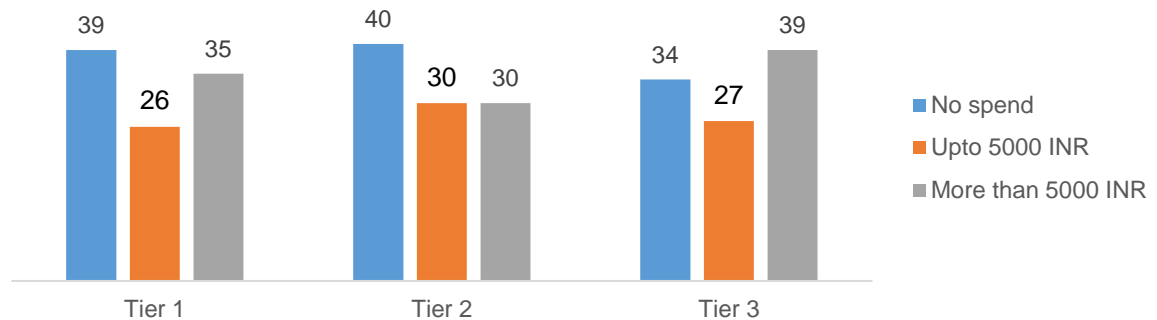
manufacturing.

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

IMPACT OF COVID-19 ON THE MARKET

- The impact of the COVID-19 crisis on consumer behavior and manufacturing trends has heightened the importance of digitalization and automation for the furniture industry.
- The ongoing pandemic has led to increased reliance on online retail for purchasing needs, even among traditional consumers. Retailers like Pepperfry's online business rose to nearly 120% of pre-lockdown levels as of November 2020, indicating amplified use of e-commerce options.
- With a large percentage of India's corporate employees working remotely and almost all students pursuing their studies online in the wake of the pandemic, the demand for furniture products, such as study tables, office chairs, laptop tables, and others, has almost tripled amidst the pandemic.
- In a survey conducted in 2020, to analyze the changing consumer sentiments concerning the COVID-19 pandemic in India, most respondents from tier-3 cities expressed their intention to spend more than INR 5000 on furniture and electronics. Contrary to this, the majority of respondents from tier-2 cities expressed their intention to spend money on this category.

Discretionary expense on furniture and electronics in India, in %, 2020

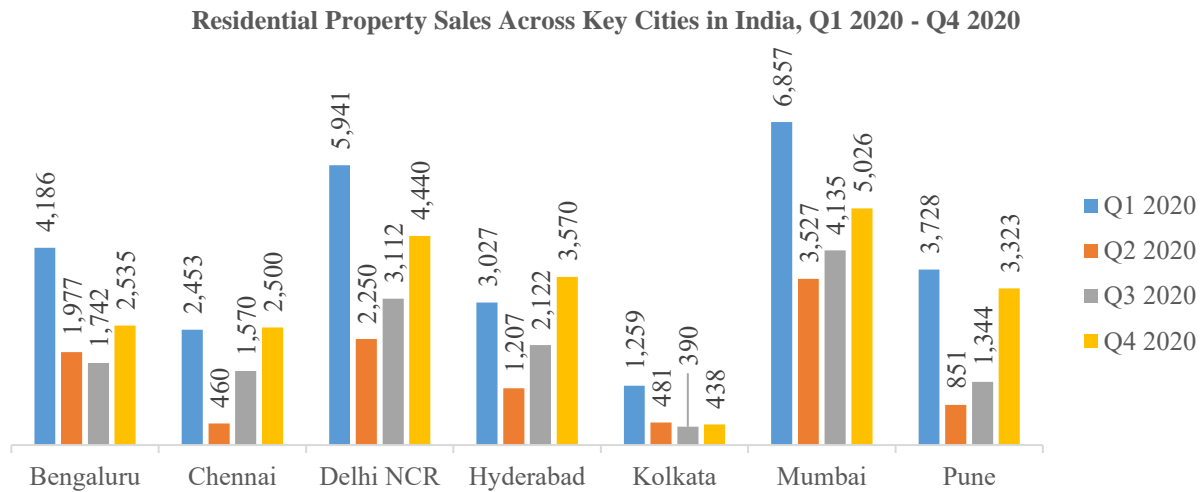


Source: Statista

BRIEF INSIGHTS INTO THE HOUSING MARKET IN INDIA

- The real estate market in India is one of the pillars of the economy. The housing sales in 2019 saw a modest 4-5% annual growth, with over 2.58 lakh homes sold during the year (over 2.48 lakh housing units were sold in 2018). New housing launches in 2019 also saw 18-20% annual growth, with new launches in the country of over 2.3 lakh units (1.95 lakh units were launched in 2018).
- As the residential sector is one among the highly affected sectors in the country due to COVID-19, the sales of residential units in India decreased by 29% in Q1 of 2020, as compared to that of the same period in 2019.
- Yet the sector is showing an accelerated rate of recovery in sales from the impact of the pandemic. Compared to

the Q3 of 2020, the sales are accelerated by 51% in Q4 of 2020.



TRENDS INFLUENCING THE MARKET

AR/VR CONFIGURATORS

- The most recent trends responsible for a transformation in the home furniture industry is 'Augmented Reality' and 'Virtual Reality'. These configurators allow customers to virtually plan his/her room with virtual furniture and hardware and has an option to real-time scan the environment and see how some furniture would look before actually buying it.

EXPERIENCE CENTERS

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

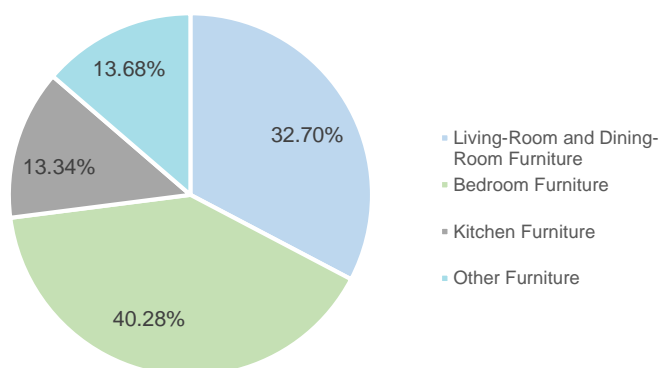
MULTIFUNCTIONAL FURNITURE

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

INDIA HOME FURNITURE MARKET - MARKET SEGMENTATION (MARKET SIZE AND FORECAST)

➤ BY PRODUCT

India Home Furniture Market Share (%) – By Product – 2020



Source – Mordor Intelligence

India Home Furniture Market by Product (USD billion) 2017 – 2026

PRODUCT	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	CAGR (%) (2020-2026)
Living-Room and Dining-Room Furniture	4.51	4.88	5.55	5.08	5.89	6.60	7.24	7.91	8.60	9.32	10.62%
Bedroom Furniture	5.71	6.10	6.88	6.26	7.23	8.08	8.86	9.67	10.50	11.35	10.42%
Kitchen Furniture	1.77	1.94	2.24	2.07	2.43	2.76	3.07	3.38	3.71	4.04	11.77%
Other Furniture	1.84	2.00	2.29	2.13	2.50	2.86	3.19	3.54	3.89	4.25	12.21%

Source – Mordor Intelligence

Living-Room and Dining-Room Furniture

The living-room and dining-room furniture segment accounted for a value of USD 5.08 billion in 2020. It is estimated to reach USD 9.32 billion by 2026 with a CAGR of 10.62%.

- Family mealtime is still important to make sure that there is a comfortable and inviting space to gather. Thus, dining room tables are perfect for any decor style for the dining room area.
- The living room furniture was the second-most important choice. This segment encompasses a wide range of coffee tables, sofas, center tables, corner tables, chairs, bookshelves, TV stands, and others.
- Popular companies in this segment include Usha, Damro, Nilkamal, HomeTown and Style Spa. Two strong online channel-based players, Pepperfry and Urban Ladder, are growing aggressively through omni-channel offerings.

Bedroom Furniture

The bedroom furniture segment accounted for a value of USD 6.26 billion in 2020. It is estimated to reach USD 11.35 billion by 2026 with a CAGR of 10.42%

- With a rise in the demand for smart homes, there is a constant increase in the demand for apartments.
- The bed units that come with in-built space for storage are significantly popular, whereas bunkbeds that are more commonly used for children are equipped with cupboard space and extra space for toys to decrease the crowding of the room.
- In addition, the design of the headboard in the overall bedroom is also a highlight. The multifunctional and

adjustable features allow people to sit, lean, and lie down in the bedroom as they please.

- Popular companies in this segment include Usha, Damro, Style Spa, HomeTown and IKEA.

Kitchen Furniture

The kitchen furniture segment accounted for a value of USD 2.07 billion in 2020. It is estimated to reach USD 4.04 billion by 2026 with a CAGR of 11.77%

- Kitchen furniture includes modular furniture, which includes cabinets and dish case. The arrival of ready to live, fully and semi-furnished apartments provided by leading builders and construction companies has not affected the contribution of kitchen furniture in the market's revenue, majorly owing to the fact that Indian customers strongly focus on customization of kitchen according to their requirements, and they are less likely to change the kitchen furniture quite frequently as other home furniture items.
- The Indian kitchen industry is currently seeing sales of modular kitchens at over 10,000 units per month. Sales are predicted to scale over 10 times in the next 4 years, if they continue to maintain their current year on year growth traction of 50%.
- Currently, this segment is fueled by unorganized players that include both local vendors and well-established brands. Since a large percentage of our population comprises of the middle class (that has a high regard for 'value for money'), many people opt for the more affordable services of the local carpenter who designs kitchens based on tried and tested design concepts and/or the requirements of the customer's household. But now, people from all backgrounds are aspiring to live a more contemporary lifestyle, which is compelling them to consider a modular kitchen as well in their home.
- Popular companies in this segment include Godrej, Style Spa, HomeTown and IKEA.

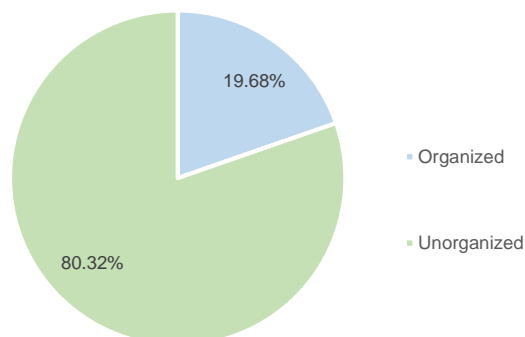
Other Furniture

The other furniture segment accounted for USD 2.13 billion in 2020. It is estimated to reach USD 4.25 billion by 2026 with a CAGR of 12.21%

- The other furniture products, such as outdoor furniture, contribute to a remarkable share in the Indian home furniture market.
- Demand in the outdoor furniture market has been spreading from leisure venues and residential communities, to private homes with gardens, rooftops, and terraces.

➤ BY TYPE OF MARKET

India Home Furniture Market Share (%) – By Type of Market – 2020



Source – Mordor Intelligence

India Home Furniture Market by Type of Market (USD Billion) 2017 – 2026

TYPE OF MARKET	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	CAGR (%) (2020-2026)
Organized	2.21	2.52	3.05	3.06	3.73	4.42	5.08	5.76	6.46	7.17	15.27%
Unorganized	11.6	12.4	13.9	12.4	14.3	15.8	17.2	18.7	20.2	21.7	9.72%

Source – Mordor Intelligence

Organized

The organized segment accounted for USD 3.06 billion in 2020. It is estimated to reach USD 7.17 billion by 2026 with a CAGR of 15.27%

- The furniture sector in India makes a marginal contribution to the gross domestic product (GDP), representing about 0.5% of the total GDP. A major part of this industry is in the unorganized sector.
- The remaining part comprises large companies, such as Godrej & Boyce Manufacturing Co. Ltd, Style SpA, Praxis Home Retail, Renaissance, Millennium Lifestyles, Durian, Zuari, Furniturewalla, and Truzo. A small emerging segment is the contribution from online retailers, such as Pepperfry, Urban Ladder, HomeLane, and others.
- While tables and chairs are the best sellers, consumers are also buying dining tables and couches, and bulk purchases happening online.
- Over 80% of more than USD 15 billion home furniture market in India is unorganised, and many carpenters went out of business during the pandemic. Organised players (such as IKEA, Godrej Interio, HomeTown, PepperFry, and Urban Ladder) saw a huge growth potential.
- Online furniture's share has increased, as popular stores offer different models at affordable prices with good quality. In fact, the online furniture market has been witnessing a CAGR of more than 40% in last 5 years, dominated by Metro & Tier 1, and driven by the ease of comparing products and low prices offered.
- The online furniture market is being driven by players, like Pepperfry and Urban Ladder. These players have targeted the market differently on the supply side, with Pepperfry focusing on creating a managed marketplace supported by private labels, while Urban Ladder is a wholly private label platform focusing on premium curated offerings.

Unorganized

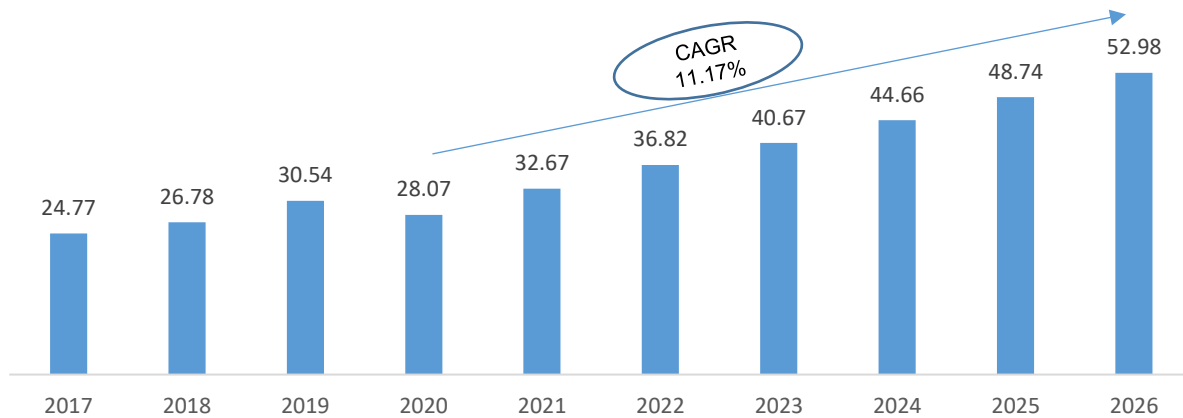
The unorganized segment accounted for USD 12.49 billion in 2020. It is estimated to reach USD 21.79 billion by 2026 with a CAGR of 9.72%

- The Indian furniture market is largely unorganized and dominated by small local players.
- Furniture retailing in India has traditionally been highly fragmented and unorganized (72% in FY20). This has been caused by high offline rentals along with challenges of consolidating the supply and demand at a national scale- leading to absence of many nationally recalled brands.
- Domestic manufacturing is highly fragmented and unorganized, with much of the production, particularly doors, windows and interiors still done by individual carpenters on site. The majority of the micro units produce traditional designs, while contemporary styles form a very small percentage of the total output.
- The low-cost furniture product offerings by unorganized players further decrease the revenues of major market players in India. Further, the unorganized players sell their products through local shops, which decrease the cost

of branded furniture. The high cost of quality and durable furniture in India is the major restraint for the furniture industry. The high cost of wood and leather further increase the cost of the overall furniture product.

INDIA HOMEWARE MARKET (MARKET SIZE, TRENDS AND FORECAST)

India Homeware Market (Includes Furniture) (USD Billion) 2017-2026



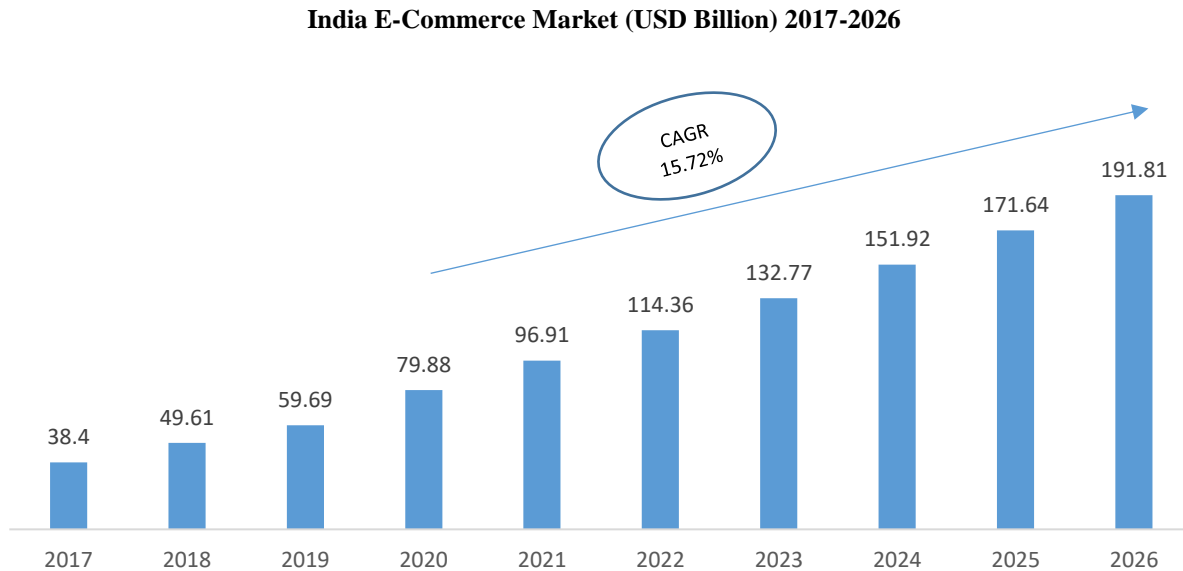
Source: Mordor Intelligence

- The boom in the residential real estate industry over the last few decades has given an impetus to the homeware market. Also driving the growth of this section is an increased consciousness among homeowners for stylish interiors and beautiful indoors.
- The homeware, decor and furnishing market in India has witnessed phenomenal growth, particularly in the last 10 years. Despite this, the sector is in nascent stages in India as compared with developed countries. Homeware is a growing category in the Indian domestic retail market with an annual growth of 25-30%. From the traditional to the modern society, across the globe, Homeware has always existed as a major product category in the marketplace. India has also witnessed a major shift in buyer or consumer base for Homeware products and it is no more restricted to women.
- Homeware and home furnishing stores accounted for more than 69% of the homeware sales in India in 2016. These stores offer more variety and have higher presence compared to other formats. Many consumers like to examine the quality of products before buying homeware; hence they prefer offline stores and/or direct sellers when looking to buy homeware. Consumers are opting for better-quality products, which has increased the demand for branded products. These products have longer life cycles and also make the process of cooking easier.
- Multi-functional homewares are growing in popularity to offer added convenience and make far better use of available household space. Funkier, Gen X brands like Chumbak and niche players like Masper and Tangerine are expanding their reach across the country as well.
- With the advent of social media and smartphones access to every individual the exposure has increased multi-fold. . The aforementioned is clearly visible in increased reach of Gen X brands like “Chumbak, Masper and Tangerine”. .
- Clearly, furniture and homeware manufacturers are betting big on key growth opportunities in the market over the next few years.
- Beverageware recorded the fastest current value growth in India in 2019. Consumers are moving towards branded beverageware with their improving lifestyles.
- The online food ordering trend is picking up, with providers such as Swiggy and Zomato and delivering food

from popular restaurants at a reasonable price to consumers' doorsteps. This service is particularly popular among Indian consumers who lead busy lives and need a quick and easy option for food and snacks, which might act as a threat to houseware products.

- Despite the disruptions caused by COVID-19, the kitchenware market had remained quite stable and the company witnessed a 5% increase in demand from April to July. In September, it witnessed a demand spike of 15% compared with the year-earlier period.

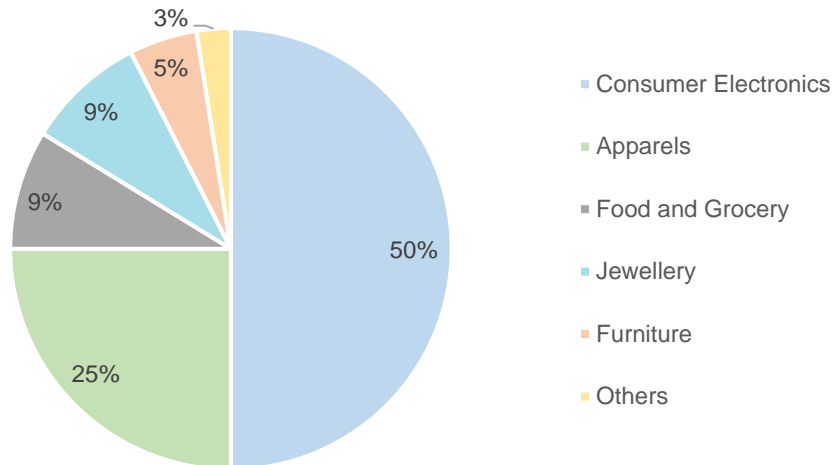
INDIA E-COMMERCE MARKET (MARKET SIZE, TRENDS, AND FORECAST) (2017-2026) (VALUE IN USD BILLION)



Source: Mordor Intelligence

- The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second-largest E-commerce market in the world by 2034. Some of the major factors fueling e-commerce growth include rising smartphone penetration, increasing consumer wealth, and increased reliance on online marketplaces amidst the current pandemic situation.
- Internet penetration is also increasing rapidly in India, making it second in the world in terms of active internet users. The internet penetration rates increased up to nearly 50% in 2020 and the Internet users in India are expected to reach nearly 650 million by 2021. Through its 'Digital India' campaign, the Government of India also aims to create a trillion-dollar online economy by 2025.
- In 2019, Indian online shoppers spent INR 12,800 per shopper per year and this number is expected to rise to nearly INR 25,000 per shopper per year by FY30.
- Metro cities like Bengaluru, Mumbai, and Delhi account for most of the online shopping in absolute numbers in the country, however the e-commerce sector also increasingly attracting customers from tier II and tier III cities.
- Furthermore, E-commerce accounted for 4% of total retail in the country in 2020.

Leading E-Commerce Segments Based on Market Share in India, in %, As of Nov 2020



Source: Ministry of Commerce & Industry, Government of India

- The e-commerce sales are estimated to have risen by only 7%-8% in 2020, compared to growth in mature markets by almost 20% in China and the United States.
- As per experts, in 2020, there was a double-digit increase in average spend of online shoppers for categories like electronics and accessories by 39%, mobile and accessories 12%, and other categories after the pandemic as consumers started relying more on e-commerce portals owing to a rising preference towards contactless shopping and other concerns.
- Players like Amazon, Flipkart, Myntra, and Snapdeal together sold goods worth USD 3.1 billion in the first 5 days of the festival season sales on these portals in 2020. The players are expecting to witness stronger growth in 2021.
- The e-commerce market for homeware and furniture was valued at USD 1.67 billion in 2020, and is expected to reach USD 6.51 billion by 2026, and register a CAGR of 25.38% during the forecast period.
- Changing customer's buying habits fueled by prolonged lockdown and movement restrictions due to COVID-19 in the country during the second and third quarters of 2020, and the attractive offers and deals from the e-commerce platforms are helping the market to grow further.
- As majority companies in the private sector switched to work from home protocol for a longer period of time to fight the COVID-19 spreading, customers got more time to spend at home which also motivated them to upgrade their furniture and homeware.
- In 2020, majority of the e-commerce platforms have succeeded in attracting new customers by strengthening their network in tier-II and tier-III cities of the country.
- Though factors such as faster deliveries, same day, 1-day deliveries were largely affected due to the disturbances in supply chain (COVID-19 impact), easy monthly installment and no-cost EMIs etc., are further expected to help in boosting the sales of the segment.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 18, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 77 and 133, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements.

OVERVIEW

Our Company operates brick and mortar stores of home furniture and home fashion in the brand name of HomeTown and caters to home retail segment in India. This retail format brings together under one roof, a wide range of furniture (both office and home furniture), home furnishing goods, kitchenware, other home related accessories and quality services including complete home design, modular kitchen among others, giving customers a great in-store experience. In addition, an exciting range of accessories, such as clocks, wall hangings and décor make it a complete one stop shop for all home needs. As on June 30, 2021, HomeTown has a pan India presence with 44 stores, across 28 cities in India. Our Company also operates a web portal for online sale of our products through the website www.hometown.in and also has its presence on the major e-commerce market places in India through which our Company sells a wide range of products across furniture, furnishings, décor, tableware and kitchenware.

OUR COMPETITIVE STRENGTHS

We believe that our primary competitive strengths include the following:

Strong promoter background, experienced management team and motivated workforce

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

Robust sourcing capabilities

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

With our past experience in home retail business, we have developed an understanding of the retailing of furniture

and furnishing business in India. We believe that our insights into consumer behavior have contributed to the development of a distinguished retail format. This insight has also enabled us to strategize, develop and promote new products to cater to the evolving needs of an Indian consumer.

Cost effective and efficient logistics network

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

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

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

Extensive supplier network enabling procurement at predictable and competitive pricing

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

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

Over the years, our business model has remained responsive to supply and demands disruptions. We believe that differentiated combination of integrated sourcing, distribution and demand fulfilment, sets us with unique business position. Our business maintains sourcing ties with manufacturers both in India and overseas to obtain the most compelling product offering for aspirational Indian consumers. The interconnectivity of the regional distribution centres, city distribution centres and the central warehouse ensure that the products reach the consumers, safely and timely. As on June 30, 2021, we have 23 distribution centres with pan India coverage and two central warehouses at Nagpur and Gujarat, respectively. The business reaches the target customer base through a wide retail base. A mix of strong back-end processes and persuasive in-store communication delivers a unique customer experience. We believe that due to the scale that we have achieved over the past years, we have been able to understand and implement the relevant processes to make our front end and back end functions and execution capabilities efficient. We have been able to increase the scope of our operations at a consistent pace and provide efficient and convenient offerings to our consumers. Further, due to our scale and presence across India, we have been able to develop processes that enable us to offer competitive deals to our consumers.

Omni-channel solution using IT Systems

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

Our enterprise application platform coupled with our Business Intelligence (BI) solution provides an integrated view

of our data thereby aiding procurement and replenishment planning. Built on the mission of being a stakeholder centric organization which in turn includes both our key stakeholders namely customers and suppliers, it has helped us in serving our customers in the furniture space with delivery Turn Around Time (TAT) of 72 hours only for our bestselling furniture in SKU's.

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

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

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

Our Brand

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

OUR STRATEGIES

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

We intend to enhance our consumer base through continuously increasing our presence (both physical and online channel) in various cities across India and drive spending across various product segments. We are specifically focusing to achieve a larger share of consumption spending in our existing markets. As on June 30, 2021, we are operating with 44 stores in 28 cities and have presence on major e-commerce market places. We intend to increase our share in the consumer spending in India by adding categories to our existing product range to cater to consumers across Indian society in various home consumption spaces. We also plan to increase our presence online by including additional pin codes where the consumption patterns are promising.

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

Continue improving our operating efficiency and supply chain management

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

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

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

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

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

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

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

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

We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We have been successful in building such a team and intend to continue placing special emphasis on managing attrition and attracting, training and retaining our employees. As of June 30, 2021, we had 1,523 employees on roll who are working in different functions, we intend to recruit best available talent across various industries, train them as per our value system and provide them opportunities to learn, experiment and innovate.

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

Advanced and scalable technology for online retail segment

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

OUR PRODUCTS

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

accessories, Modular wardrobes, Wardrobe accessories) and customized interior solutions (design and build) with latest design, focussing on ease of operations and style. All this combined with fine execution capabilities at a reasonable price makes an unmatched value proposition to the customer.

OUR STORES AND WAREHOUSES

As of June 30, 2021, we operate our business through 44 stores spanning across 28 cities. We do not own any of the property from which we operate our stores and the same is taken on lease through various arrangements that include lease, leave and license.

City / Town wise stores and its numbers

City	Stores	City	Stores
Ahmedabad	2	Mumbai	4
Asansol	1	Virar	1
Aurangabad	1	Mysore	1
Bengaluru	5	Nagpur	2
Bhopal	1	Nashik	1
Bhubaneswar	1	New Delhi	1
Chennai	1	Noida	1
Ghaziabad	1	Patna	1
Gurgaon	1	Pune	2
Guwahati	1	Raipur	1
Hyderabad	4	Ranchi	1
Kochi	1	Siliguri	1
Kolkata	4	Vadodra	1
Lucknow	1	Vizag	1

City / Town wise Distribution Centres / Warehouses and their numbers

City	Type	Number
Nagpur	Central Warehouse	1
Gujarat	Central Warehouse	1
Bhiwandi	Distribution Centre	2
Bengaluru	Distribution Centre	2
Kolkata	Distribution Centre	2
Hapur	Distribution Centre	1
Gurgaon	Distribution Centre	1
Hyderabad	Distribution Centre	1
Chennai	Distribution Centre	1
Vizag	Distribution Centre	1
Pune	Distribution Centre	1
Aurangabad	Distribution Centre	1
Nashik	Distribution Centre	1
Ahmedabad	Distribution Centre	1
Bhopal	Distribution Centre	1
Raipur	Distribution Centre	1
Lucknow	Distribution Centre	1
Ranchi	Distribution Centre	1
Patna	Distribution Centre	1
Guwahati	Distribution Centre	1
Siliguri	Distribution Centre	1
Bhubaneswar	Distribution Centre	1

OUR PROCESS AND MARKETING APPROACH

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

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

INTELLECTUAL PROPERTY

Pursuant to the scheme of Arrangement between Future Retail Limited and Bluerock eServices Private Limited (the transferor companies), the "HomeTown" business undertaking and e-commerce business of the respective transferor companies were transferred to Praxis Home Retail Limited (the Company) by virtue of the order dated November 10, 2017 passed by the National Company Law Tribunal (NCLT), Mumbai bench. The said order of the NCLT was effective from November 20, 2017. Pursuant to the aforesaid order, 14 trademarks and associated logos of "HomeTown" brand across various classes including 19, 20, 21, 24, 27, 35, 37, 40, and 42 were transferred in the Company's name. We continue the legacy of leveraging the brand equity for our growth and development of our business. As of February 28, 2021, we are the registered owners of 12 "HomeTown" brand trademarks and 2 other trademarks namely "Dura Cucina" and "Dura Kitchen".

COMPETITION

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

INFORMATION TECHNOLOGY ("IT")

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

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

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

HUMAN RESOURCES

Human Resource is one of the critical support functions and forms another key element of the corporate backbone. As of June 30, 2021, we had 1,523 employees on roll located at head office, zonal offices, retail stores across the Country. Further, we also have employee persons on contract basis from time to time.

Our Company has a dedicated human resource team which takes care of acquisition, development and retention of skills and talent in a way that supports the accomplishment of our Company's goals and objectives. Our Company believes in creating a culture and environment that allows its people resources to utilize their skills, knowledge and leadership abilities and collectively in serving the consumers. We have employee initiatives that promote work life balance and this goes a long way in boosting a positive culture. Some of these initiatives are birthday leave, bereavement leave along with financial support in case of a section of employees and focus on health and well being. We encourage performance and that is most evident in the various incentive programmes that we run at the store level. We strongly believe in equal opportunity and platforms for growth. While looking at filling vacant positions – internal employees at Praxis are given preference. Our robust and comprehensive Induction program, timely and seasonal product trainings, yearly career progression trainings are juxtaposed to the other behavioural, technical and functional training interventions that take place throughout the year.

INSURANCE

We have insured our warehouses against fire & allied risks and our stocks against housebreaking, burglary and theft risks. We also have insurance policies in respect of marine cargo, loss of money in transit, loss from safe or cash counter, directors' and officers' liability policy, fidelity policy, group personal accident policy, group life insurance policy, and medi-claim policy.

OUR MANAGEMENT

OUR BOARD OF DIRECTORS

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

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

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
1.	<p>Maresh Shah</p> <p>Address: A/803-804, Maple Leaf, Raheja Vihar, Powai, Mumbai- 400 072</p> <p>Designation: Additional Director designated as Managing Director</p> <p>Occupation: Service</p> <p>DIN: 01488017</p> <p>Current Term: For a period of five years with effect from May 5, 2021</p> <p>Period of Directorship: With effect from May 5, 2021</p> <p>Date of Birth: July 01, 1968</p> <p>Nationality: Indian</p>	53	Nil
2.	<p>Shrirang Sarda</p> <p>Address: Sarda House, Old Gangapur Naka Godavari Kinara, Gangapur Road, Sawarkar Nagar, Nashik – 422 013, Maharashtra, India.</p> <p>Designation: Non-Executive Non-Independent Director</p> <p>Occupation: Business</p> <p>DIN: 00576667</p> <p>Current Term: Liable to retire by rotation</p> <p>Period of Directorship: With effect from December 12, 2017</p> <p>Date of Birth: May 1, 1972</p>	49	<p>i Sarda Milk and Agro Produce Private Limited;</p> <p>ii Rasbihari Properties Private Limited;</p> <p>iii Yogi Ayurvedic Products Private Limited;</p> <p>iv City Centre Mall Nashik Private Limited;</p> <p>v SLS Software Private Limited;</p> <p>vi TLC Relationship Management Private Limited;</p> <p>vii S K Sarda Developers Private Limited; and</p> <p>viii Nashik Naturals Products Private Limited</p>

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
	Nationality: Indian		
3.	Avni Biyani Address: 406, Jeevan Vihar, Manav Mandari Road, Malabar Hill, Mumbai - 400 006 Designation: Non-Executive Non-Independent Director Occupation: Business DIN: 02177900 Current Term: Liable to retire by rotation* Period of Directorship: With effect from March 26, 2021 Date of Birth: November 04, 1989 Nationality: Indian	31	i. Srishti Mall Management Company Private Limited; ii. Surplus Finvest Private Limited; and iii. Future Capital Investment Private Limited
4.	Harminder Sahni Address: B-1, 301, World Spa West, Sector-30/41, Gurgaon, Haryana - 122 002 Designation: Additional Independent Director Occupation: Management Consultant DIN: 00576755 Term: Five years with effect from March 26, 2021* Period of Directoship: With effect from March 26, 2021 Date of Birth: September 17, 1968 Nationality: Indian	52	i. Wazir Advisors Private Limited; ii. Future Consumer Limited; iii. Tapio Creations Private Limited; iv. Tapio YFM Designs Private Limited; v. Alma Mater Store Private Limited; and vi. Pep Technologies Private Limited
5.	Jacob Mathew Address: 53-3, Horamavu Agara, Doddabanaswadi, Bengaluru- 560043 Deisgnation: Additional Independent Director Occupation: Designer	60	i. Spring Health Water (India) Private Limited; and ii. Deedbee Social Ventures Private Limited

Sr. No.	Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth	Age (in years)	Other Directorships
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DIN: 00080144

Term: Five years with effect from March 26, 2021*

Period of Directoship: With effect from March 26, 2021

Date of Birth: March 26, 1961

Nationality: Indian

6.	Anou Singhvi Address: 801 C-Wing, Raheja Atlantis, Ganpatrao Kadam Marg, Lower Parel, Delisle Road, Mumbai – 400 013	47	i. Worldwide Software Private Limited ii. Medrepo Services Private Limited
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Deisgnation: Additional Independent Director

Occupation: Business

DIN: 07572970

Term: Five years with effect from June 30, 2021*

Period of Directoship: With effect from June 30, 2021

Date of Birth: October 18, 1973

Nationality: American

**Subject to the approval of the Shareholders in the ensuing AGM of the Company*

Details of directorship in companies suspended or delisted

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

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

OUR KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Sl. No.	Name of key management personnel	Designation
1.	Mahesh Shah	Managing Director
2.	Smita Chowdhury	Company Secretary and Compliance Officer

3.	Vikash Kabra	Deputy Chief Financial Officer
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All our Key Managerial Personnel are permanent employees of our Company.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars
1.	Audited Financial Statements as at and for the year March 31, 2021.

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Independent Auditors' Report

To The Members of
Praxis Home Retail Limited

Opinion

We have audited the accompanying financial statements of **Praxis Home Retail Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021; and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note no. 41 of the financial statements, wherein the Company's networth is eroded due to losses incurred during the year as well as previous year, its current liabilities exceed its current assets which indicates a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. However, for the reasons more fully described in the aforesaid note the accounts of the Company have been prepared as a Going Concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note no. 43 of the financial statements, as regards to the management evaluation of impact of COVID – 19 on the future performance of the Company. Our opinion is not modified in respect of this matter.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of Inventories</p> <p>As of March 31, 2021, the Company total inventory balance amounted to Rs.9,164.33 Lakhs, representing 61% of the total current assets of the financial statement and 23% of the total assets of the Company.</p> <p>Refer Note 7 of the financial statements.</p> <p>For accounting principles and relevant accounting policy on inventory refer Note 2.13 to the financial statement.</p> <p>The Company is exposed to risk of slow-moving and/or obsolete inventory as a result of seasonal/festival demand for products. Significant judgment is required for the estimation of the net realisable value and allowance for slow-moving and obsolete inventories. Such estimation is made after taking into consideration factors such as movement in price, current and expected future market demand and pricing competition.</p> <p>As such, we determined that this is a key audit matter.</p>	<p>Obtained Store/Warehouse wise list of the item from the management as at March 31, 2021.</p> <p>Obtained the Physical Verification report done by the stock auditor of the Company for different location for various cut off periods.</p> <p>We evaluated the appropriateness of the basis and processes used by management in determining the net realisable value of inventories.</p> <p>We obtained inventory reports for calculation of the shrinkage provision of various stores /warehouse from management performed by the stock auditor where he witnessed the controls in place around recording the volume of shrinkage.</p> <p>We also evaluated the assumptions and estimates used by the management in determining the provision for slow and non-moving inventory</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, and Shareholder's Information and Corporate governance Report, but does not include the financial statements and our auditor's report thereon.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the financial statements

The Company's Management and Board of Directors are 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, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 and Board of Directors are 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.

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

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of change in equity dealt with by this report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act.
- f) The going concern matter described in Material Uncertainty Related to Going Concern Section and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in note no. 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 for the year ended March 31, 2021.

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



Vishal D. Shah
Partner
Membership No. 119303
UDIN: 21119303AAAALZ7050



Place: Mumbai
Date: June 30, 2021

Annexure A to Independent Auditors' Report

Referred to in Independent Auditors' Report of even date to the members of Praxis Home Retail Limited on the financial statements as of and for the year ended March 31, 2021

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As informed to us, the fixed assets are physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) The Company does not have any immovable property; hence the provisions of the clause 3(i)(c) of the said Order is not applicable to the Company.
- (ii) In our opinion the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in clause 3(iii) of the Order are not applicable to the Company.
- (iv) According to the records examined by us and according to the information and explanation given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the said Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable to the Company.
- (vi) In our opinion and according to the information given to us, no cost records have been prescribed by the Central Government of India under sub section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including employees' state insurance, goods and service tax, customs duty, cess and other material statutory dues except in case of provident fund and Income tax where there have been significant delays in depositing these dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, sales tax, value added tax, excise duty, goods and service tax, cess and other material statutory dues as applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (d) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax, sales tax, customs duty, excise duty and value added tax as at March 31, 2021 which have not been deposited on account of a dispute except for income tax dues for the following:

Name of the statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	34.13	AY 2018-19	CIT (Appeals), Mumbai
Income Tax Act, 1961	Income tax	50.72	AY 2019-20	CIT (Appeals), Mumbai
Income Tax Act, 1961	Income tax	28.96	AY 2020-21	CIT (Appeals), Mumbai

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions or banks and in payment of dues to the debenture holders. The Company did not have any loans or borrowings from government during the year.
- (ix) In our opinion and according to the information and explanation given to us during the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments). However, during the year the Company has availed term loans which were applied for the purpose it was obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provision of the clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of related party transactions as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, have been disclosed in the financial statements.
- (xiv) In our opinion and according to the information and explanation given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures in accordance with the provisions and requirements of Section 42 of the Act and the Rules framed thereunder. Accordingly the requirement of clause 3(xiv) of the Order is not applicable.



- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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



Vishal D. Shah
Partner
Membership No. 119303
UDIN: 21119303AAAALZ7050



Place: Mumbai
Date: June 30, 2021

Annexure 'B' to the Independent Auditors' Report of even date on the financial statements of Praxis Home Retail Limited
(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control with reference to financial statements of **Praxis Home Retail Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593



Vishal D. Shah

Partner

Membership No. 119303

UDIN: 21119303AAAALZ7050



Place: Mumbai

Date: June 30, 2021

Praxis Home Retail Limited
Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
1. Non-Current Assets			
Property, Plant and Equipment	3	41.30	72.43
Right-of-use Assets	31(a)	14,264.09	26,959.22
Other Intangible Assets	4	25.53	45.66
Financial Assets			
Loans	5	10,235.01	10,517.93
Advance Tax Assets	6 (a)	57.89	25.46
Total Non-Current Assets		24,623.82	37,620.70
2. Current Assets			
Inventories	7	9,164.33	17,605.86
Financial Assets			
Trade Receivables	8	1,203.82	2,010.20
Cash and Cash Equivalents	9(a)	482.46	603.96
Bank Balance other than Cash and Cash Equivalents above	9(b)	3.31	3.31
Loans	5	2,407.18	2,323.57
Other Financial Assets	5 (a)	-	66.03
Other Current Assets	6	1,839.53	2,276.77
Total Current Assets		15,100.63	24,889.70
Total Assets		39,724.46	62,510.40
Equity And Liabilities			
Equity			
Equity Share Capital	10	1,519.16	1,381.66
Instruments entirely Equity in Nature	11	1,405.00	4,320.00
Other Equity	12	(9,327.90)	(1,950.51)
Total Equity		(6,403.74)	3,751.15
Liabilities			
1. Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	1,643.34	499.73
Lease Liabilities	31(b)	10,510.19	21,592.08
Provisions	14	474.88	541.71
Total Non-Current Liabilities		12,628.41	22,633.52
2. Current Liabilities			
Financial Liabilities			
Borrowings	15	6,984.46	8,669.62
Trade Payables			
Total Outstanding dues of Small and Micro Enterprises	33	1,438.33	1,019.95
Total Outstanding dues of Creditors other than Small and Micro Enterprises		13,785.41	12,980.65
Lease Liabilities	31(b)	5,895.88	7,155.28
Other Financial Liabilities	16	2,545.45	2,426.74
Other Current Liabilities	17	2,800.29	3,831.82
Provisions	14	49.97	41.67
Total Current Liabilities		33,499.79	36,125.73
Total Equity and Liabilities		39,724.46	62,510.40

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

As per our report of even date attached

For and on behalf of Board of Directors

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

Vishal D. Shah
Partner
Membership No.: 119303



Maresh Shah
Managing Director
DIN: 01488017

Vikash Kabra
Deputy Chief Financial Officer
Membership No.: 065239

Harinder Sahni
Independent Director
DIN: 00576755

Smita Chowdhury
Company Secretary & Compliance Officer
Membership No.: A30227



Praxis Home Retail Limited
Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
Income			
Revenue From Operations	18	31,309.58	70,339.63
Other Income	19	6,557.95	33.13
Total Income		37,867.53	70,372.76
Expenses			
Purchase of Stock In Trade		13,116.90	40,683.74
Change in Inventories of Stock-In-Trade (Increase)/Decrease	20	8,441.53	2,165.20
Employee Benefits Expense	21	5,394.52	8,724.04
Rent including Lease Rentals		3,484.46	3,956.93
Finance Costs	22	3,422.57	4,006.97
Depreciation and Amortization Expense	3, 4 & 31(a)	5,678.84	5,690.00
Other Expenses	23	8,652.23	13,218.33
Total Expenses		48,191.05	78,445.21
Profit/(Loss) Before Tax		(10,323.52)	(8,072.46)
Tax Expense	34		
-Current Tax		-	-
-Deferred Tax Charge/(Credit)		-	-
-Earlier year's tax		(1.37)	1.37
Loss For The Year		(10,322.16)	(8,073.83)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
(a) Remeasurements of Defined benefit plans- (Gain)/Loss	27	(152.57)	137.15
(b) Income Tax relating to above		-	-
Other Comprehensive (Income)/Loss For The Year		(152.57)	137.15
Total Comprehensive Income/(Loss) For The Year		(10,169.58)	(8,210.98)
Earnings Per Equity Share of Face Value of ₹ 5/- each	29		
Basic		(36.61)	(32.24)
Diluted		(36.61)	(32.24)

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

As per our report of even date attached

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



Vishal D Shah
Partner
Membership No.: 119303



For and on behalf of Board of Directors


Mahesh Shah
Managing Director
DIN: 01488017


Vikash Kabra
Deputy Chief Financial Officer
Membership No.: 065239


Harinder Sahni
Independent Director
DIN: 00576755


Smita Chowdhury
Company Secretary & Compliance Officer
Membership No.: A30227



Mumbai
June 30, 2021

(₹ in Lakhs)

Sr No.	Particulars	As at March 31, 2021	As at March 31, 2020
A	Cash Flows From Operating Activities		
	Profit/(Loss) Before Tax	(10,323.52)	(8,072.46)
	Adjustments For:		
	Depreciation and Amortization Expenses	5,678.84	5,690.00
	Provision for Gratuity and Leave Encashment	184.83	272.54
	Finance Costs	3,377.61	3,965.61
	Unwinding Interest on Financial Instrument at Amortised Cost	44.97	41.36
	Unrealised Exchange (Gain)/Loss	-	10.92
	Interest income on Income Tax Refund	-	(1.47)
	Employee stock option expenses	14.68	150.81
	Provision for Doubtful Debts and Advances	-	189.36
	Loss on Damaged/Shrinkage and Obsolete Inventory	912.05	339.64
	Write Back of Liabilities (Net)	(1,537.03)	-
	Rent Concessions	(4,979.51)	-
	Cash Generated (Used in)/from before Working Capital Changes	(6,627.08)	2,586.30
	Adjustments For:		
	Trade Receivables	806.38	(511.15)
	Loans, Other Financial Assets and Other Assets	271.16	329.34
	Inventories	7,529.48	1,825.56
	Trade Payables	4,034.14	(12,079.88)
	Other Financial Liabilities, Other Liabilities and Provisions	(973.59)	153.97
	Cash Generated from / (Used in) Operations	11,667.57	(7,695.88)
	Income Tax Paid/(Refund)	34.97	(25.46)
	Net Cash Flows Generated from / (Used in) Operating Activities	5,075.46	(7,721.34)
B	Cash Flows From Investing Activities		
	Payment for Purchase of Property, Plant and Equipment and Intangible Assets (Net of Capital Creditors)	(11.12)	(86.58)
	Amount refunded/(paid) towards security deposits	-	(174.70)
	Net Cash flow Generated from / (Used In) Investing Activities	(11.12)	(261.28)
C	Cash Flows From Financing Activities		
	Proceeds from Long term Borrowings	1,098.64	-
	(Repayment)/Proceeds from Short term Borrowings (Net)	(1,202.69)	6,335.31
	Proceeds from Issue of Compulsory Convertible Debentures	-	7,500.00
	Payment of Lease Liability (Included ₹ 2549.19 lakhs on Unwinding Interest of Interest Paid)	(4,214.50)	(5,885.95)
		(867.30)	(736.90)
	Net Cash flow Generated from / (Used In) Financing Activities	(5,185.84)	7,212.45
	Net (Decrease) / Increase In Cash and Cash Equivalents	(121.50)	(770.16)
	Net (Decrease) / Increase In Cash and Cash Equivalents	(121.50)	(770.12)
	Cash and Cash Equivalents (Opening Balance)	603.96	1,374.10
	Cash and Cash Equivalents (Closing Balance)	482.46	603.96
	Components of Cash and Cash Equivalents {Refer Note No.9(a)}	482.46	603.96

Note:

- 1) The accompanying notes are an integral part of the financial statements.
- 2) Changes arising from financing activities refer Note no. 35.
- 3) Previous years' figures have been regrouped/rearranged wherever necessary

As per our report of even date attached

For and on behalf of Board of Directors

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593

Vishal D. Shah

Partner

Membership No.: 119303

Mahesh Shah

Managing Director

DIN: 01488017

Vijayash Kabra

Deputy Chief Financial Officer

Membership No.: 065239

Harinder Sahni

Independent Director

DIN: 00576755

Smita Chowdhury

Company Secretary & Compliance Officer

Membership No.: A30227

Mumbai

June 30, 2021

(A) Equity Share Capital

Particulars	₹ in lakhs
Balance as on March 31, 2019	1,231.66
Issued during the year - Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 42)	150.00
Balance as on March 31, 2020	1,381.66
Issued during the year - Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 42)	137.50
Balance as on March 31, 2021	1,519.16

(B) Instruments entirely Equity in Nature

0.01% Compulsorily Convertible Debentures	₹ in lakhs
Balance as on March 31, 2019	-
Issued during the Year	7,500.00
Less : Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 42)	(3,180.00)
Balance as on March 31, 2020	4,320.00
Less : Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 42)	(2,915.00)
Balance as on March 31, 2021	1,405.00

(C) Other Equity

Particulars	Retained Earnings	Securities Premium	Capital Redemption Reserve	Capital Reserve	Share- Based Payment Reserve (Refer Note 28)	Total
Balance as at March 31, 2019 (A)	(4,895.76)	-	5.00	7,968.34	2.09	3,079.67
Profit/(Loss) for the year	(8,073.83)	-	-	-	-	(8,073.83)
Re-measurement (Gain)/Loss on Defined Benefit Plans	137.15	-	-	-	-	137.15
Total Comprehensive Income For The Year (B)	(8,210.98)	-	-	-	-	(8,210.98)
Addition during the year (C)	-	-	-	-	150.81	150.81
Addition during the year - Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 42) (D)	-	3,030.00	-	-	-	3,030.00
Balance as at March 31, 2020 (E = A + B + C + D)	(13,106.74)	3,030.00	5.00	7,968.34	152.90	(1,950.51)
Profit/(Loss) for the year	(10,322.16)	-	-	-	-	(10,322.16)
Re-measurement (Gain)/Loss on Defined Benefit Plans	(152.57)	-	-	-	-	(152.57)
Total Comprehensive Income For The Year (F)	(10,169.60)	-	-	-	-	(10,169.60)
Addition during the year (G)	-	-	-	-	14.68	14.68
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	128.41	-	-	-	(128.41)	-
Addition during the year - Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 42) (H)	-	2,777.50	-	-	-	2,777.50
Balance as at March 31, 2021 (I = E + F + G + H)	(23,147.93)	5,807.50	5.00	7,968.34	39.16	(9,327.90)

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

As per our report of even date attached

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

Vishal D. Shah
Vishal D. Shah
Partner

Membership No.: 119303



Mumbai
June 30, 2021

For and on behalf of Board of Directors

Manish Shah
Manish Shah
Managing Director
DIN: 01488017

Vikash Kabra
Vikash Kabra
Deputy Chief Financial Officer
Membership No.: 065239

Harinder Sahni
Harinder Sahni
Independent Director
DIN: 00576755

Smita Chowdhury
Smita Chowdhury
Company Secretary & Compliance Officer
Membership No.: A30227



Notes annexed to and forming part of the financial statements

3. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Office Equipment	Computers	Total
Gross Carrying Amount			
As At March 31, 2019	12.14	118.51	130.65
Additions	0.78	18.83	19.61
As At March 31, 2020	12.92	137.34	150.26
Additions	0.03	5.29	5.32
As At March 31, 2021	12.96	142.63	155.59
Accumulated Depreciation			
As At March 31, 2019	1.33	14.81	16.14
Depreciation for the year	4.30	57.39	61.69
As At March 31, 2020	5.63	72.20	77.83
Depreciation for the year	2.77	33.68	36.46
As At March 31, 2021	8.40	105.88	114.28
Net Carrying Value			
As At March 31, 2021	4.55	36.75	41.30
As At March 31, 2020	7.29	65.14	72.43

4. Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Goodwill	Total
Gross Carrying Amount			
As At March 31, 2019	99.27	61.16	160.43
Additions	1.39	-	1.39
As At March 31, 2020	100.66	61.16	161.82
Additions	-	-	-
As At March 31, 2021	100.66	61.16	161.82
Accumulated Amortisation and Impairment			
As At March 31, 2019	34.78	61.16	95.94
Amortisation expenses for the year	20.22	-	20.22
As At March 31, 2020	55.00	61.16	116.16
Amortisation expenses for the year	20.13	-	20.13
As At March 31, 2021	75.13	61.16	136.29
Net Book Value			
As At March 31, 2021	25.53	-	25.53
As At March 31, 2020	45.66	-	45.66

Notes:-

- (1) Intangible assets are other than internally generated
- (2) Balance Useful life of Intangible assets - 2 to 3 years



Notes annexed to and forming part of the financial statements

5 Financial Assets -Loans (₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
Unsecured, Considered Good				
Security Deposits	2,407.18	10,235.01	2,323.57	10,517.93
Total	2,407.18	10,235.01	2,323.57	10,517.93

5 (a) Other financial Assets (₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
Income Tax Refund Receivable	-	-	66.03	-
Total	-	-	66.03	-

6 Other Assets (₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
Unsecured, Considered Good, Unless Otherwise Stated				
Advance to Suppliers	655.33	-	1,231.89	-
Advance to Employees	19.67	-	14.04	-
Prepaid Expenses	60.46	-	98.05	-
Balances with Statutory Authorities -Considered good	1,104.07	-	932.80	-
Balances with Statutory Authorities - Considered Doubtful	217.73	-	217.73	-
	2,057.26	-	2,494.50	-
Less : Provision for doubtful advances	(217.73)	-	(217.73)	-
Total	1,839.53	-	2,276.77	-

6 (a) Advance Tax Assets (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax Deducted at source	57.89	25.46
Total	57.89	25.46

7 Inventories (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Stock-in-Trade	10,028.72	17,537.11
Packing Materials and Others	123.28	178.58
Less : Provision for Obsolete Inventory and Shrinkage	(987.67)	(109.83)
Total Inventories	9,164.33	17,605.87
(Valued at cost or Net Realisable Value whichever is lower)		

8 Trade Receivables (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Considered Good	1,203.82	2,010.20
Credit Impaired	74.97	74.97
	1,278.79	2,085.17
Less : Allowance for doubtful debts	(74.97)	(74.97)
Total	1,203.82	2,010.20

9(a) Cash and Cash Equivalents (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
On Current Accounts	311.38	547.22
Cheques on Hand	144.64	27.78
Cash on Hand	26.44	28.96
Total	482.46	603.96

9(b) Bank Balance other than Cash and Cash Equivalents above (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed Share Money	3.31	3.31
Total	3.31	3.31



Notes annexed to and forming part of the financial statements

10 Equity Share Capital (₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
3,54,00,000 equity shares of ₹ 5 each (31 March 2020: 3,54,00,000, equity shares of ₹ 5 each)	1,770.00	1,770.00
Issued		
3,03,88,426 equity shares of ₹ 5 each (31 March 2020: 2,76,38,426, equity shares of ₹ 5 each)	1,519.42	1,381.92
Subscribed and fully Paid up		
3,03,83,208 equity shares of ₹ 5 each (31st March 2020: 2,76,33,208, equity shares of ₹ 5 each)	1,519.16	1,381.66

(i) Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
Opening Balance of Equity Shares of ₹ 5/- each	2,76,38,426	1,381.92	2,46,38,426	1,231.92
Add: Issue of Equity Shares of ₹ 5/- each pursuant to conversion of Compulsorily Convertible Debentures	27,50,000	137.50	30,00,000	150.00
Total Shares issued	3,03,88,426	1,519.42	2,76,38,426	1,381.92
Less: Shares kept in abeyance (Refer Note No. iii below)	5,218	0.26	5,218	0.26
Total Shares outstanding at the end of the year	3,03,83,208	1,519.16	2,76,33,208	1,381.66

(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 Locked in

Particulars	As at March 31, 2021	As at March 31, 2020
No. of Shares under Locked in	57,50,000	1,46,82,558

(v) Out of the total subscribed shares, 5,034 shares are still unclaimed by the share holders as at March 31, 2021. (March 31, 2020 No. of equity shares 5,034 Shares)

(vi) 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, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Future Corporate Resources Private Limited	1,74,32,558	57.38	1,46,82,558	53.13
Bennett, Coleman & Company Limited and PACs	23,13,861	7.61	23,13,861	8.37
Surplus Finvest Private Limited	22,04,243	7.25	22,04,243	7.98
Mangal Bhansali & PACs	14,69,228	4.83	14,69,228	5.32

(vii) Aggregate number of shares without payment being received in cash during the period of five years immediately preceding the reporting date – 2,46,38,426 Equity Shares (March 31, 2020 - 2,46,38,426)

(viii) As at March 31, 2021, 75,500 No. of Equity Shares (March 31, 2020 No. of equity shares 3,62,750) are reserved for Issuance towards Outstanding Employee Stock Option granted. (Refer Note 28)

11 Instruments entirely Equity in Nature

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
0.01% Compulsorily Convertible Debentures (in nature of Equity) face value of ₹ 1,00,000/- each. (Refer Note no. 42)		
Opening Balance	4,320.00	-
Issued during the Year	-	7,500.00
Less: Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares	(2,915.00)	(3,180.00)
Closing Balance	1,405.00	4,320.00

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

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



Notes annexed to and forming part of the financial statements

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
12. Other Equity		
Capital Reserve		
Opening Balance	7,968.34	7,968.34
Addition/(Appropriation) During The Year	-	-
Closing Balance	7,968.34	7,968.34
Security Premium		
Opening Balance	3,030.00	-
Pursuant to the Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note no. 42)	2,777.50	3,030.00
Closing Balance	5,807.50	3,030.00
Capital Redemption Reserve		
Opening Balance	5.00	5.00
Addition/(Appropriation) During The Year	-	-
Closing Balance	5.00	5.00
Share- Based Payment Reserve (Refer Note No. 28)		
Opening Balance	152.90	2.09
Addition During The Year	14.68	150.81
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	(128.41)	-
Closing Balance	39.16	152.90
Retained Earnings		
Opening Balance	(13,106.74)	(4,895.76)
Loss For The Year	(10,322.16)	(8,073.83)
Adjustment pursuant to Employee Share Based Plan (ESOP Scheme)	128.41	-
Other Comprehensive (Income)/Loss For The Year		
Re-measurement (Gain)/Loss on Defined Benefit Plans	(152.57)	137.15
Income Tax relating to above	-	-
Closing Balance	(23,147.93)	(13,106.74)
Total	(9,327.90)	(1,950.51)

Nature and Purpose of Reserves:

a) Capital Reserve

During the financial year ended March 31, 2018, the capital reserve of ₹ 7968.34 Lakhs recognised due to demerger of retail hometown division, pursuant to the composite scheme of arrangement with Future Retail Limited.

b) Capital Redemption Reserve

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

c) Securities Premium

During the financial year ended March 31, 2020, securities premium is created to record premium received on issue of shares. The Reserve is utilised in accordance with the provision of 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. 28.

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.

13 Non-Current Financial Liabilities - Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loan - From Bank	1,098.64	-
Unsecured		
Preference Shares*	544.70	499.73
Total	1,643.34	499.73

Security and terms of repayment:

(A) The Working capital term loan from banks is secured by way of 100% guaranteed by National credit guarantee trustee company Limited and second pari passu charge on the current assets and movable fixed assets (both present and future) of the Company.

Principal is repayable within 48 equal monthly installments commencing from April'2022, Interest is payable at 9.25% per annum on monthly basis.

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

14 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits				
Gratuity (Refer Note 27)	8.88	311.40	22.19	361.30
Compensated Absences	41.07	163.48	19.48	180.41
Total	49.97	474.88	41.67	541.71

15 Financial Liability - Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
<u>Loans from Banks</u>		
- Working Capital Loan	-	482.47
Letter of Credit	-	1,387.15
Loan from Others	5,184.46	6,800.00
Unsecured		
Loan from Related Parties - Inter Corporate Deposits (Repayable on demand)	1,800.00	-
Total	6,984.46	8,669.62

Security:

(a) Working Capital Loan as at March 31, 2020 from Bank is secured on Current Assets of Future Retail Limited.

(b) Letter of Credit as at March 31, 2020 is secured against exclusive charge over the Current Assets and Movable Fixed Assets (both present and future) of the Company and personal guarantee of the Promoter.

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

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

16 Other Financial Liabilities-Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2021
Salary and Employee benefits payable	489.74	520.65
Unclaimed Share Money on Fraction Shares	3.31	3.31
Interest accrued on borrowings	82.55	121.42
Creditors for Capital Expenditure	2.16	7.99
Other Payables (Provision for Expenses)	1,967.69	1,773.37
Total	2,545.45	2,426.74

17 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2021
Advances From Customers	2,631.21	3,477.27
Statutory dues payable	169.08	354.56
Total	2,800.29	3,831.82



Notes annexed to and forming part of the financial statements

18 Revenue From Operations (₹ in Lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Products	31,160.36	70,121.09
Other Operating Income		
- Commission Income	119.24	118.90
- Other Income	29.99	99.64
Total	31,309.58	70,339.63

19 Other Income (₹ in Lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest on Income Tax Refund	-	4.02
Insurance claim received	-	4.19
Liabilities Written back (Net of Advances w/off Rs 151.95 lakhs)	668.65	-
Lease liabilities written back(Net) (Refer Note 31)	868.37	-
Covid-19 Related Rent Concessions {(Refer Note 31(d))}	4,979.51	-
Other Miscellaneous Income	41.42	24.91
Total	6,557.95	33.13

20 Changes In Inventories of Stock-In-Trade (₹ in Lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Inventories		
Stock-In-Trade	17,605.86	19,771.05
Closing Inventories		
Stock-In-Trade	9,164.33	17,605.86
Total	8,441.53	2,165.20

21 Employee Benefits Expense (₹ in Lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, Wages and Bonus	4,776.08	7,583.19
Contribution to Provident and Other Fund (Refer Note No. 27)	409.29	547.74
Employee Stock Option Expense (Refer Note No. 28)	14.68	150.81
Staff Welfare Expenses	194.48	442.30
Total	5,394.52	8,724.04

22 Finance Costs (₹ in Lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest on Borrowings	819.85	686.73
Unwinding Interest on Lease Liability (Refer Note No. 31(b))	2,549.19	3,107.28
Unwinding Interest on Financial Instrument at Amortised Cost	44.97	41.36
Other Finance Costs	8.57	171.60
Total	3,422.57	4,006.97

23 Other Expenses (₹ in Lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Power & Fuel	829.37	1,835.65
Repairs and Maintenance	115.51	168.98
Insurance	72.50	37.63
Rates and Taxes	79.84	136.31
Travelling & Conveyance	135.19	509.57
Advertisement and Marketing	623.20	2,775.98
Inventory Shrinkage/Damage	32.15	229.81
Provision for Obsolete Inventory and Shrinkage	879.89	109.83
Legal & Professional	618.51	1,623.93
Loss on Foreign Currency translation or transactions	34.96	71.00
Subvention and Credit Card Charges	838.57	2,590.02
Provision for Doubtful Debts/Advances	-	189.36
Warehousing Charges	3,220.26	982.06
Miscellaneous Expenses	1,172.28	1,958.20
Total	8,652.23	13,218.33



Notes annexed to and forming part of the financial statements

24. Fair value measurements:

(a) Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortised cost	Amortised cost
Financial assets		
Trade Receivables	1,203.82	2,010.20
Cash and cash equivalents	482.46	603.96
Bank Balance other than Cash and Cash Equivalents above	3.31	3.31
Loans-Security Deposits	12,642.19	12,841.50
Other financial assets	-	66.03
Total financial assets	14,331.78	15,525.00
Financial liabilities		
Borrowings	8,627.80	9,169.35
Lease Liabilities	16,406.07	28,747.35
Trade payables	15,223.75	14,000.60
Other financial liabilities	2,545.45	2,426.74
Total financial liabilities	42,803.06	54,344.05

(b) Fair value hierarchy

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

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

(₹ in Lakhs)

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

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2020

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	12,841.50	12,841.50
Total financial assets	-	-	12,841.50	12,841.50
Financial Liabilities				
Borrowings	-	9,169.35	-	9,169.35
Total financial liabilities	-	9,169.35	-	9,169.35



Note

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This is the case for long term borrowings which is included in this level.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(c) Valuation technique used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis / Earnings / EBITDA multiple method.

(d) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of 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.

25. 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 mainly operate under cash and carry model exposed to insignificant credit risk from its operating activities primarily trade receivable amounting to ₹ 1,203.82 Lakhs as on March 31, 2021. (March 31, 2020 ₹ 2,010.20 Lakhs).

(b) Liquidity Risk

i) The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

ii) Maturity of Financial Liabilities

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

(₹ in Lakhs)

March 31, 2021	Less than 1 year	More than 1 Year	Total
Interest bearing borrowings*	7,773.87	1,932.26	9,706.13
Trade Payables	15,223.75	-	15,223.75
Lease Liabilities	5,895.88	20,354.15	26,250.03
Other Financial Liabilities	2,545.45	-	2,545.45
Total	31,438.94	22,286.41	53,725.36



(₹ in Lakhs)			
March 31, 2020	Less than 1 year	More than 1 Year	Total
Interest bearing borrowings*	9,329.58	630.00	9,959.58
Trade Payables	14,000.60	-	14,000.60
Lease Liabilities	8,284.44	36,748.16	45,032.60
Other Financial Liabilities	2,426.74	-	2,426.74
Total	34,041.36	37,378.16	71,419.52

*Includes contractual interest payment based on the interest rate prevailing at the reporting date.

(c) Market Risk

Market risk is the risk of changes in market prices – such as foreign exchange rate, interest rate, and equity prices – will affect the company's income or values of its holdings of financial statements. The company is not exposed to any significant currency risk and equity price risk.

(i) Interest Rate Risk Exposure

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Variable Rate Borrowings	6,283.11	8,669.62
Fixed Rate Borrowings	2,344.70	499.73
Total	8,627.80	9,169.35

(ii) Sensitivity Analysis

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

(₹ in Lakhs)		
Impact on Profit/(Loss) after tax	As at March 31, 2021	As at March 31, 2020
Interest rates increase by 100 basis points	62.83	86.70
Interest rates decrease by 100 basis points	(62.83)	(86.70)

(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, 2021	As at March 31, 2020
Trade Payable		
US Dollar (USD)	1.27	20.08
EURO	-	0.21

A 5% strengthening in USD and EURO will decrease the profit for the year by ₹ 4.67 Lakhs (March 31, 2020 - ₹ 76.48 Lakhs) and a 5% weakening in USD and EURO will increase the profit for the year by ₹ 76.48 Lakhs (March 31, 2020 - ₹ 4.67 Lakhs). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.



26. Capital Risk Management

(A) Risk Management

For the purpose of the Company's capital risk management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital risk management is to maximize the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. To maintain and adjust the capital structure, the company may return capital to shareholder or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	8,627.80	9,169.35
Less: Cash and Cash Equivalents	482.46	603.96
Net Debt	8,145.34	8,565.40
Equity	1,519.16	1,381.66
Instruments entirely Equity in Nature	1,405.00	4,320.00
Other Equity	(9,327.90)	(1,950.51)
Total Capital	(6,403.74)	3,751.15
Capital and Net Debt	1,741.60	12,316.55
Gearing Ratio	4.68 times	0.70 times

(B) **Dividends:** The Company has not paid any dividend during the year.

27. Disclosure under Ind AS 19 "Employee Benefits".

The Company has various employee benefit schemes covering different categories of employees based on their location of employment.

a) Defined Contribution plans:

(i) Provident Fund

(ii) State defined contribution plans - Employer's contribution to Employees state insurance

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 21: ₹ 286.44 Lakhs (March 31, 2020 - ₹ 470.94 Lakhs).

b) Defined Benefit plans:

The Company operates the following defined benefit plans:

(i) Gratuity

The Company has a defined benefit gratuity plan in India, governed by The Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. Inherent risk: The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at March 31, 2021. 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, 2021	As at March 31, 2020
Defined Benefit Obligation at the beginning of the year	383.49	195.02
Service Cost	97.82	62.50
Interest Cost	25.02	14.30
Benefits Paid	(33.49)	(25.48)
Re-measurement-Actuarial (gains)/losses	(152.57)	137.15
Defined Benefit Obligation at the end of the year	320.28	383.49
(b) Net Defined Benefit Liability / (Assets)		
	(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation	320.28	383.49
Fair value of Plan Assets	-	-
(Surplus) / Deficit	320.28	383.49
Effects of Assets Ceiling	-	-
Net Defined Benefit Liability / (Assets)	320.28	383.49
(c) Total Expenses Recognised in the Statement of Profit and Loss		
	(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020
Current Service Cost	97.82	62.50
Net interest on the net defined benefit liability/assets	25.02	14.30
Total Expenses Recognised in the Statement of Profit and Loss	122.84	76.80
(d) Remeasurement effects recognised in Other Comprehensive Income (OCI)		
	(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020
Actuarial (Gains)/Losses	(17.15)	121.41
Gain / (Loss) from change in financial assumptions	(41.77)	15.97
Gain / (Loss) from change in demographic assumptions	(93.65)	(0.23)
Total (Gain) / Loss included in OCI	(152.57)	137.15



(e) Reconciliation of Amounts in Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation at the beginning of the year	383.49	195.02
Defined Benefit cost included in Profit and Loss	122.84	76.80
Total amount included in OCI	(152.57)	137.15
Benefits paid	(33.49)	(25.48)
Defined Benefit Obligation at the end of the year	320.28	383.49

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
OCI (Income) / Loss at the beginning of the year	120.99	(16.16)
Total Remeasurement included in OCI	(152.57)	137.15
OCI (Income) / Loss at the end of the year	(31.58)	120.99

(g) Expected Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Year 1	8.88	22.19
Year 2	11.23	22.71
Year 3	16.43	24.08
Year 4	17.17	27.85
Year 5	22.60	28.49
Years 6 to 10	210.16	129.23

(h) Assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	7%	6.72%
Expected rate of Salary increase	4% Flat	0% for first year, 5% thereafter
Mortality Rate	IALM (2012-14) ultimate	IALM (2012-14) ultimate
Withdrawal Rate	Service < 5 Years 30% Service > 5 Years 2%	Up to 35 Years 10% P.A., 36 to 45 Years 5% P.A., 46 Years and above 2% P.A.
Retirement age	58 Years	58 Years

(i) Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate		
Discount Rate -100 basis points	366.67	429.27
Discount Rate +100 basis points	281.59	344.93
Salary increase rate		
Rate -100 basis points	281.98	348.77
Rate +100 basis points	365.05	427.77



Notes annexed to and forming part of the financial statements

28. Share-Based Payments

(a) Scheme Details

During the year ended March 31, 2019, Nomination and Remuneration committee of the Company has granted 466,500 Employee Stock Options (ESOP's) at the exercise price of ₹ 176/- (including share premium of ₹ 171/- per share) to the eligible employees and director of the Company pursuant to the "Praxis Home Retail Limited Share value appreciation Rights, Plan -2018", the vesting period of the same is between 12 months to 60 months. The same was also ratified by the Shareholders in terms of Regulation 12(3) of SEBI (Share Based Employee Benefits) Regulations, 2014 at the annual general meeting held on September 18, 2018. Each employee share option converts into one equity share of the Company on exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements are in existence during the financial year 2019-20.

Option Series	Number of Options Granted	Grant Date	Vesting Date	Exercise Price (₹)	Fair Value at Grant Date (₹)
Granted on March 27, 2019	99,200	27-03-19	27-03-20	176	67.38
	99,200	27-03-19	27-03-21	176	67.38
	49,600	27-03-19	27-03-22	176	67.38
	17,213	27-03-19	27-03-20	176	88.40
	17,213	27-03-19	27-03-21	176	88.40
	22,950	27-03-19	27-03-22	176	88.40
	22,950	27-03-19	27-03-23	176	88.40
	34,425	27-03-19	27-03-24	176	88.40

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

(b) Movement of Share Option

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	362,750	466,500
Granted During the year	-	-
Cancelled during the year	287,250	103,750
Exercised during the year	-	-
Outstanding at the end of the year	75,500	362,750
Exercisable at the end of the year	37,750	116,413

(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.. Expected Volatility was calculated using standard deviation of daily change in stock price.

Method and Assumptions used to estimate the fair value of options granted during the previous year:

Particulars	For 3 year vesting period	For 5 year vesting period
Risk Free Interest Rate	6.83%	7.12%
Expected Life	3.3 Years	5.85 Years
Expected Volatility	46.10%	46.10%
Dividend Yield	0.00%	0.00%
Exercise Price	176.00	176.00

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Expenses arising from equity – settled share-based payment transactions	14.68	150.81



29. Earnings Per Share (EPS)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Profit/(Loss) for the year (Rs in Lakhs)	(10,322.16)	(8,073.83)
Weighted average number of Equity Share for Basic EPS	28,198,276	25,043,044
Nominal Value per Equity Share (Rs)	5/-	5/-
Earning/(Loss) per Equity Share - Basic (Rs)	(36.61)	(32.24)
Weighted average number of Equity Share for Diluted EPS	28,198,276	25,043,044
Nominal Value per Equity Share (Rs)	5/-	5/-
Earning/(Loss) per Equity Share - Diluted (Rs)	(36.61)	(32.24)

In calculating diluted earning per share for the year, Conversion of Compulsorily Convertible Debentures (CCDs) and effect of Employee Stock Option outstanding till the date of actual exercise of option is not considered since the impact of the same is anti dilutive.

30. Assets pledged as security for Exclusive and Paripassu charge

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current Assets		
Non-Financial Assets		
Property, Plant and Equipment	-	72.43
Other Intangible Assets	-	45.66
Current Assets		
Financial Assets		
Trade receivables	1,203.82	2,010.20
Cash and bank balances	482.46	603.96
Bank Balance other than Cash and Cash Equivalents above	3.31	3.31
Loans	2,407.18	2,323.57
Other financial assets	-	66.03
Non-Financial Assets		
Inventories	9,164.33	17,605.86
Other current assets	1,839.53	2,276.77
Total assets pledged as security	15,100.63	25,007.79

31. Leases:-

The Company has lease contracts for office, store premises and warehouses used in its operations, which has lease terms between 3 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company also has certain leases of offices, store premises and warehouses with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Company has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from April 1, 2019. This has resulted in recognizing a right of use assets an amount equal to the lease liability of Rs. 31,456.44 lakhs as at April 1, 2019.

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

(₹ in lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Office Equipments	Buildings	Total	Office Equipments	Buildings	Total
Opening balance	5,078.43	21,880.79	26,959.22	6,982.85	24,473.59	31,456.44
Additions	-	-	-	-	1,254.80	1,254.80
Deletions	-	(7,072.83)	(7,072.83)	-	(143.93)	(143.93)
Depreciation Expenses	(1,904.42)	(3,717.88)	(5,622.30)	(1,904.42)	(3,703.67)	(5,608.08)
Balance at the end of the year	3,174.02	11,090.07	14,264.09	5,078.43	21,880.79	26,959.22

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

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance (Buildings and Office Equipments)	28,747.35	31,456.44
Additions	-	1,254.80
Finance Charge accrued during the year	2,549.19	3,107.28
Payment of Lease liabilities	(4,214.50)	(5,885.95)
Liabilities transferred to Vendor's Account	(2,734.76)	(1,039.66)
Deletions	(7,941.21)	(145.55)
Balance at the end of the year	16,406.07	28,747.35
Current	5,895.88	7,155.28
Non-current	10,510.19	21,592.08

The effective interest rate for lease liabilities is 10.15% as on March 31, 2021 (10.15% as on 1 April 2020)



(c) The following are the amounts recognised in statement of profit and loss			(₹ in lakhs)
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	
Depreciation expense of Lease assets	5,622.30	5,608.08	
Interest expense on Lease liabilities	2,549.19	3,107.28	
Expense relating to Short term leases/Variable Lease Payments (included in Rent including Lease Rentals)	3,484.46	3,956.93	
Fixed rentals	-	-	
Total amount recognised in statement of profit and loss	11,655.94	12,672.30	
(d) Covid-19-Related Rent Concessions :			
The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116-Leases, by inserting a Practical Expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has elected to apply the Practical Expedient of not assessing the rent concessions as a lease modification for all the rent concession which are granted due to Covid-19 Pandemic and has recognized the impact of such rent concession in the Statement of Profit and Loss.			
Accordingly rent concession of Rs. 4,979.51 lakhs for the year ended March 31, 2021 respectively are accounted under head other income.			
(e) Following table provides information on the Company's variable Lease payments including the magnitude in relation to fixed payments			
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	(₹ in lakhs)
Fixed rent	5,734.15	5,410.62	
Variable rent with minimum payment	1,889.55	2,731.91	
Variable rent only	1,549.22	1,482.22	
The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.			
(f) Set out below are future rental payments in respect of lease for Premises, Stores and Warehouses are as follows:-			
Particulars	As at March 31, 2021	As at March 31, 2020	(₹ in lakhs)
The total future minimum lease rent payable at the Balance Sheet date :			
- For a period not later than one year	5,895.88	8,284.44	
- For a period later than one year and not later than 5 years	12,496.06	19,463.08	
- For a period later than five years	7,858.09	17,285.08	



Notes annexed to and forming part of the financial statements

32. Segment Reporting

The Company is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment & as such there is no separate reportable segment. Presently the company's operations are predominantly confined in India.

33. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Principal amount due to suppliers as at the year end	1,438.33	1,019.95
Interest accrued, due to suppliers on the above amount, and unpaid as at the year end	33.77	25.56
Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of Interest due and payable for the period of delay in making the payment, which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act	33.77	25.56
Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers	33.77	25.56
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	33.77	25.56

34. Income Tax Expense

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax expense		
Current Tax	-	-
Deferred Tax :		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Earlier Year's Tax	(1.37)	1.37
Income Tax relating to Other Comprehensive Income	-	-
Total Income Tax Expense/(Income)	(1.37)	1.37

(ii) Reconciliation of Tax Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit/(Loss) before tax	(10,323.52)	(8,072.46)
Applicable Tax Rate	26.00%	26.00%
Tax at the Indian tax rate	(2,684.11)	(2,098.84)
The effect of amounts which are not deductible in calculating taxable income		
Exempt income	-	-
Expenses not allowed for tax purposes	486.48	686.28
Business loss on which no deferred tax asset is recognized	2,197.64	1,412.56
Earlier year's tax	(1.37)	1.37
Reversal of Deferred Tax asset recognised during the previous years	-	-
Tax Expense charged to the Statement of Profit and Loss	(1.37)	1.37



(iii) Amount on which Deferred Tax Assets not Recognised		
(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Unused Tax Losses	32,313.94	25,403.24
Deferred Tax Assets	8,401.62	6,604.84
(iv) Year wise expiry of such losses as at March 31, 2021 is as under:		
(₹ in Lakhs)		
Particulars	As at March 31, 2021	
Expiring within 1 year	2,984.82	
Expiring within 1 to 5 years	12,130.73	
Expiring within 5 to 8 years	16,743.27	
Without expiry limit	455.11	
Total	32,313.94	
(v) Components of Deferred Tax Balances		
(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets/(Liabilities) on account of :	-	-
Unabsorbed brought forward losses	8,401.62	6,604.84
Property plant and Equipment	11.29	12.27
Provisions	(12.77)	51.94
Closing balance	8,400.14	6,669.05
Recognised in the Financial Statements	Nil	Nil
35.Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - Statement of cash flows		
(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Long term Borrowings		
Opening Balance (A)	499.73	458.37
Availed during the year	1,098.64	-
Changes in Fair Value		
- Impact of Effective Rate of Interest (B)	44.97	41.36
- Impact of fair value measurement (C)	-	-
Closing Balance (D = A + B + C)	1,643.34	499.73
Short term Borrowings		
Opening Balance (A)	8,669.62	2,334.32
- Current		
Availed during the year (B)	2,100.00	30,112.38
Changes in Fair Value		
Repaid During the year (C)	3,302.69	23,777.08
Transferred	482.47	-
Closing Balance (D = A + B - C)	6,984.46	8,669.62
Interest Expenses		
Prepaid Interest - Opening Balance	-	8.05
Opening Interest accrued on borrowings	121.42	-
Interest Expense (B)	3,422.57	4,006.97
Closing Interest accrued on borrowings (C)	82.55	121.42
Changes in Fair Value		
- Impact of Effective Rate of Interest (E)	44.97	41.36
Prepaid Interest - Closing Balance (F)	-	8.05
Interest paid (F = B - A - C - D + E)	3,416.48	3,844.19



36. Unclaimed Fractional Share Money

Pursuant to the Composite Scheme of Arrangement as stated above, the Company had appointed a Trustee M/s Anant Gude & Associates, to deal with the fractional shares of the Company. The total number of fractional shares worked out to 17,061 equity shares. Accordingly, on April 4, 2018 the Trustee sold 17,061 equity shares for a total value of ₹35.47 Lakhs. As per the certificate received from the Trustee, out of the total warrants issued towards disbursement of amount pertaining to fractional shares, ₹3.31 Lakhs of the value is still pending to be claimed by the shareholders. The balance amount has been shown as current financial liability in the financial statements.

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) Holding Company	Future Corporate Resources Private Limited
(ii) Person having influence over Holding Company	Shri Kishore Biyani

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

(i) Enterprises over which Companies/individual described in (a) have control/significant influence	1. Future Retail Limited
	2. Future Lifestyle Fashions Limited
	3. Future Generali India Insurance Company Limited
	4. Future Supply Chain Solutions Limited
	5. Future Enterprises Limited
	6. Future Market Networks Limited
	7. Future Consumer Limited
	8. Nufuture Digital (India) Limited
	9. City Centre Mall Nashik Private Limited
	10. Future Outdoor Media Solutions Limited
	11. Surplus Finvest Private Limited
	12. Future Media (India) Limited
	13. Future Ideas Company Limited

(c) Key Management Personnel :

Mr. Viraj Didwania (Chairman and Managing Director) up to March 18, 2021
 Mr. Anil Chandak (Chief Financial Officer) up to October 31, 2020
 Ms. Smita Chowdhury (Company Secretary and Compliance Officer)
 Mr. Vikash Kabra (Deputy Chief Financial Officer) w.e.f March 11, 2021



1. Transaction with Related Parties

(₹ in Lakhs)

Nature of Transactions	Holding Company	Enterprises over which Companies/individual described in (a) have control/significant influence	Key Management Personnel
Purchases	-	4,967.44	-
	-	(8,239.86)	-
Sales	-	26.20	-
	-	(324.37)	-
Advertisement and Marketing Expenses	38.59	-	-
	(382.94)	-	-
Rent including Lease Rentals	-	5,274.22	-
	-	(5,392.17)	-
Other Expenses	-	372.49	-
	(109.51)	(1,360.35)	-
Insurance Premium	-	112.55	-
	(-)	(114.47)	-
Interest Expenses	11.80	33.81	-
	(288.68)	(-)	-
Inter-Corporate Deposit - Taken	400.00	1,700.00	-
	(7,500.00)	-	-
Inter-Corporate Deposit - Repaid	100.00	200.00	-
	(7,500.00)	(-)	-
Compulsorily Convertible Debentures Issued	-	-	-
	(7,500.00)	-	-
Conversion of Compulsorily Convertible Debentures into Equity Shares	2,915.00	-	-
	(3,180.00)	-	-
Covid-19 Related Rent Concessions	-	3,209.28	-
	-	(-)	-
Liabilities Transferred	-	482.26	-
	-	(-)	-
Expenses incurred on behalf of related parties/Debit note raised	-	215.96	-
	-	(221.93)	-
Remuneration to Key Managerial Personnel and Directors *	-	-	199.70
	-	-	(282.65)
Closing Balance as on March 31, 2021			
Security Deposit Receivable	-	10,149.74	-
	-	(10,149.74)	-
Trade Payable/Other Payable	-	9,380.86	-
	-	(5,364.36)	-
Advance given	100.56	348.38	-
	(95.94)	(774.29)	-
Inter-Corporate Deposit - Taken (Including Interest accrued)	309.86	1,531.27	-
	(-)	(-)	-

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

Note: Previous year figures are given in parenthesis.



2. Significant Related Party Transactions

A. Purchases includes purchase from Future Retail Limited ₹ 76.58 lakhs (2020: ₹ 195.56 lakhs) & Freight, C&F and Warehousing services includes payment to Future Supply Chain Solutions Limited ₹ 4,890.86 lakhs (2020: ₹ 8,044.05 lakhs).

B. Sales includes sale to Future Retail Limited ₹ 26.20 lakhs (2020: ₹ 284.23 lakhs), Future Enterprises Limited ₹ Nil (2020: ₹ 31.80 lakhs).

C. Advertisement and Marketing expenses paid/payable to Future Corporate Resources Private Limited ₹ 38.59 lakhs (2020: ₹ 382.94 lakhs)

D. Rent including Lease rentals includes amount paid/payable to Future Lifestyle Fashions Limited ₹ 2,052.49 lakhs (2020: ₹ 1,836.95 lakhs), Future Retail Limited ₹ 791.80 lakhs (2020: ₹ 1,147.73 lakhs), Future Market Networks Limited ₹ 331.93 lakhs (2020: ₹ 313.25 lakhs), City Centre Mall Nashik Pvt. Ltd. ₹ 34.60 lakhs (2020: ₹ 84.86 lakhs) and Future Enterprises Limited ₹ 2304.00 lakhs (2020: ₹ 2,009.39 lakhs)

E. Covid-19 Related Rent Concessions includes from Future Lifestyle Fashions Limited ₹ 1131.32 lakhs (2020: ₹ Nil), Future Retail Limited ₹ 349.95 lakhs (2020: ₹ Nil), Future Enterprises Limited ₹ 1728.00 lakhs (2020: ₹ Nil) and Future Market Networks Limited ₹ 240.60 lakhs (2020: ₹ Nil).

F. Other Expenses includes amount paid/payable to Future Sharps Skills Limited ₹ Nil (2020: ₹ 7.93 lakhs), Nufuture Digital (India) Limited ₹ 16.19 lakhs (2020: ₹ 695.65 lakhs), Future Corporate Resources Private Limited ₹ Nil (2020: ₹ 109.51 lakhs), Future Lifestyle Fashions Limited ₹ 157.96 lakhs (2020: ₹ 332.59 lakhs), Future Media (India) Limited ₹ 1.09 lakhs (2020: ₹ 11.66 lakhs), Future Coupons Limited ₹ Nil (2020: ₹ 16.14 lakhs), Future Retail Limited ₹ 130.23 lakhs (2020: ₹ Nil), Future Market Networks Ltd ₹ 39.49 lakhs (2020: ₹ Nil) City Centre Mall Nashik Pvt. Ltd. ₹ 27.52 lakhs (2020: ₹ 54.86 lakhs).

G. Insurance Premium paid to Future Generali India Insurance Company Limited ₹ 112.55 lakhs (2020: ₹ 114.47 lakhs)

H. Interest expenses include interest paid/payable to Future Corporate Resources Private Limited ₹ 11.80 lakhs (2020: ₹ 288.68 lakhs), Surplus Finvest Private Limited ₹ 33.81 lakhs (2020: ₹ Nil)

I. Inter-Corporate Deposit Taken from Future Corporate Resources Private Limited ₹ 400.00 lakhs (2020: ₹ 7,500.00 lakhs), Surplus Finvest Private Limited ₹ 1,700.00 lakhs (2020: ₹ Nil)

J. Inter-Corporate Deposit Repaid to Future Corporate Resources Private Limited ₹ 100.00 lakhs (2020: ₹ 7,500.00 lakh), Surplus Finvest Private Limited ₹ 200.00 lakhs (2020: ₹ Nil)

K. Compulsorily Convertible Debentures issues to Future Corporate Resources Private Limited ₹ Nil (2020: ₹ 7,500.00 lakhs)

L. Conversion of Compulsorily Convertible Debentures into Equity Shares, issued to Future Corporate Resources Private Limited ₹ 2,915.00 lakhs (2020: ₹ 3,180.00 lakhs)

M. Managerial Remuneration includes Mr. Viraj Didwania ₹ 135.89 lakhs (2020: ₹ 171.70 lakhs), Mr. Anil Chandak ₹ 34.18 lakhs (2020: ₹ 77.35 lakhs), Ms. Smita Chowdhury ₹ 9.86 lakhs (2020: ₹ 12.79 lakhs) and Mr. Vikash Kabra ₹ 2.33 lakhs (2020: ₹ Nil) & Director Sitting fees paid to Mr. Shantanu Chandravadan Shah ₹ 4.00 lakhs (2020: ₹ 3.60 lakhs), Mr. Pankaj Bhargava ₹ 4.74 lakhs (2020: ₹ 3.60 lakhs), Mr. Sarda Shrirang Kisanlal ₹ 3.60 lakhs (2020: ₹ 1.50 lakhs), Mr. S. Subramanian ₹ 4.50 lakhs (2020: ₹ 3.60 lakhs) & Ms. Sridevi Badiga ₹ 0.60 lakhs (2020: ₹ 1.80 lakhs).

N. Security Deposit receivable from Future Enterprises Limited, amounting to ₹ 10,100.00 lakhs (2020: ₹ 10,100.00 lakhs) and Future Market Network Limited, amounting to ₹ 49.74 lakhs (2020: ₹ 49.74 lakhs).

O. Trade Payables/Other Payable includes payable to Future Supply Chains Solutions Limited of ₹ 5,888.20 lakhs (2020: ₹ 4,170.63 lakhs), Future Lifestyle Fashions Limited ₹ 1,704.93 lakhs (2020: ₹ 894.95 lakhs), Future Retail Limited ₹ 385.08 lakhs (2020: ₹ 0.00 lakhs), Future Enterprises Limited ₹ 1148.16 lakhs (2020: ₹ 572.16 lakhs) and Nufuture Digital (India) Limited of ₹ 112.87 lakhs (2020: ₹ 210.12 lakhs).

P. Inter-Corporate Deposit Taken (including Interest accrued) Outstanding from Future Corporate Resources Private Limited ₹ 309.86 lakhs (2020: ₹ 7,500.00 lakhs), Surplus Finvest Private Limited ₹ 1,531.27 lakhs (2020: ₹ Nil)

Q. Advances given includes Advances to Future Enterprises Limited ₹ 339.62 lakhs (2020: ₹ 330.05 lakhs), Future Retail Limited ₹ Nil (2020: ₹ 439.98 lakhs) and Future Corporate Resources Private Limited ₹ 100.56 lakhs (2020: ₹ 95.94 lakhs).



38. Payment to the Auditors (excluding GST)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
For Statutory Audit	22.00	22.00
For Limited Review	9.00	9.00
Total	31.00	31.00

39. Contingent Liabilities

(i) The Company has not provided for Income Tax demand of ₹ 113.80 lakhs (2020: ₹ 113.80 lakhs) which is pending before CIT Appeals.

(ii) On November 27, 2020, The Company has received demand notice from the Directorate General of Anti Profiteering department wherein the department has stated that the Company has contravened the provisions of Section 171(1) of the Central Goods and Service Tax Act, 2017 and the benefit of the rate reduction in GST from 28% to 18% was not passed on to the recipients by increasing the base price of the products. As per the report the total amount of profiteering covered for the period 15.11.2017 to 30.09.2019 has been worked out to Rs. 368 Lakhs. The Company has submitted its reply on January 18, 2021 to National Anti-Profiteering Authority (GST) and presently the matter is pending before the authority.

(ii) Subsequent to the year on April 12, 2021, the Company has received a notice from vendor wherein the party has filed an application under IBC Code with NCLT towards non payment of its dues (including interest) of Rs. 100.65 Lakhs. The application is pending before NCLT and no hearing has taken place as yet.

40. 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.

41. The entire network of the Company has been eroded due to losses incurred and its current liabilities exceed its current assets which indicate a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern. The Company is committed to improve its operational efficiency and has taken various initiatives to boost sales, reduce cost and have taken steps to infuse capital into the Company. The Company is confident that these initiatives will yield desired results and sustainable cash flows to meet the obligations of the Company. Accordingly, the financials of the Company have been prepared on a going concern basis.

42. During the year ended March 31, 2021, the Company converted 2,915 Compulsorily Convertible Debentures (CCDs) out of the 4,320 CCD's outstanding as on April 1, 2020 at a face value of Rs. 1,00,000 each amounting to Rs. 2,915 Lakhs into 27,50,000 Equity shares at an issue price of Rs. 106 per share (including share premium of Rs. 101 per share) amounting to Rs. 2,915 Lakhs. Accordingly the equity share capital and securities premium has been increased by Rs.137.50 Lakhs and Rs.2,777.50 Lakhs respectively.

Subsequent to the balance sheet dated on May 27, 2021, the Company converted the balance 1,405 Compulsorily Convertible Debentures (CCDs) at a face value of Rs. 1,00,000 each amounting to Rs. 1,405 Lakhs into 13,25,471 Equity shares at an issue price of Rs. 106 per share (including share premium of Rs. 101 per share) amounting to Rs. 1,405 Lakhs. Accordingly the equity share capital and securities premium has been increased by Rs.66.27 Lakhs and Rs.1,338.73 Lakhs respectively



43. The current financial year has been a challenging year for our business. The year began amidst a strict lockdown post the emergence of the Coronavirus (Covid-19) towards the end of the last financial year. The economy gradually opened post June 20 and the second half of the year was progressing towards recovery. However, a much stronger second wave of Covid-19 infections hit the country towards the end of current financial year and has once again resulted in significant disruption to our business as several cities and towns have announced restrictions. As of now, the company believes this pandemic may not impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimise the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

44. Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's presentation.

As per our report of even date attached

For and on behalf of Board of Directors

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593



Vishal D. Shah

Partner

Membership No. 119303



Mahesh Shah

Managing Director

DIN: 01488017



Vikash Kabra

Deputy Chief Financial Officer

Membership No.: 065329



Harinder Sahni

Independent Director

DIN: 00576755



Smita Chowdhury

Company Secretary & Compliance Officer

Membership No.: A30227

Mumbai

June 30, 2021

Notes annexed to and forming part of the financial statements

1. Corporate Information

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

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

The Company is a public limited Company which is listed on two recognised stock exchanges in India. The Company is incorporated and domiciled in India under the provisions of the Indian Companies Act, 1956. The registered office of the Company is located at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (E), Mumbai – 400 042, India.

These financial statements of the Company for the year ended March 31, 2020 were authorized for issue by the board of directors on June 30, 2021. Pursuant to the provisions of section 130 of the Act, the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

2. Significant Accounting Policies

2.1 Compliance with Indian Accounting Standard (Ind AS):

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

2.2 Basis of Preparation

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

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

2.3 Basis of Measurement

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

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



2.4 Use of judgements, estimates & assumptions

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

2.5 Revenue Recognition

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

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

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

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

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to redeem the same on future purchases. A contract liability for the reward points is recognized at the time of the sale. The expenditure of loyalty programme is netted-off to revenue.

Interest Income

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

Dividend Income

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

2.6 Property, Plant and Equipment

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



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

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

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

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

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

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

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

2.7 Intangible Assets

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

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

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

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

2.8 Impairment of Non-Financial Assets

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



2.9 Current and Non-current classification

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

Assets

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

- i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle or
- ii) It is held primarily for the purpose of being traded or
- iii) It is expected to be realised within 12 months after the reporting date or,
- iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

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

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

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

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

Operating cycle

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

2.10 Fair value measurement

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortized cost) (Refer note 24) and Quantitative disclosures of fair value measurement hierarchy (Refer note 25).

2.11 Derivatives

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

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



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

2.12 Inventories

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

2.13 Financial Instruments

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

(A) Financial Assets:

a) Classification

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

b) Initial Recognition and Measurement

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

c) Subsequent Measurement

i) Financial asset at Amortized cost

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

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

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



irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

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

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

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

d) Impairment of Financial Assets

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

e) Derecognition of Financial Assets

A financial asset is derecognised only when:

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

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

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

(B) Financial Liabilities

a) Initial Recognition and Measurement

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

b) Subsequent measurement

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



i) Borrowings:

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

ii) Trade and Other Payables:

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

c) Derecognition

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

2.14 Contributed Equity

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

2.15 Provisions

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

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

2.16 Contingent Liabilities and Contingent Assets

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

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



2.17 Foreign currency transactions

a) Functional and presentation currency

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

b) Transactions, translation and balances

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

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

2.18 Earnings Per Share

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

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

2.19 Taxes on Income

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

Current Tax

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

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

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

Deferred tax

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



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

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

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

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

2.20 Employee benefit

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

The Company operates the following post-employment schemes:

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

Defined Benefit Plans

Gratuity Obligations

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



Defined Contribution plans

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

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

(iii) Other long-term employee benefit obligations

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

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

2.21 Share-Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Refer note 28.

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

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

2.22 Cash Flow Statement

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

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



which are subject to an insignificant risk of changes in value.

2.23 Leases

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

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

Where the Company is the lessee:

The Company’s lease asset classes primarily consists of leases for stores taken on lease. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of lease, the Company recognise a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangement in which it is a lessee except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Where the Company is the Lessor:

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

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

2.24 Business Combination

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



as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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

2.25 Borrowing Costs

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

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

2.26 Warranty Costs

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

2.27 Offsetting Financial Instruments

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

2.28 Recent accounting pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Lease liabilities should be separately disclosed under the head 'Financial liabilities', duly distinguished as current or non-current.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.



- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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 34 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 27 for key actuarial assumptions.

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

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs



to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer note 25 on financial risk management where credit risk and related impairment disclosures are made.

Equity settled Equity-settled share based payments

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

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.



MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, non circumstances have arisen since March 31, 2021, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. Appointment of Managing Director and Appointment & Resignation of Independent Director and re-composition of Board:

Our Company at its Board Meeting held on April 06, 2021 has appointed Mahesh Shah as Additional Director, designated as “Managing Director- Key Managerial Personnel” with effect from May 5, 2021.

Further, Sridevi Badiga, Independent Director resigned with effect from June 1, 2021

Anou Singhvi was appointed as Additional Independent Director on June 30, 2021.

2. Resignation of Sandeep Sharma as Chief Executive Officer

Sandeep Sharma resigned as Chief Executive Officer and Key Managerial Personnel with effect from May 31, 2021.

3. Conversion of Compulsory Convertible Debentures (“CCDs”) into Equity Shares

Our Company has converted the remaining 1,405 CCDs held by Future Corporate Resources Private Limited into 13,25,471 Equity Shares of face value of ₹5 each fully paid up of the Company on May 27, 2021. Further, post conversion of CCDs the paid-up Equity Share capital of the Company stands increased to ₹15,85,43,395/- and comprising of 3,17,08,679 Equity Shares of ₹5 each fully paid-up.

4. Creation of pledge on our Company’s equity shares by the Future Corporate Resources Private Limited (the Promoter Company)

Future Corporate Resources Private Limited, the Corporate Promoter of the Company has pledged 90,20,819 Equity Shares, aggregation to 48.09 % of its shareholding and 28.45 % of the total paid up equity share capital of the Company to a Non-Banking Financial Company.

1. Impact of COVID -19:

Operation Impact

The second wave of COVID-19 has re-surged in the entire country bringing the nationwide business activities to a standstill just like previous financial year and the Government of India had declared strict lockdown for prevention and containment of COVID-19 resulting into closure of the shopping malls/ Cinema Theatres etc., except essential services and lot of restricted time-line for Non-essential services and follow up Covid policies end of the I Quarter Fiscal 2022.

The normal operations of the Company were severely disrupted due to the outbreak of Second wave of COVID-19 and the subsequent lockdown restrictions imposed by Government of India on various Business activities. Our most of stores were not operational and started closing from April 4, 2021 in select states following the government guidelines because of gradual lockdown announced by few states governments post considering the severity in their respective states. Post May 02, 2021, all the stores were closed following the nation-wide lockdown order issued by the Government of India. All the stores remained closed as per the Government Guidelines except few states for the e-commerce business.

Further, during complete lockdown, our Company’s supply chain was disrupted and due to restrictions, no deliveries were possible. Post gradual lifting of lockdown the pending deliveries were undertaken by the Company after taking due precautions for the safety of the employees and customers. Further in compliance and strict adherence to statutory guidelines issued by the State and Central Government, for prevention of further spread of Covid-19, the Company

had resumed its operations from first week of June 2021 in select stores in Gujarat, Bangalore, Kolkata, Andhra, Telangana, and Mumbai by end of June, 2021, 22 stores were operational at selective states for 4 to 6 hours operational, 10 stores were operation only for the week days (except Saturday and Sunday) with an restricted timeline and 12 stores were totally closed for operations in the containment zones in the state as on June 30, 2021.

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ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Information. For details see “Financial Statements” on page 77.

Accounting Ratios

Particulars	Based on Audited Financial Statements	Based on Audited Financial Statements
	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Basic earnings per share (₹)	(36.61)	(32.24)
Diluted earnings per share (₹)	(36.61)	(32.24)
Return on Net Worth (%)*	NA	NA
Net Asset Value per Equity Share (₹)	(47.32)	(15.28)
EBITDA (₹ in lakhs)	(1,222.12)	1,624.51

* Since net profit after tax and Net worth are in negative, hence return on net worth has not been calculated.

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable / Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ Net worth at the end of the period / year.
Net asset value per Equity Share	Net Worth divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss.

Calculation of Return of Net Worth

(In ₹ lakh, unless otherwise specified)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit after Tax (before OCI) (A)	(10,322.16)	(8,073.83)
Net Worth (B)	(14,377.11)	(4,222.19)
Return of Net Worth (A/B) (%) ^	NA	NA

^ Since net profit after tax and Net worth are in negative, hence return on net worth has not been calculated

Calculation of Net asset value per Equity Share

(In ₹ lakh, unless otherwise specified)

Particulars	As at March 31, 2021	As at March 31, 2020
Net Worth (A) (₹ in lakhs)	(14,377.11)	(4,222.19)
No. of Shares (B) (in numbers)	3,03,83,208	2,76,33,208
Net Assets Value [(A x 100,000) / B]	(47.32)	(15.28)

*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. The same is not taken into consideration while calculating the number of shares outstanding.

Calculation of EBITDA*(In ₹ lakh, unless otherwise specified)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit / (Loss) after Tax	(10,322.16)	(8,073.83)
Add: Taxes	(1.37)	1.37
Add: Interest	3,422.57	4,006.97
Add: Depreciation	5,678.84	5,690.00
EBITDA	(1,222.12)	1,624.51

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal ended March 31, 2021 and March 31, 2020 included in this Draft Letter of Offer. Our audited financial statements for Fiscal 2021 and Fiscal 2020 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the financial statements of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled “Risk Factors” and “Forward-Looking Statements” on pages 18 and 15 respectively.

Our financial year ends on March 31 of each year, so all references to a particular “financial year” and “Fiscal” are to the twelve (12) month period ended March 31 of that year. References to the “Company”, “we”, “us” and “our” in this chapter refer to Praxis Home Retail Limited.

OVERVIEW OF OUR BUSINESS

Our Company operates brick and mortar stores of home furniture and home fashion in the brand name of HomeTown and caters to home retail segment in India. This retail format brings together under one roof, a wide range of furniture (both office and home furniture), home furnishing goods, kitchenware, other home related accessories and quality services including complete home design, modular kitchen among others, giving customers a great in-store experience. In addition, an exciting range of accessories, such as clocks, wall hangings and décor make it a complete one stop shop for all home needs. As on June 30, 2021, HomeTown has a pan India presence with 44 stores, across 28 cities in India. Our Company also operates a web portal for online sale of our products through the website www.hometown.in and also has its presence on the major e-commerce market places in India through which our Company sells a wide range of products across furniture, furnishings, décor, tableware and kitchenware.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ‘Risk Factors’ on page 18. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- The impact of COVID-19 pandemic;
- Factors affecting the home retail industry;
- Increasing competition in the Industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

SIGNIFICANT ACCOUNTING POLICIES

For details about our key significant accounting policies, see section titled “Financial Information” on page 77.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “Financial Information” on page 77, there has been no change in accounting policies during the Fiscal 2021.

RESERVATIONS, QUALIFICATIONS, MATTER OF EMPHASIS, ADVERSE REMARKS / OTHER OBSERVATIONS IN CARO

The following is the summary of qualifications/ reservation /emphasis of matters/ adverse remarks / other observations in Companies Auditor's Report Order (CARO), 2016 in the Fiscal ended March 31, 2021:

Financial Period	Qualifications / Reservation /Matter of Emphasis/ Adverse Remarks/ Other Observations in CARO															
For the year ended March 31, 2021	<p>Material Uncertainty Related to Going Concern</p> <p>We draw attention to Note no. 41 of the financial statements, wherein the Company’s networth is eroded due to losses incurred during the year as well as previous year, 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. However, for the reasons more fully described in the aforesaid note the accounts of the Company have been prepared as a Going Concern. Our opinion is not modified in respect of this matter.</p>															
<p>Emphasis of Matter</p> <p>We draw attention to Note no. 43 of the financial statements, as regards to the management evaluation of impact of COVID–19 on the future performance of the Company. Our opinion is not modified in respect of this matter.</p>																
<p>Report on Other Legal and Regulatory Requirements</p> <p>2(f) The going concern matter described in Material Uncertainty Related To Going Concern and Emphasis Of Matter paragraph above, in our opinion, may have an adverse effect of the functioning of the Company</p>																
<p>Under CARO 2016</p> <p>vii(a): According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including employees’ state insurance, goods and service tax, customs duty, cess and other material statutory dues except in case of provident fund and Income Tax where there has been significant delays in depositing these dues as applicable, with the appropriate authorities.</p> <p>vii(d): According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax, sales tax, customs duty, excise duty and value added tax as at March 31, 2021 which have not been deposited on account of a dispute except for income tax dues for the following:</p>																
<table><tr><th>Name of the statute</th><th>Nature of Dues</th><th>Amount (₹ in Lakhs)</th><th>Period to which it relates</th><th>Forum where the dispute is pending</th></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>34.13</td><td>AY 2018-19</td><td>CIT (Appeals), Mumbai</td></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>50.72</td><td>AY 2019-20</td><td>CIT (Appeals), Mumbai</td></tr></table>		Name of the statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where the dispute is pending	Income Tax Act, 1961	Income tax	34.13	AY 2018-19	CIT (Appeals), Mumbai	Income Tax Act, 1961	Income tax	50.72	AY 2019-20	CIT (Appeals), Mumbai
Name of the statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where the dispute is pending												
Income Tax Act, 1961	Income tax	34.13	AY 2018-19	CIT (Appeals), Mumbai												
Income Tax Act, 1961	Income tax	50.72	AY 2019-20	CIT (Appeals), Mumbai												

Financial Period	Qualifications / Reservation /Matter of Emphasis/ Adverse Remarks/ Other Observations in CARO				
	Income Tax Act, 1961	Income tax	28.96	AY 2020-21	CIT (Appeals), Mumbai

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue

Our revenue comprises of:

Revenue from operations

Revenue from operations is due to sales of products, recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers. It also includes commission income and other operating income.

Other Income

Other income primarily comprises of certain non-recurring income such as interest on income tax refund, insurance claim received, liabilities written back, lease liabilities written back, covid-19 related rent concessions and other miscellaneous income.

Expenses

Our expenses primarily comprise purchase of stock in trade, changes in inventories of stock-in-trade, employee benefit expenses, rent expense including lease rentals, finance costs, depreciation and amortization expenses and other expenses.

Purchase of stock-in-trade

The purchase of stock-in-trade comprises of purchase of finished goods.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade comprises of difference in closing balance *vis-a-vis* opening balance of stock in trade.

Employee benefit expense

Employee benefit expense consists of salaries, wages, bonus, contribution to provident fund & other funds, employee stock option expense and staff welfare expenses.

Rent including lease rentals

Rent including lease rentals comprises of expenses on account of lease contracts for office, store premises and warehouses used in our operations, which has lease terms between three and thirty years.

Finance costs

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans, unsecured loans, unwinding interest on lease liability and unwinding interest on financial instrument at amortised cost. Other finance costs consist of discounting charges incurred on letter of credit.

Depreciation and Amortization Expense including impairment of goodwill

Depreciation and amortization expense comprise of depreciation expense of lease assets, plant and equipment, furniture & fixture, office equipment, computers..

Other expenses

Other expenses comprise of warehousing charges, power and fuel expense, consumption of stores and spares, advertisement & marketing expenses, legal and professional charges, subvention and credit card charges, repairs and maintenance, rates and taxes, insurance expense, travelling & conveyance expense, loss on foreign currency translation or transaction, provision of doubtful debts/advances, inventory shrinkage/damage, provision for obsolete inventory and shrinkage and miscellaneous expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax charge / (credit) is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particulars	Fiscal 2021		Fiscal 2020	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	31,309.58	82.68%	70,339.63	99.95%
Other Income	6,557.95	17.32%	33.13	0.05%
Total Revenue	37,867.53	100.00%	70,372.76	100.00%
Purchase of Stock in trade	13,116.90	34.64%	40,683.74	57.81%
Changes in Inventories of Stock-in-Trade	8,441.53	22.29%	2,165.20	3.08%
Employee Benefit Expense	5,394.52	14.25%	8,724.04	12.40%
Rent Including Lease Rentals	3,484.46	9.20%	3,956.93	5.62%
Financial Costs	3,422.57	9.04%	4,006.97	5.69%
Depreciation and Amortization Expense	5,678.84	15.00%	5,690.00	8.09%
Other Expenses	8,652.23	22.85%	13,218.33	18.78%
Total Expenses	48,191.05	127.26%	78,445.21	111.47%
Profit / (Loss) Before Tax	(10,323.52)	(27.26)%	(8,072.46)	(11.47)%
Tax expense:				
- Current Tax			-	-
- Earlier year's tax	(1.37)	0.00%	1.37	0.00%
- Deferred tax charge / (credit)	-	-	-	-
Net Tax expenses	(1.37)	0.00%	1.37	0.00%
Profit / (Loss) after tax	(10,322.16)	(27.26)%	(8,073.83)	(11.47)%

Fiscal 2021 compared to Fiscal 2020

Total Revenue

Our total revenue for the Fiscal 2021 was ₹37,867.53 lakhs as compared to ₹70,372.76 lakhs for the Fiscal 2020, representing an decrease of 46.19%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2021 was ₹31,309.58 Lakhs as compared to ₹70,339.63 Lakhs for the Fiscal 2020, representing an decrease of 55.49%. This is primarily due to decrease in sales because of closure of stores on account of COVID 19.

Other Income

Other income for the Fiscal 2021 was ₹6,557.95 Lakhs as compared to ₹33.13 Lakhs for the Fiscal 2020, representing an increase of 19694.60%. The increase in other income was primarily due to write back of liabilities, reversal of Right to use assets for the stores closed during the Fiscal 2021 & the rent rebate obtained during the Fiscal 2021 from the various lessors on account of COVID 19 impact.

Total Expenses

Our total expenditure for the Fiscal 2021 was ₹48,191.05 Lakhs as compared to ₹78,445.21 Lakhs for the Fiscal 2020, representing an decrease of 38.57% Total expenditure comprises of:

Purchase of Stock In Trade

The purchase of stock in trade for the Fiscal 2021 was ₹13,116.90 Lakhs as compared to ₹40,683.74 Lakhs for the Fiscal 2020, representing a decrease of 67.76%. This decrease was due to resultant decrease in sale of products on account of closure of stores.

Changes in Inventories of Stock-in-Trade

The changes inventories of stock-in-trade for the Fiscal 2021 were ₹8,441.53 Lakhs as compared to ₹2,165.20 lakhs for the Fiscal 2020. The change in inventories of stock-in-trade was due to liquidation of existing stock available with the Company.

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2021 was ₹5,394.52 Lakhs as compared to ₹8,724.04 Lakhs for the Fiscal 2020, representing a decrease of 38.16%. This decrease was due to decrease in staff count & salaries and reversal of ESOP expenses with respect to resigned employees during the Fiscal 2021.

Rent including Lease Rental Expense

Rent including lease rental expense for the Fiscal 2021 was ₹3,484.46 Lakhs as compared to ₹3,956.93 Lakhs for the Fiscal 2020, representing a decrease of 11.94%. The said decrease is primarily because of closure of few stores during the Fiscal 2021 and decrease in revenue rent because of lower sales in Fiscal 2021.

Finance Costs

Finance costs for the Fiscal 2021 was ₹3,422.57 Lakhs as compared to ₹4,006.97 Lakhs for the Fiscal 2020, representing a decrease of 14.58%. The said decrease is due to reduction in borrowings during the Fiscal 2021.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2021 was ₹5,678.84 Lakhs as compared to ₹5,690.00 Lakhs for the Fiscal 2020, representing a decrease of 0.20%. The Depreciation and Amortization Expense was in similar lines to the previous Fiscal.

Other Expenses

Other expenses for the Fiscal 2021 were ₹8,652.23 Lakhs as compared to ₹13,218.33 Lakhs for the Fiscal 2020, representing a decrease of 34.54%. The decrease was mainly due to decrease in operational expenses because of closure of the stores due to COVID 19 during the Fiscal 2021.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2021 of (₹10,323.52) Lakhs as compared to (₹8,072.46) Lakhs for the Fiscal 2020. The increase in losses was primarily on account of decrease in sales on account of closure of stores during the major part of the year because of Government induced lockdowns with respect to COVID 19 Pandemic.

Tax Expense

Total tax expense for the Fiscal 2021 was ₹(1.37) Lakhs as compared to ₹1.37 Lakhs for the Fiscal 2020. There was no current tax applicable for the Fiscal 2021 on account of losses.

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2021 was (₹10,322.16) Lakhs as compared to (₹8,073.83) Lakhs for the Fiscal 2020. This increase in losses after tax was on account of the reasons discussed above.

Related Party Transactions

For details, please see the chapter titled “*Financial Statements*” beginning on page 77.

Significant developments after March 31, 2021 that may affect our future results of operations

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after March 31, 2021 that may affect our future results

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and /or our Promoters; (ii) material violations of statutory regulations by our Company and /or our Promoters; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of the “Policy for Determination of Materiality of Events and Information” adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations (“Materiality Policy”).

In this regard, please note the following:

- 1. Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount equal to or exceeding 10% of the turnover of the Company as per the audited financial statements of the Company for the immediately preceding financial year (being ₹3,786.75 lakh, 10% of the ₹37,867.53 lakh as on March 31, 2021) (“Materiality Threshold”), and / or (ii) is otherwise determined to be material in terms of the Materiality Policy.*
- 2. Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.*

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigations involving our Company

A. Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

Nil

B. Proceedings involving material violations of statutory regulations by our Company

Nil

C. Economic offences where proceedings have been initiated against our Company

NIL

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

NIL

Litigations involving our Promoter(s)

A. Proceedings involving material violations of statutory regulations by the Promoters

SEBI has conducted an investigation in the scrip of Future Retail Limited (“FRL”) in relation to the trading during the period March 10, 2017 to April 20, 2017 on the basis of unpublished price sensitive information (“UPSI”) in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act, 1992”) read with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred

to as “**PIT Regulations, 2015**”). It was alleged that the scrip of FRL were traded on the basis of the composite scheme of arrangement between FRL, Bluerock eServices Private Limited (“**BSPL**”), the Company and its respective shareholders (“the **Scheme**”).

A show cause notice bearing SCN No. SEBI/HO/IVD/ID3/OW/P/2020/2778 dated January 21, 2020 (“**SCN**”), was issued by SEBI to Kishore Biyani, Anil Biyani, Future Corporate Resources Private Limited (collectively referred to as “our **Promoters**”) and others (“**Noticees**”). SEBI vide its order dated February 3, 2021 (“**Order**”) *inter alia*, restrained our Promoters and other Noticees from (a) accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities or being associated with the securities market in any manner for a period of one (1) year, from the date of the Order (b) from buying, selling or dealing in the securities of FRL for a period of two (2) years and levied the penalties upon them. Aggrieved by the Order, Noticees have challenged the Order before the Securities and Appellate Tribunal (“**SAT**”) and vide its order dated February 15, 2021, SAT has granted a stay on the Order. The matter is pending before the SAT.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations (“**Approvals**”) for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the stores and warehouses are located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses for reducing the current liabilities by repaying part of its outstanding trade payables, repayment of certain unsecured loans availed by our Company and for general corporate purposes, no government and regulatory approval pertaining to the Object of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on January 29, 2021, pursuant to Section 62 (1) (a) and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on January 29, 2021 has resolved to issue Equity Shares to the Eligible Equity Shareholders aggregating upto ₹ 4,950.00 lakhs and in its meeting held on [●] decided to issue the Rights Equity Shares at an Issue Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), in the ratio of [●] Equity Share for every [●] Equity Share, as held on the Record Date. The Issue Price of ₹ [●] per Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

This Draft Letter of Offer has been approved by our Board/Committee, at its meeting held on August 7, 2021.

Our Company has received in-principle approvals from BSE and NSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see “*Terms of the Issue*” on page 150.

Prohibition by the SEBI

Except as disclosed below, none of our Company, our Promoters, members of our Promoter Group and our Directors are prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority:

SEBI vide its order dated February 3, 2021 (“**Order**”), has prohibited and restrained our Promoters, Kishore Biyani and Future Corporate Resources Private Limited, and one of the members of our Promoter Group, Anil Biyani from accessing the securities market and prohibited them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one (1) year from the date of the Order and also levied penalties upon them with respect to the investigation conducted in the scrip of Future Retail Limited (“**FRL**”) to ascertain whether certain persons/entities had traded during the period March 10, 2017 to April 20, 2017 on the basis of unpublished price sensitive information in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 read with the SEBI PIT Regulations. SEBI issued a separate show cause notice bearing SCN No. SEBI/HO/IVD/ID3/OW/P/2020/2778 dated January 21, 2020 (“**SCN**”). Our Promoters have challenged the Order before the Securities and Appellate Tribunal (“**SAT**”) and the SAT has vide order dated February 15, 2021, stayed the Order of SEBI, however, we cannot assure that the said challenge will be successful and any adverse order or unfavourable order in the appellate forum may adversely affect the Company, the Issue and the price of its Equity Shares. For further details, refer to chapter titled “*Outstanding Litigation and Defaults*” beginning on page 140.

Neither our Promoters nor our Directors have been declared as Fugitive Economic Offenders.

Association of our Directors with the securities market

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company, nor our Promoters or our Directors have been or are identified as Wilful Defaulters.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR

Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

Applicability of the SEBI ICDR Regulations

The present Issue being of less than ₹5,000 Lakhs, Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in.

Compliance with clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, to the extent applicable, in terms of the disclosures made in this Draft Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- a) Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable, for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the BSE and NSE;
- b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and NSE; and
- c) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

As required, a copy of the Letter of Offer will be submitted to SEBI.

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE

DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

[•]

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager, namely Vivro Financial Services Private Limited, accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisement or any other material issued by or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

We and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with the SEBI.

Applicants will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in the future receive, compensation.

Cautions

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be BSE.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

“[●]”

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, is set out below:

“[●]”

Selling Restrictions

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form only to email addresses of such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form, shall not be sent the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R-WAP. Accordingly, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer/ Letter of Offer /Abridged Letter of Offer and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is

received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

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

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

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

NO OFFER IN THE UNITED STATES

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

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

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian

address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

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

Filing

The copy of this Draft Letter of Offer has been filed with BSE and NSE for seeking their in-principle approval for the proposed Issue.

Further, in accordance with the SEBI ICDR Regulations, our Company shall file the copy of Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011, for the purpose of their information and dissemination on its website.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investor Grievances arising out of this Issue:

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e. Link Intime India Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process or R-WAP may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, please see “Terms of the Issue” on page 150

Investors may contact the Registrar to the Issue at:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
LBS Marg, Surya Nagar, Gandhi Nagar
Vikhroli (West)

Mumbai – 400 083

Maharashtra, India.

Telephone: +91-22-49186200

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

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

Website: www.linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

The contact details of the Company Secretary are as follows:

Company Secretary and Compliance Officer:

Smita Chowdhury

iThink Techno Campus,

Jolly Board Tower D, Ground Floor,

Kanjurmarg (East), Mumbai 400 042

Telephone: +91 22 7106 8031

E-mail: investorrelations@praxisretail.in

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with ASBA Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA is onetime relaxation made available by SEBI in view of the COVID-19 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.linkintime.co.in.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

1. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- i. our Company at www.praxisretail.in;
- ii. the Registrar at www.linkintime.co.in;
- iii. the Lead Manager at www.vivro.net;
- iv. the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
- v. the Registrar’s web-based application platform at www.linkintime.co.in.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together the “ASBA Circulars”), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, please see “*Procedure for Application through the ASBA Process*” and “*Procedure for Application through R-WAP facility*” on page 161 and 161

- (a) **ASBA facility:** Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in their respective ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please see “*Procedure for Application through the ASBA Process*” on page 121.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

- (b) **Registrar’s Web-based Application Platform (R-WAP):** In accordance with the R- WAP Circulars, a separate web based application platform, *i.e.*, the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, **R-WAP is only an additional option and not a replacement of the ASBA process.** At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING R-WAP FACILITY. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, PLEASE SEE “RISK FACTORS - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS” ON PAGE 35.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions visit the online/ electronic dedicated investor helpdesk ([●]) or call helpline number ([●]). For details, please see “*Procedure for Application through R-WAP*”

on page 161.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “*Terms of the Issue - Grounds for Technical Rejection*” on page [●]. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*”.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the ASBA Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; (f) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copy of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. [●], to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.praxisretail.in).

4. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.linkintime.co.in
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.linkintime.co.in

- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: praxis.rights@linkintime.co.in

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialised form or appears in the register of members of our Company as an equity shareholder in respect of our Equity Shares held in physical form, as on the Record Date, are entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.praxisretail.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited in their demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material ("Issue Materials") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see "Notice to Investors" on page 11

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 5.

Issue Price

The Rights Equity Shares are being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rule and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, please see “*Procedure for Renunciation of Rights Entitlements*” on page 122.

In accordance with R-WAP Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or the Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; (f) the ownership of the Equity Shares currently under dispute, including any court proceedings;.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their

respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 119.

Trading of the Rights Entitlements

In accordance with the ASBA Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN which our Company shall apply for. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The transfer through On Market Renunciation and Off Market Renunciation will be settled through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date. For details, please see “*Procedure for Renunciation of Rights Entitlements - On Market Renunciation*” and “*Procedure for Renunciation of Rights Entitlements - Off Market Renunciation*” on page 123. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see “*Procedure for Application*” on page 119.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

Payment Schedule of Rights Equity Shares

The Issue Price of ₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable as follows:

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid up Equity Shares held as on the Record Date. As per ASBA Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements.

However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] and from the NSE through letter bearing reference number [●] dated [●].

Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 540901) and NSE (Scrip Code: PRAXIS) under the ISIN: INE546Y01022. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL. The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (four) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable

law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, please see the chapter titled “*Capital Structure - Intention and extent of participation by our Promoter and Promoter Group*” on page 150.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, the holders of Rights Equity Shares shall have the following rights on the Rights Equity Shares:

- i. The right to receive dividend, if declared;
- ii. The right to vote in person, or by proxy;
- iii. The right to receive surplus on liquidation;
- iv. The right to free transferability of Rights Equity Shares;
- v. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law
- vi. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant and follow the process therein.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant

to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, ASBA Circular and MCA Circulars, our Company will send/dispatch, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 read with FEMA Rules, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [●]. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Entitlement Letter and Application Form shall be sent/ dispatched to the non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened.

Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP facility.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at praxis.rights@linkintime.co.in

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please see “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 126.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page [●]

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlements Letter shall be sent through e-mail or physical delivery, as applicable, at least three days before the Issue Opening Date.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at www.praxisretail.in;
- (ii) the Registrar at www.linkintime.co.in;
- (iii) the Lead Manager at www.vivro.net;
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com;
- (v) the R-WAP facility at www.linkintime.co.in

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.praxisretail.in).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. **Please note that Applications made with payment using third party bank accounts are liable to be rejected**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP mechanism.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN could lead to rejection of the Application. For details, please see “Grounds for Technical Rejection” on page 171. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. **Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.** For details, see “Application on Plain Paper under ASBA process” on page [●].

Options available to the Eligible Equity Shareholders

The Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity

Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Procedure for application through R-WAP facility

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, please see “Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways” on page 35.

Set out below is the procedure to be followed for using the R-WAP facility:

Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-

cash payment mechanism in accordance with the SEBI Rights Issue Circulars.

- (i) Resident Investors should visit R-WAP (accessible at www.linkintime.co.in) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
- (ii) Non-resident Investors are not eligible to apply in this Issue through R-WAP.
- (iii) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.
- (iv) The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- (v) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the R-WAP Circulars.
- (vi) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- (vii) Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- (viii) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Banker(s) to the Issue.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the heading "*Application on Plain Paper under ASBA process*" on page 124.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements,

provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the heading “*Basis of Allotment*” on page 175

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Pursuant to the ASBA Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP facility.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the ASBA Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchange under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. **Applications on plain paper will not be accepted from any address outside India.**

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges, the Lead Manager or the R-WAP to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP FACILITY

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Praxis Home Retail Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total application amount paid at the rate of ₹ [●] per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. Additionally, all such Applicants are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “**United States**”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

*I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (“**Regulation S**”), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements

credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, please see "*Procedure for Application through R-WAP*" on page 161

APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the ASBA Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The Eligible Equity Shareholders can access the Application Form from:
 - i. Our Company at www.praxisretail.in;
 - ii. the Registrar at www.linkintime.co.in
 - iii. the Lead Manager at www.vivro.net; and
 - iv. the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., at www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.praxisretail.in);

- d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE [●].

General instructions for Investors

- (a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you.
- (c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (d) Application should be made only through the ASBA facility or using R-WAP.
- (e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 164.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, ASBA Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- (j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts , or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (k) Applications should not be submitted to the Bankers to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), our Company or the Registrar or the Lead Manager.
- (l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.**
- (n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other

than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

- (p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (q) All communication in connection with Application for the Rights Equity Shares, including any change in contact details address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (r) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (s) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (t) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (u) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.

- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Entitlement Letter.

Do's for Investors applying through R-WAP facility:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- (b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- (c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment
- (d) Ensure that you receive a confirmation email on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (b) Do not send your physical Application to the Lead Manager, the Registrar, the Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investors applying through R-WAP facility:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Investor.
- (c) Do not apply from non-resident account.
- (d) Do not apply from corporate account

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Lead Manager, Registrar, Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be

bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Application from Investors that are residing outside India as per the depository records.
- (r) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (s) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds) including in relation to insufficient funds available in the opted bank account):
 - i. Applications by non-resident Investors;
 - ii. Payment from third party bank accounts

Our Company may, in consideration with the Lead Manager and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR AS ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY THE INVESTOR AS ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar or the Company. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the intimation of unblocking of ASBA Account or refund (if any) would be sent/ dispatched to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP.. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. NR Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Entitlements Letter and the Application Form shall be sent to their e-mail addresses or their Indian address, as applicable, if they have provided their Indian address to our Company. The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard. In the event that the e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company, our Company will make reasonable efforts to dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and Entitlements Letter by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect of the same Rights Entitlements using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. For details, please see “*Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications shall be treated as multiple Applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of our Promoters or members of Promoter Group for subscribing any unsubscribed portion of this Issue as described in “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*” on page 43

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the heading, “*Basis of Allotment*” on page 175.

Please note that on the Issue Closing Date, (i) the Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to [●] in case of Application through R-WAP facility. **However, the Application, whether made through ASBA Process or R-WAP facility, cannot be withdrawn after the Issue Closing Date.**

Issue Schedule

Last Date For Credit Of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date[#]	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

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

[#] Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from

time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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

Our Board or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- i. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Banker(s) to the Issue with list of Allottees and

corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker(s) to the Issue to refund such Applicants

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company requisite interest as specified under applicable law from the expiry of such 4 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company

or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed an agreement dated October 12, 2017 with NSDL and an agreement dated October 11, 2017 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATIONS BY CERTAIN CATEGORIES OF INVESTORS

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category

I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- i. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue.

Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 Lakhs or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of this Issue referred to under (1) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the

balance sheet of our Company indicating the purpose for which such monies have been utilised; and

3. Details of all unutilized monies out of this Issue referred to under (1) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment;
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants;
6. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process;
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Praxis Home Retail Limited – Rights Issue**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Link Intime (India) Private Limited

C 101, 1st Floor, 247 Park, LBS Marg, Surya Nagar, Gandhi Nagar
Vikhroli (West), Mumbai – 400083, Maharashtra, India.

Telephone: + 91-22-4918 6200

Telephone: +91-22-49186200

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

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

Website: www.linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

3. In accordance with ASBA Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (*i.e.* at www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 4918 6200.

This Issue will remain open for a minimum 15 days. However, our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Restrictions on Foreign Ownership of Indian Securities

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“**DPIIT**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. As per Regulation 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue securities on rights basis to non-resident shareholders including additional securities under the rights issue. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended, issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. If an NR or NRI Investor has specific approval from the RBI, in connection with their shareholding, they should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares.

The Rights Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection would be available at the registered office of the Company between 10 a.m and 5 p.m on all working days.in from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated April 26, 2021 between our Company and the Lead Manager.
2. Registrar Agreement dated April 26, 2021 between our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated January 31, 2011 and fresh certificate of incorporation consequent upon last change of name dated June 21, 2017.
3. Scheme of Arrangement between Future Retail Limited or Bluerock eServices Private Limited and Praxis Home Retail Limited and their respective Shareholders and creditors - under Sections 230 to 232 read with Section 66 of the Companies Act, 2013, as amended and duly sanctioned by Mumbai bench of National Company Law Tribunal on November 10, 2017.
4. Order dated November 10, 2017 of the National Company Law Tribunal approving the Scheme, effective from November 20, 2017.
5. Information Memorandum dated January 29, 2018 for listing of 2,46,33,208 equity shares of ₹5 each of the Company.
6. Industry report titled “India Home Furniture Market” report dated July 28, 2021 prepared by Mordor Intelligence.
7. Copy of Audited Financial Statements for the Fiscal 2021
8. Copies of annual report of our Company for Fiscals 2020, 2019, 2018 and 2017.
9. Resolution of our Board dated January 29, 2021 approving the Issue.
10. Resolution of our Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
11. Consents of our Directors, Company Secretary and Compliance Officer, Deputy Chief Financial Officer, Statutory Auditor, Lead Manager, Bankers to the Issue, Legal Advisor to the Issue, Mordor Intelligence for Indutry report and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
12. The audit reports dated June 30, 2021 of the Statutory Auditors along with the Audited Financial Statements for the year ended March 31, 2021 included in this Draft Letter of Offer.
13. Statement of Special Tax Benefits dated August 7, 2021 from the Stautory Auditors M/s Pathak H. D. & Associates LLP, Chartered Accountants.

14. Tripartite Agreement dated October 12, 2017 between our Company, NSDL and the Registrar to the Issue.
15. Tripartite Agreement dated October 11, 2017 between our Company, CDSL and Registrar to the Issue.
16. In-principle approval issued by the BSE dated [●] and the NSE dated [●].
17. Due diligence certificate dated [●], 2021, addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Equity Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Mahesh Shah
Managing Director

Avni Biyani Additional Director
Non-Executive Non-Independent Director

Anou Singhvi
Additional Independent Director

SIGNED BY THE DEPUTY CHIEF FINANCIAL OFFICER OF OUR COMPANY

Vikash Kabra
(Deputy Chief Financial Officer)

Date: August 7, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shrirang Sarda
Non-Executive Non-Independent Director

Date: August 7, 2021

Place: Nashik

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Harinder Sahni
Additional Independent Director

Date: August 7, 2021

Place: Gurugram

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Jacob Mathew
Additional Independent Director

Date: August 7, 2021

Place: Bengaluru