

Ref: PHRL:2023-24

Date: February 06, 2024

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., February 06, 2024, has inter alia, approved the Unaudited Standalone Financial Results of the Company along with the Limited Review Report of the auditor for the third quarter and nine months ended December 31, 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 11:55 AM and concluded at 12.30 PM.

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


Saru 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 nine months ended December 31, 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 nine months ended December 31, 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").
3. 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.
4. 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.

5. 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 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 nine months ended December 31, 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. 14,457.64 lakhs as on December 31, 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. At present, the impact, if any, on the financial results is not ascertainable.

6. 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.

7. 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. 5,219.83 lakhs during the nine months ended December 31, 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: 24120761BKCMPJ5259



Place: Mumbai

Date: February 6, 2024

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 Nine Months ended December 31, 2023

(₹ in Lakhs)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from Operations	6,403.78	5,902.49	10,557.18	17,339.82	31,469.99	38,604.55
	b) Other Income	31.33	447.08	80.34	508.17	493.03	937.11
	Total Income	6,435.11	6,349.57	10,637.52	17,847.99	31,963.02	39,541.66
2	Expenses						
	a) Purchase of Stock in trade	4,158.01	3,831.38	4,210.82	10,202.75	13,404.35	15,165.42
	b) (Increase)/Decrease in Inventories of Stock in trade	(657.76)	(543.69)	1,978.81	(518.49)	5,252.57	7,331.00
	c) Employee Benefits Expenses	1,139.62	1,118.11	1,463.95	3,368.83	4,831.61	6,036.86
	d) Finance Costs	633.95	512.96	656.67	1,602.36	1,623.52	2,175.98
	e) Depreciation and Amortisation expenses	913.20	903.72	914.22	2,695.41	2,270.02	3,602.62
	f) Other Expenses	2,102.72	1,906.31	2,068.53	5,716.96	8,535.38	10,441.45
	Total Expenses	8,289.74	7,728.79	11,293.00	23,067.82	35,917.45	44,753.33
3	Profit / (Loss) before Exceptional Items and Tax (1-2)	(1,854.63)	(1,379.22)	(655.48)	(5,219.83)	(3,954.43)	(5,211.67)
4	Exceptional Items (Refer Note no.4)	-	-	-	-	3,110.28	3,110.28
5	Profit / (Loss) before Tax and after Exceptional Items	(1,854.63)	(1,379.22)	(655.48)	(5,219.83)	(844.15)	(2,101.39)
6	Tax Expense						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax Liability / (Asset)	-	-	-	-	-	-
7	Profit/(Loss) for the year/period (5-6)	(1,854.63)	(1,379.22)	(655.48)	(5,219.83)	(844.15)	(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)	-	(15.00)	(21.71)	(61.70)
	(b) Income Tax relating to above	-	-	-	-	-	-
	Other Comprehensive Income/(Loss) for the year/period	(5.00)	(5.00)	-	(15.00)	(21.71)	(61.70)
9	Total Comprehensive Income/(Loss) (7+8)	(1,859.63)	(1,384.22)	(655.48)	(5,234.83)	(865.86)	(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. 11)						
	Basic EPS in ₹ (* not annualized for Quarter ended)	(1.48)	(1.10)	(0.84)	(5.19)	(1.08)	(2.68)
	Diluted EPS in ₹ (*not annualized for Quarter ended)	(1.48)	(1.10)	(0.84)	(5.19)	(1.08)	(2.68)



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 ₹ 5,219.83 lakhs during the period ended December 31, 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 nine months ended December 31, 2022 included ₹ 1,386.12 lakhs on account of changes arising in Right of use asset and Lease liabilities due to the decision taken by the management about the continuity plans of the loss making stores and ₹ 1,724.16 lakhs on account of write back of 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 December 31, 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 ₹ 14,457.64 lakhs. However, as management has raised funds of ₹ 4,918.55 lakhs through Right Issue in the quarter ended June 30, 2023 and is in the process of raising further funds of ₹ 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 Resolution Professional (RP) of Future Lifestyle Fashions Limited ("FLFL") has filed an Interlocutory Application against the Promoter, Mr. Kishore Biyani and Praxis Home Retail Limited ("Respondents") before Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), in the matter relating to Corporate Insolvency Resolution Process initiated against FLFL, which is received by the Company on 4 January 2024. In the said Interlocutory Application filed against the Respondents, the RP has prayed to NCLT to treat the transactions carried out by the erstwhile directors of the Corporate Debtor as fraudulent transactions, in accordance with Section 66 of the Code and has sought directions from NCLT directing the Respondents to pay the amount due to FLFL to the tune of ₹ 23.21 Crore along with interest. The Company is in the process of seeking legal advice and would take appropriate steps to contest this matter. Till the time the claim is not substantiated, it is considered as contingent liability.
- 11 During the quarter ended June 30, 2023, 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 December 31, 2022, nine months ended December 31, 2022 and Year ended March 31, 2023. EPS prior to restatement was ₹ (0.87), ₹ (1.12) and ₹ (2.79) for the respective stated periods.
- 12 Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period/year.
- 13 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 February 6, 2024.
- 14 The amounts for quarter ended December 31, 2023 and quarter ended December 31, 2022 are balancing figures between the nine months ended December 31 and half year ended September 30 of the respective financial year.
- 15 The financial results will be available on the website of the Company - "www.praxisretail.in" and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

Place : Mumbai
Date : February 06, 2024




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

