

**Disclosures required to be made under Regulation 16 (2) of the Securities and Exchange Board of India
(Stock Based Employee Benefits) Regulations, 2014**

Part A: Statement of Risks

All investments in shares or Employee Stock Options ("Options") in respect of shares are subject to risk as the value of shares may go down or go up. In addition, Options 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 as an Option amounts to a levered position in the share.
3. Illiquidity: The Options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their Options before they are exercised.
4. Vesting: The Options will lapse if the employment is terminated prior to vesting. Even after the Options are vested, the unexercised Options shall be forfeited if the employee is terminated for gross misconduct as per terms of the employee stock options Scheme.

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 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.

PRAXIS HOME RETAIL LIMITED

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CIN: L52100MH2011PLC212866



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, 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 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 September 30, 2021, HomeTown has a pan India presence with 43 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 marketplaces in India through which our Company sells a wide range of products across furniture, furnishings, décor, tableware, and kitchenware.

2. Abridged financial information for last five years:

Particulars	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
Total income from operations (Net) (A)	31,309.58	70,277.39	68,422.82	38,054.06	665.23
Loss from ordinary activities before finance costs (B)	(6,900.95)	(4,065.49)	(2,289.20)	(50.53)	(2,021.64)
Finance costs (C)	3,422.57	4,006.97	320.62	227.02	





Particulars	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
Loss from ordinary activities before tax (D) = (B-C)	(10,323.52)	(8,072.46)	(2,609.82)	(277.55)	(2,021.64)
Tax expense/Deferred Tax/ Earlier Year Tax (E)	(1.37)	1.37	83.95	(78.45)	(15.62)
Net Loss for the period (F) = (D) - (E)	(10,322.16)	(8,073.83)	(2,693.77)	(199.10)	(2006.02)
Other Comprehensive Income for the year (G)	(152.57)	137.15	15.12	20.93	(0.47)
Total Comprehensive Income (H) = (F - G)	(10,169.58)	(8,210.98)	(2,708.89)	(178.17)	(2006.49)

- Copies of Annual Report(s) and Financial Result(s) of the Company for the previous years/ periods are also available on the Company's website viz., www.praxisretail.in

3. Risk Factors:

Following are the risks that we currently believe may materially affect our business, financial condition and results of operations:

Internal Risk Factors:

- The 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.
- Our Company has incurred losses in the past, which may adversely impact our business and financial conditions.
- 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 Promoters and a member of our Promoter Group have been restrained by Security Exchange Board of India ("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;
- Our Statutory Auditors has included certain remarks or matters of emphasis in our Audited Financial Statements and Limited Review Unaudited Financial Results. 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 relating to potential impact of COVID-19 pandemic on the operational and financial statements of the Company.
- 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.
- 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.



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.
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.
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, which could have a material adverse effect on our operational results and financial condition including : anticipating and responding to changing customers' demands, sourcing products efficiently, maintaining relationship with customers, increasing our presence at different platform including e-retailing, etc.
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.
12. 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.
13. Negative publicity if any, would adversely affect the value of our brand, and our sales.
14. 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.
15. 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.
16. Our Promoters and Promoter Group will continue to have significant shareholding in us, which will allow them to exercise significant influence over us.
17. 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.
18. 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.
19. 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.
20. 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.
21. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.
22. 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.
23. Increased losses due to fraud, shrinkage, employee negligence, theft or similar incidents may have an adverse impact on us. Our business operates in a vulnerable environment and may face problems of pilferage, damage due to wear and tear and otherwise, misappropriation of cash, inventory management and logistic errors.
24. 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 – compliances / delay in complying with such obligations and reporting requirements may render us / our Promoter liable to prosecution and/or penalties.
25. We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations and cause our financial results to fluctuate. We import some of our products like furniture and home décor from countries like Indonesia, China, Malaysia, Thailand, Vietnam etc., which are subject to currency fluctuations, impacting our operating and finance costs.
26. 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.



External Risk Factors:

1. 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.
2. Compliance with fresh and changing corporate governance and public disclosure requirements may add compliance requirements.
3. Our business is dependent on economic growth in India.
4. 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.
5. Our business and activities are regulated by the Competition Act, 2002.
6. 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.
7. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions
8. Conditions in Indian stock exchange may affect the price or liquidity of the Equity Shares.
9. There may be less company information available in Indian securities markets than in securities markets in certain other countries.
10. 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.
11. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

4. Continuing disclosure requirement:

The Option Grantee would receive copies of all documents that are sent to the members of the company. This shall include the annual accounts of the company as well as notices of meetings and the accompanying explanatory statements.

Part C: Brief terms of 'Praxis Home Retail Limited - Employee Stock Option Plan - 2021'

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock-based compensation scheme. Your Company believes that equity-based compensation plans are an effective tool to reward the talents working with the Company. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture and to retain them for ensuring sustained growth, your Company intends to implement an employee stock option plan namely 'Praxis **Employee Stock Option Plan – 2021**' ("ESOP - 2021"/ "Plan") seeking to cover eligible employees of the Company and that of its subsidiary(ies), (if any in future).

The main features of the ESOP - 2021 are as under:

A. Brief Description of the Scheme:

Keeping view the aforesaid objectives, the ESOP - 2021 contemplates grant of options to the eligible employees of the Company and its Subsidiary company(ies). After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee shall act as Compensation Committee for the administration of Plan. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan.

B. Total number of options to be granted:

The total number of options to be granted to the eligible employees of the Company and/or eligible employees of the subsidiary(es) if any, in aggregate under the Plan shall not exceed 20,00,000 (Twenty Lakhs Only) in one or

more tranches exercisable into not exceeding 20,00,000 (Twenty Lakhs Only) equity shares of face value of Rs.5/- (Rupees Five) each fully paid-up, of the Company. Each option when exercised would be converted in to one equity share of Rs. 5/- (Rupees Five) each fully paid-up.

Further, SEBI SBEB & SE Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the Plan remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 20,00,000 (Twenty Lakhs Only), shall be deemed to be increased to the extent of such additional options issued.

C. Identification of classes of employees entitled to participate in the ESOP - 2021:

All permanent employees and Directors (hereinafter referred to as "employees") of the Company including that of its Subsidiary company(ies) shall be eligible subject to determination or selection by the Committee. Following classes of employees/ Directors are eligible being:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
 - (ii) a director of the Company, whether whole time or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
 - (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company in India or outside India, or of a holding company of the company
- but does not include—**
- (i) an employee who is a promoter or belongs to the promoter group; and
 - (ii) a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of the Company.

D. Requirements of Vesting and period of Vesting:

All the options granted on any date shall vest not earlier than minimum period of 1 (One) year and not later than a maximum period of 3 (Three) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten, or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting period.

The vesting dates in respect of the options granted under the ESOP - 2021 shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of options to be vested.

Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB & SE Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

E. Maximum period within which the options shall be vested:

All the options granted on any date shall vest not later than a maximum of 3 (Three) years from the date of grant of options as stated above.

F. Exercise price or pricing formula:

The Exercise Price shall be determined by the Committee at its sole discretion which shall not be less than the face value of the Share as on date of grant of such option.

G. Exercise period and the process of exercise:

The exercise period would commence from the date of vesting and will expire on completion 3 (Three) years from the date of respective vesting or such period as may be decided by the Committee at its sole discretion from time to time.



The vested option shall be exercisable by the option grantees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options shall lapse if not exercised within the specified exercise period.

H. Appraisal process for determining the eligibility of employees under the ESOP - 2021:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

I. Maximum quantum of benefits to be provided per employee under the ESOP - 2021:

Apart from grant of options as stated above, no monetary benefits are contemplated under the ESOP - 2021.

J. Maximum number of Options to be issued per employee and in aggregate

The maximum number of options that may be granted to any specific employee of the Company per employee and in aggregate under the ESOP - 2021 shall not exceed 20,00,000 (Twenty Lakh) options.

K. Route of ESOP - 2021 implementation:

The ESOP - 2021 shall be implemented and administered directly by the Company.

L. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the present ESOP - 2021.

M. Source of acquisition of shares under the Scheme

The ESOP - 2021 contemplates issue of fresh/primary shares by the Company.

N. Maximum percentage of secondary acquisition:

This is not relevant under the present ESOP - 2021.

O. Method of option valuation:

The Company shall adopt 'fair value method' for valuation of options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.

P. Accounting and Disclosure Policies

The Company shall follow the IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB & SE Regulations. In case, the existing guidance note, or accounting standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB & SE Regulations.

Q. Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the ESOP - 2021:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the ESOP - 2021 if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.



R. Lock-in period:

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

S. Declaration:

In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

You may refer to the copy of the ESOP - 2021 for detailed provisions.

For PRAXIS HOME RETAIL LIMITED,


Director / Authorised Signatory