

Ref: PHRL:2023-24

Date: November 03, 2023

To,
BSE Limited
Corporate Relationship Dept
First Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai – 400001
Scrip Code: 540901

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Symbol: PRAXIS

Dear Sir/Madam,

Sub: Outcome of the Board Meeting pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In accordance with the provisions of Regulation 30 & 33 read with Schedule III of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform you that the Board of Directors of the Company at its meeting held today i.e., November 03, 2023, has inter alia, approved the Unaudited Standalone Financial Results of the Company along with the Limited Review Report of the auditor for the second quarter and half-year ended September 30, 2023.

The aforesaid Financial Results and Report are enclosed herewith.

The above information is also being made available on the website of the Company www.praxisretail.in.

The Board Meeting commenced at 4:25 P.M. and concluded at 5:35.P.M.

Thanking you,
Yours faithfully,
For **PRAXIS HOME RETAIL LIMITED**



Sanu Kapoor
Head Legal & Company Secretary

Encl: As Above

Independent Auditors' Limited Review Report on Unaudited financial results of Praxis Home Retail Limited for the quarter and six months ended September 30, 2023, pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended)

To the Board of Directors of Praxis Home Retail Limited

1. We have reviewed the accompanying statement of unaudited financial results of **Praxis Home Retail Limited** ('the Company') for the quarter and six months ended September 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Because of the matters described in the paragraph 4 below, we were not able to obtain sufficient evidence to provide a basis for conclusion on the Statement and hence we do not express a conclusion on the Statement.

4. Basis for Disclaimer of Conclusion

- a. As stated in note no. 6(a) of the financial results of the Company, it has "Deposit receivables towards matured lease agreement (which were given in the nature of security deposit)" from a related party of an amount of Rs. 10,100 lakhs. The Company has not identified & recognised loss allowance for expected credit losses (ECL) on such other receivables, which is not in conformity with the requirements of Ind AS 109 "Financial Instruments". Further, we are informed by the management that till date the Company has not received any appropriate / adequate response from the lessor towards refunding such amount. Considering these facts and the available financial position / statement of such related party where there is an indication about material uncertainty towards its ability to continue as going concern and where an Interim Resolution Professional has been appointed by Hon'ble National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and other relevant surrounding circumstances, we are unable to determine and quantify whether this amount will be fully recoverable and it requires any provision of ECL. These facts also give rise to material uncertainty as regards possible material adjustments that may be required to be made to the values of recorded security deposits and unrecorded assets and tax implications, if any, arising on account of settlement of such transactions, which could not be recorded in the financial results on account of these being not readily ascertainable. Further, balances of Payables and Receivables including write backs / write offs are subject to confirmations and reconciliations, if any,



amounts of which are not ascertainable. Pursuant to the non-receipt of responses from the lessor towards refunding the specified amount and non-determination of the ECL provision and availability of balance confirmations, its impact on the losses and EPS of the Company for the quarter and six months ended September 30, 2023 and on the net worth as on the balance sheet date, is not ascertainable. This matter was also modified in our report on the financial statements for the year ended March 31, 2023.

- b. Attention is invited to note no. 9 of the Statement wherein it is stated that the Company has not created provisions towards impairment on Rights of Use assets (ROU), having value of Rs. 10,280.75 lakhs as on September 30, 2023, which is based on the management estimate and forecasted financial results for the financial year 2023-2024. Management envisages that on yearly basis there will not be a need to create impairment on ROU as its financial position will improve. Management will be revisiting this position at each subsequent balance sheet date for determining the implications, if any, towards impairment on ROU and consequential impairment in assets connected with the respective ROU and to recognize such impact in the financial results when it is clearly evident. However, at present the testing for impairment of ROU has not been carried out and accordingly, the impact, if any, arising on account of impairment of ROU in the financial results is not ascertainable.

5. Disclaimer of Conclusion

We do not express conclusion on the accompanying Statement of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Conclusion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for our conclusion on the Statement.

6. Material Uncertainty Related to Going Concern

Attention is invited to note no. 3 of the Statement which states that the Company has incurred net loss of Rs. 3,365.21 lakhs during the six months ended September 30, 2023 and as of that date, the Company's current liabilities exceed its current assets which indicate a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. However, the accounts are prepared on a going concern basis for the reasons stated in the aforesaid note.

Our conclusion is not modified in respect of this matter.

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Amit Hundia

Partner

Membership No. 120761

UDIN: 23120761BGYVW1456



Place: Mumbai

Date: November 3, 2023

Praxis Home Retail Limited

Regd. Office: iThink Techno campus, Jolly Board tower D, Ground floor, Kanjurmarg East, Mumbai- 400042

CIN: L52100MH2011PLC212866

(T)- 022-6882 4900; (F)- 022-6882 4801; Website: www.praxisretail.in; E-mail: investorrelations@praxisretail.in

Statement of Financial Results for the Quarter and Half Year Ended September 30, 2023

(₹ in Lakhs)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
1	Income						
	a) Revenue from Operations	5,902.49	5,033.55	10,556.92	10,936.04	20,912.81	38,604.55
	b) Other Income	447.08	29.76	170.64	476.84	412.69	937.11
	Total Income	6,349.57	5,063.31	10,727.56	11,412.88	21,325.50	39,541.66
2	Expenses						
	a) Purchase of Stock in trade	3,831.38	2,213.37	4,681.18	6,044.75	9,193.53	15,165.42
	b) (Increase)/Decrease in Inventories of Stock in trade	(543.69)	682.96	1,668.03	139.27	3,273.76	7,331.00
	c) Employee Benefits Expenses	1,118.11	1,111.10	1,680.47	2,229.21	3,367.67	6,036.86
	d) Finance Costs	512.96	455.45	502.85	968.41	966.85	2,175.98
	e) Depreciation and Amortisation expenses	903.72	878.49	630.73	1,782.20	1,355.80	3,602.62
	f) Other Expenses	1,906.31	1,707.93	3,494.60	3,614.25	6,466.85	10,441.45
	Total Expenses	7,728.79	7,049.30	12,657.87	14,778.09	24,624.46	44,753.33
3	Profit / (Loss) before Exceptional Items and Tax (1-2)	(1,379.22)	(1,985.99)	(1,930.31)	(3,365.21)	(3,298.96)	(5,211.67)
4	Exceptional Items (Refer Note no.4)	-	-	2,181.05	-	3,110.28	3,110.28
5	Profit / (Loss) before Tax and after Exceptional Items	(1,379.22)	(1,985.99)	250.74	(3,365.21)	(188.68)	(2,101.39)
6	Tax Expense						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax Liability / (Asset)	-	-	-	-	-	-
7	Profit/(Loss) for the year/period (5-6)	(1,379.22)	(1,985.99)	250.74	(3,365.21)	(188.68)	(2,101.39)
8	Other Comprehensive Income/(Loss)						
	Items that will not be reclassified to Profit & Loss						
	(a) Remeasurements of Defined benefit plans	(5.00)	(5.00)	(21.71)	(10.00)	(21.71)	(61.70)
	(b) Income Tax relating to above	-	-	-	-	-	-
	Other Comprehensive Income/(Loss) for the year/period	(5.00)	(5.00)	(21.71)	(10.00)	(21.71)	(61.70)
9	Total Comprehensive Income/(Loss) (7+8)	(1,384.22)	(1,990.99)	229.03	(3,375.21)	(210.39)	(2,163.09)
10	Paid up Equity Share Capital (Face Value ₹ 5/- per share)	6,247.78	6,247.78	3,765.41	6,247.78	3,765.41	3,783.51
11	Other Equity						(5,578.47)
12	Earnings per Equity Share (Face value of ₹ 5/- each) (Refer note no. 10)						
	Basic EPS in ₹ (* not annualized for Quarter ended)	(1.08)	(2.45)	0.32	(3.22)	(0.24)	(2.68)
	Diluted EPS in ₹ (*not annualized for Quarter ended)	(1.08)	(2.45)	0.32	(3.22)	(0.24)	(2.68)



PRAXIS

HOME RETAIL LIMITED

Praxis Home Retail Limited CIN: L52100MH2011PLC212866 Balance Sheet as at September 30, 2023		
Particulars	(₹ in Lakhs)	
	As at September 30, 2023	As at March 31, 2023
Assets		
1. Non-Current Assets		
Property, Plant and Equipment	1,160.76	1,135.96
Capital Work-In-Progress	0.85	15.07
Right-of-use Assets	10,280.75	10,364.48
Other Intangible Assets	19.95	17.43
Financial Assets		
Other Financial Assets	931.59	825.95
Other Non-Current Assets	44.62	53.11
Non-Current Tax Assets	58.05	76.87
Total Non-Current Assets	12,496.57	12,488.87
2. Current Assets		
Inventories	6,494.36	6,633.64
Financial Assets		
Trade Receivables	117.28	143.65
Cash and Cash Equivalents	499.96	178.54
Bank Balance other than Cash and Cash Equivalents above	3.31	3.31
Other Financial Assets	10,662.74	10,608.42
Other Current Assets	1,572.28	1,179.87
Total Current Assets	19,349.93	18,747.43
Total Assets	31,846.50	31,236.30
Equity And Liabilities		
Equity		
Equity Share Capital	6,247.78	3,783.51
Other Equity	(5,349.49)	(5,578.48)
Total Equity	898.29	(1,794.97)
Liabilities		
1. Non-Current Liabilities		
Financial Liabilities		
Borrowings	361.99	549.32
Lease Liabilities	7,818.78	7,307.04
Provisions	179.44	197.04
Total Non-Current Liabilities	8,360.21	8,053.40
2. Current Liabilities		
Financial Liabilities		
Borrowings	5,519.25	4,788.47
Lease Liabilities	2,635.60	3,094.97
Trade Payables		
-Total Outstanding dues of Small and Micro Enterprises	737.83	2,140.17
-Total Outstanding dues of Creditors other than Small and Micro Enterprises	10,479.70	11,910.05
Other Financial Liabilities	1,783.72	1,590.16
Other Current Liabilities	1,408.55	1,431.39
Provisions	23.34	22.66
Total Current Liabilities	22,588.00	24,977.87
Total Equity and Liabilities	31,846.50	31,236.30



PRAXIS HOME RETAIL LIMITED

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

CIN: L52100MH2011PLC212866

PRAXIS

HOME RETAIL LIMITED

Praxis Home Retail Limited			
CIN: L52100MH2011PLC212866			
Statement of Cash Flow for The Half Year Ended September 30, 2023			
₹ in lakhs			
Sr No.	Particulars	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022
A	Cash Flows From Operating Activities		
	Profit / (Loss) Before Tax	(3,365.22)	(188.68)
	Adjustments For:		
	Depreciation and Amortization Expenses	1,782.20	1,355.80
	Interest income on Fair Value of Financial Asset	(37.72)	-
	Income from expiry of gift voucher	(77.03)	-
	Provision for Gratuity and Leave Encashment	25.00	55.28
	Provision for Doubtful Debts	-	338.16
	Finance Costs	968.41	940.42
	Unwinding Interest on Financial Instrument at Amortised Cost	-	26.43
	Interest income on Income Tax Refund	(2.45)	-
	Employee stock option expenses	33.54	175.49
	Loss/(Gain) on Damaged/Shrinkage and Obsolete Inventory	(9.14)	382.68
	Gain on termination of Lease Assets	-	(26.89)
	Write Back of Liabilities	(345.60)	(1,724.16)
	Write Back of Lease Liabilities	(28.99)	(26.88)
	Cash Generated (Used in)/from before Working Capital Changes	(1,057.00)	1,307.65
	Adjustments For:		
	(Increase)/decrease in Trade Receivables	26.38	8.30
	(Increase)/decrease in Loans, Other Financial Assets and Other Assets	(616.70)	205.69
	(Increase)/decrease in Inventories	148.42	3,254.60
	Increase/(decrease) in Trade Payables	(2,487.09)	(810.92)
	Increase/(decrease) in Other Financial Liabilities, Other Liabilities and Provisions	374.22	1,138.05
	Cash Generated from / (Used in) Operations	(3,611.77)	5,103.37
	Income Tax (Paid)/Refund	21.26	(30.57)
	Net Cash Flows Generated from / (Used in) Operating Activities	(3,590.51)	5,072.80
B	Cash Flows From Investing Activities		
	Purchase of Property, Plant and Equipment and Intangible Assets (Net of Capital Creditors)	(275.50)	(630.41)
	Net Cash flow Generated from / (Used In) Investing Activities	(275.50)	(630.41)
C	Cash Flows From Financing Activities		
	Proceeds from Issue of Equity Shares (Net of issue expenses)	4,714.75	-
	Proceeds from Issue of Share Warrants (Net of issue expenses)	1,320.25	-
	(Repayment)/Proceeds from Short term Borrowings (Net)	730.79	(999.89)
	Repayment of Long term Borrowings	(187.33)	(137.31)
	Principal Payment of Lease Liability	(1,372.10)	(2,852.32)
	Interest Payment of Lease Liability	(504.75)	(501.13)
	Interest Paid	(514.18)	(368.76)
	Net Cash flow Generated from / (Used In) Financing Activities	4,187.43	(4,859.41)
	Net (Decrease) / Increase In Cash and Cash Equivalents	321.41	(417.03)
	Net (Decrease) / Increase In Cash and Cash Equivalents	321.41	(417.03)
	Cash and Cash Equivalents at the beginning of the year	178.54	649.30
	Cash and Cash Equivalents at year end	499.96	232.27
	Components of Cash and Cash Equivalents		
	Current Accounts	473.85	154.27
	Cheques on Hand	7.79	30.59
	Cash on Hand	18.32	47.41
	Total Cash and Cash Equivalents	499.96	232.27
	Changes in liabilities arising from financing activities and leases		
	Opening balance of borrowings and leases	16,369.80	20,819.48
	Proceeds from borrowings	4,318.00	550.00
	Changes in lease liabilities	52.38	(3,768.15)
	Unwinding Interest on Financial Instrument at Amortised Cost	-	26.43
	Repayment of borrowings	(3,774.55)	(1,687.20)
	Closing balance of borrowings and leases (Refer Note)	16,965.63	15,940.56

Note-In FY22-23, there has been a change in the classification of liability on account of non redemption of preference shares in the financial statements. However, for the purposes of disclosure in statement of cash flows for the year ended September 30, 2023 and September 30, 2022 respectively, balances of borrowing continued to include ₹ 630 lakhs of unredeemed preference shares, which is classified under Other Current Financial Liabilities in the balance sheet as there is no movement in the cash flows on account of such non redemption.



PRAXIS HOME RETAIL LIMITED

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Notes:-

- 1 The above financial results have been prepared in accordance with recognition and measurement principles of the Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. Further, these financial results also have been prepared in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended.
- 2 The Company's business activity falls within a single primary business segment of "retail" and there are no separate reportable segments as per Ind AS 108 "Operating Segments". Company's operations are only confined in India.
- 3 The Company has incurred a net loss of ₹ 3,365.21 lakhs during the half-year ended September 30, 2023. Further, its current liabilities exceed its current assets which indicate a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. In the current period, the Company has raised funds through rights issue of equity shares and issue of share warrants to improve its liquidity position. Further, the Company is committed to improve its operational efficiency and has taken various initiatives to boost sales and reduce cost. These initiatives will yield desired results and the management is confident that the network will turn positive in the near future and yield sustainable cash flows to meet all its obligations. Accordingly, the financial results of the Company have been prepared on a going concern basis.
- 4 Exceptional items for the quarter and half-year ended September 30, 2022 included ₹ 456.89 lakhs and 1,386.12 lakhs respectively on account of changes arising in Right of use asset and Lease liabilities due to the decision taken by the management about the continuity plans of the loss making stores and ₹ 1,724.16 lakhs on account of write back of liabilities as approved by the Board of Directors.
- 5 9% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each ("NCRPs") aggregating to ₹ 630 lakhs held by Future Enterprises Limited ("FEL") were due for redemption on December 8, 2022. As per the provisions of the Companies Act, 2013 and rules made thereunder, the redemption of any NCRPs to be made out of only profits available to be distributed as dividend or proceeds of any fresh issue of shares made for the purposes of such redemption. As the Company has not earned any profit during the current quarter / previous year and no proceeds of any fresh issue of shares made for the purposes of such redemption, the Company could not redeem the NCRPs. Till these NCRPs are not redeemed, it would continue as unredeemed preference capital in accounts of the Company till redemption.
- 6 a. During the year ended March 31, 2023, tenure of a lease rental agreement entered by the Company with a related party (Lessor) expired. In the past, the Company has given security deposits of ₹ 10,100 lakhs pursuant to such agreement. The Company still holds the possession of the moveable assets (PPE) taken by it under this agreement for its usage. The Company is following up with the lessor to recover the amount of security deposits. During the previous year, the Company has obtained a valuation report of such assets by an independent professional firm. The Company believes that these receivables are secured by the assets, which are in its possession, whose value as determined by the independent valuer is higher than the security deposits and hence the Company has considered the security deposits as secured and good and fully receivable. Further, till the time these assets are in the possession of the Company, which will be surrendered on receipt of the amount of ₹ 10,100 lakhs, as conveyed by the Company to such related party, no lease rental charges will be paid post the closure of the tenure of this agreement. Accordingly, no provision towards lease rental, if any, to be claimed by such related party in the future has been provided in the books of accounts. Further, balances of payables and receivables are subject to confirmations.

b. On the above matter, the statutory auditors have modified their audit opinion in their previous year's audit report. This matter is still not resolved and consuming time as an Interim Resolution Professional has been appointed for the entity of the Lessor by Hon'ble National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016. The Company is deliberating to take appropriate steps in such circumstances. The Company will also take steps to obtain the balance confirmation.
- 7 The Company in its Letter of Offer dated May 26, 2023 offered 4,91,85,572 Equity shares by way of rights issue at a face value of ₹ 5 each and a price of ₹ 10 per equity share (including a premium of ₹ 5 per equity share). The issue opened on June 6, 2023 and closed on June 14, 2023. The Company allotted 4,91,85,572 equity shares of face value of ₹ 5 each on the basis of allotment approved by Committee of Directors of the Board of Directors of the Company on June 22, 2023, aggregating to ₹ 4,918.55 Lakhs including Securities Premium of ₹ 2,459.28 Lakhs. As on September 30, 2023, the net proceeds has been fully utilised towards the stated objectives of repayment of outstanding trade payables and general corporate purposes.



- 8 Pursuant to the Shareholders' approval in the Extraordinary General Meeting on July 22, 2023, the Company on August 3, 2023 issued and allotted 4,00,00,000 Equity Share Warrants of ₹ 16 each Warrant to the Specified Investors - 1) Mr. Mathew Cyriac (3,96,00,000 Warrants) & 2) Mr Naveen Jain (4,00,000 Warrants), on preferential allotment basis, on receipt of 25% (₹ 1,600 lakhs) of the total consideration price (₹ 6,400 lakhs) for the Equity Share Warrants. The Warrants shall be converted into equity shares at a conversion price of ₹ 16 per equity share on receipt of the remaining consideration of 75% within a period of 18 months from the date of allotment of Warrants.
- 9 During the quarter, the performance of the Company was abnormal due to shortage of inventory and liquidity. Pursuant to which there is an increase in losses in the current quarter as compared to the preceding periods. Most of the stores of the Company were running into losses during this period, which may trigger up the requirement for providing impairment on Right of Use (ROU) Assets of ₹ 10,280.75 lakhs. However, as management has raised funds of ₹ 4,918.55 lakhs through Right Issue in the current quarter and is in the process of raising further funds of ₹ 6,400 lakhs through issuance of warrants, it is confident that the liquidity and profitability position of the Company will improve by the end of the current financial year. At present management has estimated and forecasted the results of the current financial year, through which it envisages that there may not be a need arising to provide any impairment on ROU in the current quarter / current financial year. Management will evaluate and analyze this position on each subsequent balance sheet date for determining the implications, if any.
- 10 During the previous quarter, the Company has raised funds by issuance of its Equity Shares through Right Issue. Pursuant to the requirements of Ind AS 33 – "Earnings Per Share", with respect to the Right Issue, the Company has restated its EPS for the quarter ended September 30, 2022, half year ended September 30, 2022 and Year ended March 31, 2023. EPS prior to restatement was ₹ 0.33, ₹ (0.25) and ₹ (2.79) for the respective stated periods.
- 11 Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period/year.
- 12 The above results are reviewed by the Statutory Auditors and approved by the Audit Committee and Board of Directors at their respective meetings held on November 3, 2023.
- 13 The financial results will be available on the website of the Company - "www.praxisretail.in" and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

Place : Mumbai
Date : November 03, 2023




Swetank Jain
Chief Executive Officer and Whole-Time Director
DIN: 08859745

