

## Disclosure Document

### Praxis Home Retail Limited Disclosure Document

[Pursuant to Regulations 16(2) and 23(3) of the SEBI (Share Based Employee Benefits) Regulations, 2014]

#### Part A: Statement of Risks

All investments in shares or Employee Stock Options (Stock Options / Options / ESOPs) or Stock Appreciation Rights (SARs) under **Praxis Home Retail Limited Share Value Appreciation Rights, Plan – 2018 (“Praxis SVAR Plan – 2018” / “Plan”)** are subject to risk as the value of shares may go down or go up. In addition, the Options / SARs are subject to the following additional risks:

1. **Concentration:** The risk arising out of any fall in value of shares is aggravated if the employee’s holding is concentrated in the shares of a single company.
2. **Leverage:** Any change in the value of the share can lead to a significantly larger change in the value of the Options / SARs.
3. **Illiquidity:** The Options / SARs cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4. **Vesting:** The Options / SARs will lapse if the employment is terminated prior to vesting. Even after the Options / SARs are vested, the unexercised Options / SARs may be forfeited if the employee is terminated for gross misconduct.
5. **Risks Relating to the Equity Shares**
  - Significant trading volumes of the Equity Shares on the Stock Exchanges could impact the price of the Company’s Equity Shares.
  - In case Company offers additional Equity Shares in the future, diluting the interests of existing Shareholders, the same could adversely affect the market price of Equity Shares.
  - There is no guarantee that the Company will declare any dividends.

#### Part B: Information about the Company

##### **Brief History of the Company:**

Praxis Home Retail Limited (the “**Company**”) was originally incorporated as **G R N Energy Private Limited** on January 31, 2011 with Registrar of Companies, Maharashtra at Mumbai. The name of the Company was changed to **GRN Retail Private Limited** vide Special Resolution dated November 28, 2016 and a Fresh Certificate of Incorporation pursuant to change of name was obtained on December 21, 2016. Further the name of the Company was changed to **Praxis Home Retail Private Limited** vide Special Resolution dated December 26, 2016 and a Fresh Certificate of Incorporation pursuant to change of name was obtained on January 05, 2017. Further the Company was converted

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into a Public Company and the name of the Company was changed to **Praxis Home Retail Limited** vide Special Resolution dated May 30, 2017 and a Fresh Certificate of Incorporation was obtained on June 21, 2017.

Further pursuant to the Scheme of Arrangement between Future Retail Limited ('FRL') and Bluerock eServices Private Limited ('BSPL') and Praxis Home Retail Limited ('PHRL' or 'the Resulting Company' or 'the Company') and their respective Shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("the Scheme"), the Home Retail Business Undertaking of FRL vested with the Company w.e.f August 1, 2017 (1st Appointed Date) and e-Commerce Home Retail Business Undertaking of BSPL vested with the Company with effect from April 15, 2016 (2nd Appointed Date) and was made effective on November 20, 2017, pursuant to the Order of Hon'ble Mumbai Bench of National Company Law Tribunal.

### 1. Main Objects and Business of the Company:

#### Main Objects:-

The main objects contained in the Memorandum of Association of the Company are given below:

1. To own, manage, operate, carry on the business in India or elsewhere of retailing, malls, multiplexes, theatres, shopping plaza, entertainment plaza, food plaza, sports plaza, health plaza, spas, food courts, family entertainment centres, resorts, hotels, motels, inns, restaurants, cafes, taverns, bars, refreshment rooms, boarding and lodging, house keepers, flight kitchens, parlors, soda fountains, fast food outlets, restaurant keepers, wine and spirit merchants, brewers, masters, distillers, importers and manufacturers of aerated mineral and artificial waters and other drinks, purveyors, refreshment contractors and caterers, milk and snack proprietors, dairymen, ice and ice-cream merchants, importers and brokers of food and foreign produce of all descriptions, hair dressers, perfumers, chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, shopping arcades, grounds and places of amusements, recreation, entertainment and instruction of all kinds, tobacco and cigar merchants, agents for railway, airlines and shipping companies and theatrical and opera box office operators.
2. To act as retailers by opening retail outlet on hire or company owned on all India basis and even abroad through various retail formats, direct to home, phone to order, through internet and other permitted mode of channels wherein to buy, sell and deal in furniture & fixtures for residence, office, commercial, industrial and other buildings, building material, household goods, equipment, products, hardware, pictures, household utensils and containers, glassware, porcelain and earthenware, carpets, rugs, mats and matting, linoleum and other materials, wall hangings, fittings, electrical goods, water supply or storage equipment, floor polish, door closers, concrete mixers, elevators and other spare parts and items, any other building or decorative materials made of cement stone, clay, timber, teak, board, fibre, paper, glass, rubber, plastic or other natural or synthetic substance or chemical, and provide services including design, architectural, vashtu consultancy services and also to carry on the business of trading in all types of goods, products, articles, accessories, equipment's, appliances,





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commodities and merchandise as well the business of buying, selling, letting on hire, hire purchase or easy payment system, as dealers of and in households and office & commercial furniture, domestic and business appliance, all the spare parts and accessories required in connection therewith and to refine, process, purchase, sell, import, export or generally deal in bricks, sand, stone, marble, tile refractories, chinawares, sanitary materials, hardware, pipes, tube, tubular structures dealing in all kinds of goods, materials and items and also to deal in food & provisions, consumer durables, jewellery, home improvement products, footwears, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products and acquiring of land or building on lease or freehold or any commercial or industrial or residential building for running and management of business and to undertake and execute all types works contracts to carry on the business.

### Business of the Company

Our Company is Multi Brand Home Retail Company operating and running 46 retail stores throughout India under the brand name "HomeTown" and is an integrated house of solutions with wide array of offerings ranging from home furniture to customized solutions to home improvement and has online presence through its webportal, [www.hometown.in](http://www.hometown.in).

### 2. Abridged financial information:

- Copy of the latest financial results for the year ended March 31, 2018 is available on website of the Company;
- Copies of Annual Report(s) and Financial Result(s) of the Company for the previous years/ periods are available on the Company's website viz., [www.praxisretail.in](http://www.praxisretail.in)
- Financial Information for the last five years is available with the Company Secretary and Corporate Governance Department of the Company and the employees can contact the same for obtaining copies thereof, if required. However, in view of the Scheme, Financial Information for the last five years is not comparable with the Financial Results available for the latest Financial Year ended March 31, 2018.

### 3. Risk Factors:

#### I. Relating to the Company's Business

- The Company's business is subject to seasonal and cyclical volatility and any inability to forecast the trends and consumer preferences or demands in the forthcoming seasons may contribute to fluctuations in the results, operations and financial condition of the Company.
- The Company's business is highly dependent on supply chain management and inefficient supply chain management may affect the Company's business and results of its operations.



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- Some of the Company's offered product's brands are not owned by the Company, and are marketed pursuant to agreements entered by the Company. The Company's business and results of operations may suffer if these agreements are terminated or not renewed.
- Any inability to manage working capital, predominantly in inventories and debt, may affect our cash flows and adversely affect our results of operations and financial condition.
- Our Company's success depends, to a significant extent, on the continued services of our executive management team, which has substantial experience in the retail industry. In addition, our ability to continue to identify and develop brands depends on the management's knowledge of retail business and their expertise therein. There is no guarantee that any of the executive management team will continue to be employed by our Company. The loss of the services of one or more members of the executive management team could have an adverse impact on our Company's business, financial condition and results of operations.
- Our Company relies extensively on IT systems and any disruption in the system or any failure may adversely affect our business operations.
- An increase in interest rates or an increase in the margin on which finance can be obtained may increase our Company's financing costs and such increase in interest rates may increase the cost of borrowing, which could have an adverse impact on our business, financial condition and results of operations.
- We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect its operations.

## II. External Risk Factors

- Weak economic conditions may have an adverse impact on the Company's business, financial condition and results of operations.
- Changes in Taxes (including GST) and other levies imposed by the Government of India or State Governments relating to our Company's business may have a material adverse effect on the demand of our products.
- Changes in Government policy, especially further relaxations in Foreign Direct Investment (FDI) policies may make entry of foreign brands easy and may adversely affect competitive position of the Company.
- Political instability or changes in the Government may delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations.





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- Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

#### 4. Continuing disclosure requirement:

Copies of all documents that are sent to the members of the Company, including the annual accounts of the company as well as notices of General Meetings and the accompanying explanatory statements are available on the Company's website at <http://www.praxisretail.in>

#### **Part C: Salient Features of Praxis Home Retail Limited Share Value Appreciation Rights, Plan – 2018 ("Praxis SVAR Plan – 2018" / "Plan")**

A copy of the **Praxis SVAR Plan – 2018" / "Plan"** is enclosed with the grant letter. You are advised to refer to content of the **Praxis SVAR Plan – 2018** for complete details governing and regulating the Employee Stock Options (Stock Options / Options / ESOPs) and/or Stock Appreciation Rights (SARs) granted. The following are only the salient features of **Praxis SVAR Plan – 2018**:

Sr. No.	Particulars	Vested*	Unvested*
1.	While in employment	Can be Exercised within five years from the date of Vesting of Options/SARs.	The Options/SARs would continue to Vest as per the original Vesting schedule.
2.	Resignation / Termination (other than due to misconduct or breach of Company Policies/terms of employment).	All the Vested Options/SARs as on the date of submission of resignation shall be exercisable by the Option Grantee/SAR Grantee before his last working day with the Company.	All Unvested Options/SARs on the date of submission of resignation shall stand cancelled with effect from that date.
3.	Termination due to misconduct or due to material breach of Company policies or the terms of employment.	All the Vested Options/SARs which were not Exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options/SARs on the date of such termination shall stand cancelled with effect from the termination date.
4.	Retirement / Early Retirement approved by the Company.	All Vested Options/SARs can be Exercised by the Option Grantee/SAR Grantee immediately after, but in no event later than six months from the date of such	All Unvested Options/SARs shall stand cancelled as on the date of such retirement, unless otherwise determined by the Committee whose

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Sr. No.	Particulars	Vested*	Unvested*
		retirement.	determination will be final and binding.
5.	Death	<p>All Vested Options/SARs may be Exercised by the Option Grantee's/SAR Grantee's nominee immediately after, but in no event later than six months from the date of Death.</p> <p>In case of the death of any Employee who has not nominated any person(s), the Option/SAR will Vest in and shall be Exercised by the successor(s) of such Employee, provided however that the successor(s) shall be required to produce to the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Employee within six months from the date of death of the Employee or such further time as the Committee may permit in its absolute discretion, failing which, the Options/SARs shall lapse.</p>	<p>All the Unvested Options/SARs as on the date of death shall Vest immediately and may be Exercised by the Option Grantee's/SAR Grantee's nominee immediately after, but in no event later than six months from the date of Death.</p> <p>In case of the death of any Employee who has not nominated any person(s), the Options/SARs will Vest in and shall be Exercised by the successor(s) of such Employee, provided however that the successor(s) shall be required to produce to the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Employee within six months from the date of death of the Employee or such further time as the Committee may permit in its absolute discretion, failing which, the Options/SARs shall lapse.</p>



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Sr. No.	Particulars	Vested*	Unvested*
6.	Permanent Incapacity	All Vested Options/SARs may be Exercised by the Option Grantee/SAR Grantee or, in case of his death, or inability to Exercise due to such incapacity, by the nominee immediately after, but in no event later than six months from the date of such incapacity or death.	All the Unvested Options/SARs as on the date of such permanent incapacity shall Vest immediately and can be Exercised by the Option Grantee/SAR Grantee or, in case of his death, or inability to Exercise due to such incapacity, by the nominee immediately after, but in no event later than six months from the date of such incapacity or death.
7.	Other Reasons Apart from those mentioned above	The Committee will decide whether the Vested Options/SARs as on that date can be Exercised by the Option Grantee/SAR Grantee or not, and such decision shall be final.	All Unvested Options/SARs on the date of separation shall stand cancelled with effect from that date.

\* Subject to the maximum Exercise Period approved by the Shareholders of the Company from the date of Vesting of Options/SARs.



For PRAXIS HOME RETAIL LIMITED,

Director / Authorised Signatory

