

REF: PHRL/Q4-2019-20/BM-OUTCOME/2020

29th June, 2020

To,

BSE LIMITED

Dept. of Corporate Services (CRD)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001.

NATIONAL STOCK EXCHANGE OF INDIA LTD.

Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.

BSE Scrip Code: 540901

NSE Symbol: PRAXIS

Dear Sir / Madam,

Sub: Audited Financial Results for the fourth quarter and financial year ended 31st March, 2020 and Auditors' Report thereon and update on disclosure of material impact of COVID–19 pandemic pursuant to Reg. 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

Pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- 1) **Audited Financial Results** for the fourth quarter and financial year ended 31st March, 2020.
These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held today.
- 2) **Auditors' Report** on the above Financial Results duly issued by Pathak H.D. & Associates LLP, the Statutory Auditors of the Company.
- 3) Update on disclosure of material impact of COVID–19 pandemic pursuant to Reg. 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016, the Company hereby declares that Pathak H.D. & Associates LLP, the Statutory Auditors of the Company have issued the Audit Report on the Audited Financial Results of the Company, for the fourth quarter and financial year ended 31st March, 2020 with unmodified opinion.

The meeting of the Board of Directors commenced at 2:30 p.m. and concluded at 4:00 p.m.



Further we wish to state that this disclosure is being submitted in 'Sd/-' mode due to non-availability of necessary infrastructure for submission of signed disclosure in the light of 'work from home' instructions and as per the Guidelines for submissions of disclosure received by the Company from both the Stock Exchanges (BSE Limited and National Stock Exchange of India Limited) in the wake of COVID 19 virus, in compliance with Government's instructions due to outbreak of the said COVID-19 pandemic.

Kindly take the same on record.

Yours faithfully,

For **PRAXIS HOME RETAIL LIMITED**

Sd/-

SMITA CHOWDHURY

Company Secretary & Compliance Officer

Cell : 8452841622

Praxis Home Retail Limited

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Statement of Financial Results for the Quarter & Year Ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Quarter ended			Year Ended	
		31.03.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2019 (Unaudited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income					
	a) Revenue from Operations	15,267.75	19,506.43	15,912.27	70,277.39	68,280.56
	b) Other Income	15.80	13.08	93.13	95.36	107.40
	Total Income	15,283.55	19,519.51	16,005.40	70,372.75	68,387.96
2	Expenses					
	a) Purchase of Stock in trade	8,911.39	11,063.78	6,779.92	41,665.80	41,543.03
	b) Changes in Inventories of Stock in trade - (Increase) / Decrease	1,225.57	700.85	3,303.81	2,165.20	(1,281.70)
	c) Employee Benefits Expenses	1,803.15	2,309.97	2,258.10	8,724.04	8,142.13
	d) Rent including Lease Rental	949.35	1,029.91	2,551.92	3,956.93	10,114.28
	e) Finance Costs	1,003.61	1,051.71	110.14	4,006.97	320.62
	f) Depreciation and Amortisation expenses	1,451.48	1,485.18	22.39	5,690.00	41.20
	g) Impairment of goodwill	-	-	61.16	-	61.16
	h) Other Expenses	2,423.46	3,065.72	3,330.78	12,236.27	12,057.06
	Total Expenses	17,768.01	20,707.12	18,418.22	78,445.21	70,997.78
3	Profit / (Loss) before Tax (1-2)	(2,484.46)	(1,187.61)	(2,412.82)	(8,072.46)	(2,609.82)
4	Tax Expense					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax Liability / (Asset)	-	-	88.20	-	83.95
	c) Earlier Year Tax	1.37	-	-	1.37	-
5	Profit/(Loss) for the year/period (3-4)	(2,485.83)	(1,187.61)	(2,501.02)	(8,073.83)	(2,693.77)
6	Other Comprehensive Income/(Loss)					
	(i) Items that will not be reclassified to Profit & Loss					
	(a) Remeasurements of Defined benefit plans	(125.15)	(4.00)	(15.12)	(137.15)	(15.12)
	(b) Income Tax relating to above	-	-	-	-	-
	Other Comprehensive Income/(Loss) for the year/period	(125.15)	(4.00)	(15.12)	(137.15)	(15.12)
7	Total Comprehensive Income/(Loss) (5+6)	(2,610.98)	(1,191.61)	(2,516.14)	(8,210.98)	(2,708.89)
8	Paid up Equity Share Capital (Face Value ₹ 5/- per share)	1,381.66	1,231.66	1,231.66	1,381.66	1,231.66
9	Other Equity				(1,950.51)	3,079.67
10	Earnings per Equity Share (Face value of ₹ 5/- each)					
	Basic EPS in ₹ (* not annualized for Quarter ended)	(9.93)	(4.82)	(10.21)	(32.24)	(10.94)
	Diluted EPS in ₹ (*not annualized for Quarter ended)	(9.93)	(4.82)	(10.21)	(32.24)	(10.94)

Notes:-

- The above financial results have been prepared in accordance with 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.
- After the review of the Audit Committee, the Board of Directors of the Company has approved the financial results at their meeting held on June 29, 2020.
- 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".
- The Company has incurred losses during the current year as well as previous years which have resulted in erosion of net worth of the Company, which indicates material uncertainty 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. The Company is confident that these initiatives will yield desired results and sustainable cash flows to meet the obligations of the Company and accordingly, the accounts of the Company have been prepared on a going concern basis.

- 5 The Company has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - Leases to its leases, effective from annual reporting period beginning 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. In the statement of profit and loss for the current period operating lease expenses has changed from Rent including lease rentals to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent, performance for the Quarter and Year ended March 31, 2020 is not comparable with previous period results. Reconciliation for the above effect on Statement of Profit and Loss for the Quarter and Year ended March 31, 2020 is as under:

Particulars	(₹ in Lakhs)					
	Quarter ended March 31,2020 (Erstwhile basis)	Changes due to Ind As 116 Increase/ (Decrease)	Quarter ended March 31,2020 (As reported)	Year ended March 31,2020 (Erstwhile basis)	Changes due to Ind As 116 Increase/ (Decrease)	Year ended March 31,2020 (As reported)
Rent including Lease Rental	2,730.37	(1,781.03)	949.35	10,884.16	(6,927.23)	3,956.93
Finance Costs	256.59	747.02	1,003.61	899.69	3,107.28	4,006.97
Depreciation and Amortisation Expenses	17.88	1,433.60	1,451.48	81.91	5,608.08	5,690.00
Loss before tax	(2,084.87)	399.59	(2,484.46)	(6,284.32)	1,788.14	(8,072.46)

- 6 There were no exceptional items for the Quarter and Year ended March 31, 2020.
- 7 The retail industry as a whole has been adversely impacted by the spread of COVID-19. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of store closures due to complete lockdown. This unprecedented disruption has had an adverse impact on the quarterly performance and continues to impact the business and our financial results. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our stores and the society associated with it.

The Company is in the process of resuming store operations and has been opening the stores, 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.

The Company believes that the pandemic is not likely to 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 current pandemic on its financial condition, liquidity and operations and is actively working to minimize 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 Results.

- 8 During the quarter, the Company converted 3,180 Compulsorily Convertible Debentures (CCDs) out of 7,500 CCDs originally allotted on December 12, 2019 at a face value of Rs. 1,00,000 each amounting to Rs. 3,180 lakhs into 30,00,000 Equity Shares at an issue price of Rs. 106 per share (including a share premium of Rs. 101 per share) amounting to Rs. 3,180 lakhs. Accordingly the equity share capital and securities premium has been increased by Rs. 150 lakhs and Rs. 3,030 lakhs respectively. Pursuant to the above conversion the Company is now a subsidiary of Future Corporate Resources Services Private Limited.

Further, the aforesaid 30,00,000 Equity Shares is in the process of being listed on both the stock exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has already received approval from BSE and awaiting the listing approval from NSE.

- 9 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures up to the third quarter of the respective financial year. The figures for the previous periods and for the year ended March 31, 2019 have been regrouped to make them comparable with those of current year.



Viraj Didwania
Chairman and Managing Director

Statement of Assets & Liabilities as at March 31, 2020

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(Audited)	(Audited)
Assets		
1. Non-Current Assets		
Property, Plant and Equipment	72.43	114.51
Right-of-use Assets	26,959.22	-
Other Intangible Assets	45.66	64.49
Financial Assets		
Loans	10,517.93	10,414.05
Other Non-Current Assets	-	0.77
Advance Tax Assets	25.46	84.12
Total Non-Current Assets	37,620.70	10,677.94
2. Current Assets		
Inventories	17,605.86	19,771.05
Financial Assets		
Trade Receivables	2,010.20	1,574.02
Cash and Cash Equivalents	603.96	1,374.10
Bank Balance other than Cash and Cash Equivalents above	3.31	3.31
Loans	2,323.57	2,252.76
Other Financial Assets	-	4.10
Other Current Assets	2,342.81	2,697.46
Total Current Assets	24,889.71	27,676.80
Total Assets	62,510.41	38,354.74
Equity And Liabilities		
Equity		
Equity Share Capital	1,381.66	1,231.66
Instruments entirely Equity in Nature	4,320.00	-
Other Equity	(1,950.51)	3,079.67
Total Equity	3,751.15	4,311.33
Liabilities		
1. Non-Current Liabilities		
Financial Liabilities		
Borrowings	499.73	458.37
Lease Liabilities	21,592.08	-
Provisions	541.71	287.90
Total Non-Current Liabilities	22,633.52	746.27
2. Current Liabilities		
Financial Liabilities		
Borrowings	8,669.62	2,334.32
Trade Payables		
Total Outstanding dues of Micro and Small Enterprises	1,019.95	2.87
Total Outstanding dues of Creditors other than Micro and Small Enterprises	12,980.65	25,653.61
Lease Liabilities	7,155.28	-
Other Financial Liabilities	653.37	607.10
Other Current Liabilities	5,605.20	4,676.30
Provisions	41.67	22.94
Total Current Liabilities	36,125.74	33,297.14
Total Equity and Liabilities	62,510.41	38,354.74



Statement of Cash Flow for the year ended March 31, 2020

(₹ in Lakhs)

Sr No.	Particulars	Year Ended March 31, 2020 (Audited)	Year Ended March 31, 2019 (Audited)
A	Cash Flows From Operating Activities		
	Profit / (Loss) Before Tax	(8,072.46)	(2,609.82)
	Adjustments For:		
	Depreciation and Amortization Expense	5,690.00	41.20
	Provision for Gratuity and Leave Encashment	272.53	68.04
	Finance Costs	3,965.61	282.78
	Unwinding Interest on Financial Instrument at Amortised Cost	41.36	37.84
	Unrealised Exchange (Gain)/Loss	10.92	(35.63)
	Interest income on Income Tax Refund	(1.47)	-
	Employee stock option expenses	150.81	2.09
	Provision for Doubtful Debts and Advances	189.36	-
	Loss on disposal/write off of fixed assets	-	27.14
	Impairment of Goodwill	-	61.16
	Loss on Damaged/Shrinkage and Obsolete Inventory	339.64	276.14
	Cash Generated from / (Used in) before Working Capital Changes	2,586.30	(1,849.04)
	Adjustments For:		
	Trade Receivables	(511.15)	(867.78)
	Loans, Other Financial Assets and Other Assets	329.33	(189.34)
	Inventories	1,825.56	(1,557.85)
	Trade Payables	(12,079.88)	3,031.19
	Other Financial Liabilities, Other Liabilities and Provisions	153.98	1,411.56
	Cash Generated from / (Used in) Operations	(7,695.84)	(21.26)
	Income Tax Refund/(Paid)	(25.46)	(72.21)
	Net Cash Flows Generated from / (Used in) Operating Activities	(7,721.30)	(93.47)
B	Cash Flows From Investing Activities		
	Payment for Purchase of Property, Plant and Equipment and Intangible Assets (Including Capital Advances & Net of Capital Creditors)	(86.58)	(102.12)
	Amount paid towards security deposits	(174.70)	(305.89)
	Net Cash flow Generated from / (Used In) Investing Activities	(261.28)	(408.01)
C	Cash Flows From Financing Activities		
	Proceeds from Short term Borrowings (Net)	6,335.31	1,663.06
	Proceeds from Issue of Compulsory Convertible Debentures	7,500.00	-
	Payment of Lease Liability	(5,885.95)	-
	Interest Paid	(736.90)	(246.63)
	Net Cash flow Generated from / (Used In) Financing Activities	7,212.46	1,416.43
	Net (Decrease) / Increase In Cash and Cash Equivalents	(770.12)	914.95
	Net (Decrease) / Increase In Cash and Cash Equivalents	(770.12)	914.95
	Cash and Cash Equivalents (Opening Balance)	1,374.10	459.15
	Cash and Cash Equivalents (Closing Balance)	603.96	1,374.10
	Components of Cash and Cash Equivalents	603.96	1,374.10

IRB

Independent Auditor's Report on Audited Financial Results of Praxis Home Retail Limited for the quarter and year ended March 31, 2020 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To,
The Board of Directors of
Praxis Home Retail Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying Financial Results of Praxis Home Retail Limited ("the Company") for the quarter and year ended March 31, 2020 ("the financial results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results 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 results 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 4 of the financial results which states that the Company's network is eroded due to losses incurred during the year as well as previous year which indicate a material uncertainty that may cast a 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 opinion is not modified in respect of this matter.



Emphasis of Matter

We draw attention to Note 7 of the financial results, 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.

Management's Responsibilities for the Financial Results

The financial results, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income / loss and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole is 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 results.

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

- Identify and assess the risks of material misstatement of the financial results, 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.



Pathak H.D. & Associates LLP

Chartered Accountants

- 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 results, including the disclosures, and whether the financial results 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 financial results 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.

Other Matters

The financial results includes the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to limited review by us.

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593



Vishal D. Shah

Partner

Membership No. 119303

UDIN: 20119303AAAADL6966



Place: Mumbai

Date: June 29, 2020

COVID-19 Update

1) Operational Impact:

The outbreak of COVID-19 pandemic and the subsequent lockdown restrictions imposed by Government of India on various activities has impacted the Company severely in its normal operations. Till 17th of March, 2020, all the stores were operational pan-India. From 18th March to 23rd March, gradual lockdown was announced by few state governments after considering the severity in their respective states. Following the government guidelines, the Company had closed the stores in select states. Post 24th March, all the stores pan-India were closed following the nation-wide lockdown order issued by the Government of India. The stores remained closed for the entire month of April'20.

During complete lockdown, the Company's supply chain was disrupted and due to restrictions, no deliveries were possible. But post gradual lifting of lockdown, the pending deliveries are being undertaken and going forward, we will be able to fulfil the orders on a timely basis after taking due precautions for the safety of the employees and customers.

During the lockdown, the Company was encouraging and promoting its online portal www.hometown.in. which has received a positive response. With the new normal scenario setting in, many customers in the short-term may prefer shopping online instead of visiting the physical stores due to increased concerns of safety and sanitization.

With respect to the classification of red, orange and green zones by the Union Health Ministry and relaxed norms as per issued guidelines for prevention of further spread of COVID-19, the Company had resumed its operations from first week of May'20 in select stores in Bangalore, Chennai, Kolkata, Guwahati, Bhubaneswar and Ahmedabad. Currently, 35 stores are operational pan-India with very few stores being closed due to being located in containment zones. Based on state government regulations, few stores have been closed again in the second phase of lockdown implemented.

These stores are operating with strict adherence to guidelines issued by the State and Central Government with respect to sanitization of all the stores, social distancing, reduced staff strength and insurance facilities to our staff etc. We wish to further inform that as and when the lockdown is relaxed in the remaining states, we shall be gradually resuming operations while adhering to the preventive and safety norms of our employees and our customers as well.

As India and the world adjusts to the post-COVID-19 era, the Company is operating with a revised set of guidelines where:

- 1) There is mandatory use of masks within the store premises.
- 2) Compulsory temperature screening of employees and customers who enter the store.
- 3) The merchandise on display is disinfected on a regular basis and shop floor is deep cleaned.
- 4) Sanitized trolleys, baskets and shopping bags are provided and customer can experience the ease of contactless billing.
- 5) Merchandise positioning is restructured for optimized social distancing.

2) Financial Impact

Prior to the lockdown, the Company was regularly receiving orders from its customers – both at Stores and through its online channels. From 24th March, 2020 to the first week of May 2020 (pan-India lockdown), the Company's sales from Stores were virtually zero thereby leading to difficulty in honouring its fixed overheads and short term debt obligations.

The Company's main assets are inventory and trade receivables, which are low risk assets in terms of recoverability and the Company does not foresee any challenges in terms of monetisation of the said assets as and when the full-fledged operations are resumed.

The Company, selling discretionary products, will see significant impact on its profitability during the first half of the Financial Year 2020-21 due to the COVID-19 pandemic on account of restricted footfalls, cautious customer buying and liquidity conservation as evident during times of uncertainty. Post full-fledged resumption of operations in all our stores, sales would gradually revive in the coming months leading up to the festive period which would lead to improved liquidity.

The Company intends to honour the existing contracts/agreements it has entered with the vendors and business partners. But due to the unprecedented challenges and the economic uncertainty, disbursements would be made in a delayed manner which has been mutually agreed upon.

3) **Outlook**

The full extent of the impact of the pandemic on the operations and financials of the Company will depend upon upcoming and new developments with regard to guidelines for operating stores based on the severity of the pandemic and the change in buying pattern of the customers, both of which will be significantly different than what we have witnessed in pre-COVID 19 era.
