

## INFORMATION MEMORANDUM

### PRAXIS HOME RETAIL LIMITED

(Formerly known as Praxis Home Retail Private Limited)



This Information Memorandum is for general information purposes only and is not intended to be an offer or invitation to subscribe to any securities and is not a prospectus, a statement in lieu of prospectus, an offering circular, offering memorandum, placement memorandum, or an offering document (by whatever name called) within the meaning of the Companies Act, 2013 and the rules notified thereunder, or under any other applicable law.

Our Company was originally incorporated on January 31, 2011 as GRN Energy Private Limited with the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Further, the name of our Company was changed to GRN Retail Private Limited and a fresh certificate of incorporation was issued on December 21, 2016 by RoC. Furthermore, the name of our Company was changed to Praxis Home Retail Private Limited and a fresh certificate of incorporation was issued on January 5, 2017 by RoC. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to Praxis Home Retail Limited and a fresh certificate of incorporation was issued by the RoC on June 21, 2017. For further details of change in name and Registered Office of our Company, please see the section entitled "History of our Company and Certain Corporate Matters" on page 76.

**Registered Office:** iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjumarg (East), Mumbai 400 042

**Contact Person:** Smita Chowdhury, Company Secretary and Compliance Officer

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**Corporate Identity Number:** U52100MH2011PLC212866

## INFORMATION MEMORANDUM FOR LISTING OF 2,46,33,208 EQUITY SHARES OF ₹5 EACH (THE "EQUITY SHARES")

### NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

#### OUR PROMOTERS: KISHORE BIYANI AND SUHANI TRADING & INVESTMENT CONSULTANTS PRIVATE LIMITED

#### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and our Company cannot assure you that there would be no volatility in the price of the Equity Shares allotted to you. You are advised to read the risk factors carefully and must rely on your own examination of our Company, including the risks involved.

#### ABSOLUTE RESPONSIBILITY OF OUR COMPANY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to our Company and allotment of Equity Shares, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The Equity Shares of our Company are proposed to be listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). For the purposes of this listing, the Designated Stock Exchange is BSE.

Our Company has submitted this Information Memorandum to BSE and NSE and the same has been made available on our Company's website www.praxisretail.in. This Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

#### REGISTRAR

**LINK Intime**

**Link Intime (India) Private Limited**

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SEBI Registration Number: INR000004058

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Information Memorandum, but not defined herein shall have the meaning ascribed to such terms under the Securities and Exchange Board of India (Issue and Disclosure of Capital Requirements) Regulations, 2009, the Companies Act (as defined below), the Securities (Contracts) Regulation Act, 1956, the Depositories Act 1996, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the sections entitled “Statement of Tax Benefits”, “Financial Information of our Company”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association of the Company” on pages 55, 148 and 164 respectively, shall have the meanings ascribed to such terms in those respective sections.*

#### General Terms

Terms	Description
“our Company”, “the Company”, or “Praxis Home Retail” or “PHRL” or “Praxis Home Retail Limited”	Praxis Home Retail Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjumarg (East), Mumbai 400 042
“Future Retail” or “FRL” or “Future Retail Limited”	Future Retail Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060
“BlueRock eServices” or “BSPL” or “Bluerock eServices Private Limited”	Bluerock eService Private Limited, a private limited company incorporated under the Companies Act, 1956 and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060

#### Company related terms

Terms	Description
“Articles” or “Articles of Association”	The Articles of Association of our Company, as amended
“Auditors”	The statutory auditors of our Company, namely Pathak H. D. & Associates, Chartered Accountants
“Board” or “Board of Directors”	Board of directors of our Company, including a duly constituted committee of the Directors
“Designated Stock Exchange”	BSE Limited
“Director(s)”	The director(s) of our Company
“e-Commerce Home Retail Business Undertaking”	e-Commerce Home Retail Business Undertaking means the business undertaken by BSPL, comprising of the operation of web portal, www.fabfurnish.com for online sale of furniture and furnishing products, as more particularly, defined in the Scheme of Arrangement
“Effective Date”	The last of the dates on which the certified copy of the order of the National Company Law Tribunal sanctioning the Scheme of Arrangement is filed by FRL, BSPL and PHRL with the RoC being November 20, 2017
“First Appointed Date”	August 1, 2017
“GRN”	GRN Finsec Private Limited
“Group Companies”	The Group Companies of our Company as determined in accordance with SEBI Regulations

Terms	Description
“Home Retail Business Undertaking”	Home Retail Business Undertaking means business undertaken by FRL, comprising of the furniture and furnishing business operated by it through “Home Town” stores, as more particularly, defined in the Scheme of Arrangement
“Key Managerial Personnel” or “KMP”	The key managerial personnel of our Company in terms of the SEBI Regulations and the Companies Act as disclosed in the section entitled as “Our Management” on page 81
“Memorandum” or “Memorandum of Association”	Memorandum of Association of our Company as amended
“Non-Cumulative Redeemable Preference Shares(s)”	The non-cumulative redeemable preference shares(s) of our Company with a face value of ₹100
“Promoters”	Promoters of our Company namely, Kishore Biyani and Suhani Trading & Investment Consultants Private Limited
“Promoter Group”	Promoter group of our Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations and disclosed in the section entitled “Promoters and Promoter Group” on page 90
“Record Date”	November 30, 2017
“Registered Office”	iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjumarg (East), Mumbai 400 042
“Registrar and Share Transfer Agent” or “RTA” or “Registrar”	Registrar and share transfer agent of our Company, namely, Link Intime (India) Private Limited
“Registrar of Companies” or “RoC”	Registrar of Companies, Maharashtra at Mumbai
“Scheme of Arrangement” or “Scheme”	Scheme of Arrangement under sections 230 to 232 read with Section 66 of the Companies Act, 2013 amongst FRL, BSPL and our Company and their respective shareholders as sanctioned by the National Company Law Tribunal, Mumbai on November 10, 2017 and effective from November 20, 2017
“SEBI Listing Regulations”	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“SEBI Regulations”	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
“Second Appointed Date”	April 15, 2016
“Shareholders”	Shareholders of our Company

#### Scheme of Arrangement Related Terms

Term	Description
“Allot” or “Allotment” or “Allotted”	Allotment of Securities pursuant to the Scheme of Arrangement
“Allotment Date”	Date on which the Allotment is made
“Allottee(s)”	Person(s) who are Allotted Securities pursuant to the Allotment
“Eligible Equity Shareholder(s)”	Holder(s) of the equity shares of FRL and BSPL, respectively on the Record Date as the case may be
“Registered Foreign Portfolio Investors” or “Foreign Portfolio Investors” or “RFPIs” or “FPIs”	Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
“Share Certificate”	Certificate in respect of the equity shares allotted to a folio
“Stock Exchanges”	Stock exchanges where the Equity Shares of our Company are proposed to be listed, being BSE and NSE
“Wilful Defaulter”	Company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
“Working Days”	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business

## Technical and Industry Related Terms/Abbreviations

Term	Description
“Bn”	Billion
“FMCG”	Fast Moving Consumer Goods
“GST”	Goods and Service Tax
“Mn”	Million
“Sq. ft.”	Square Feet
“Sq. metres” or “Sq. mtr.”	Square Metres

## Conventional and General Terms/Abbreviations

Terms	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees being the currency of the republic of India
“AGM”	Annual General Meeting
“AS”	Accounting Standards issued by the Institute of Chartered Accountants of India
“BSE”	BSE Limited
“CCI”	Competition Commission of India
“CDSL”	Central Depository Services (India) Limited
“Companies Act”	Companies Act, 1956 and the Companies Act, 2013, as applicable
“Companies Act, 1956”	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the sections of the Companies Act, 2013), along with the rules made thereunder
“Companies Act, 2013”	Companies Act, 2013, to the extent in force pursuant to the notification of the sections, along with the rules made thereunder
“Competition Act”	Competition Act, 2002
“Consolidated FDI Policy”	Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, effective from August 28, 2017
“Depositories Act”	Depositories Act, 1996
“Depository”	A body corporate registered under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
“Designated Stock Exchange”	BSE
“DIN”	Director identification number
“DIPP”	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
“EGM”	Extraordinary General Meeting
“EPF Act”	Employees Provident Fund and Miscellaneous Provisions Act, 1956
“EPS”	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
“ESI Act”	Employees State Insurance Act, 1948
“Employees’ Compensation Act”	Employees’ Compensation Act, 1923
“FDI”	Foreign Direct Investment
“FEMA”	Foreign Exchange Management Act, 1999 read with rules and regulations there under
“FEMA Regulations”	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017

<b>Terms</b>	<b>Description</b>
“ <b>Financial Year</b> ” or “ <b>Fiscal Year</b> ” or “ <b>FY</b> ”	Unless otherwise stated, the period of twelve months ending March 31 of that particular year
“ <b>FPIs</b> ”	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
“ <b>GAAP</b> ”	Generally Accepted Accounting Principles
“ <b>GDP</b> ”	Gross Domestic Product
“ <b>GoI</b> ” “ <b>Government</b> ”	Government of India, unless otherwise specified
“ <b>ICAI</b> ”	The Institute of Chartered Accountants of India
“ <b>Income Tax Act</b> ”	The Income Tax Act, 1961
“ <b>Ind AS</b> ”	Indian Accounting Standards
“ <b>India</b> ”	The Republic of India
“ <b>Indian GAAP</b> ”	Generally Accepted Accounting Principles in India
“ <b>Insider Trading Regulations</b> ”	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
“ <b>IPC</b> ”	The Indian Penal Code, 1860
“ <b>IT</b> ”	Information Technology
“ <b>IT Act</b> ”	The Income Tax Act, 1961
“ <b>NOC</b> ”	No Objection Certificate
“ <b>Notified Sections</b> ”	The sections of the Companies Act, 2013 that have been notified as having come into effect prior to the date of this Information Memorandum
“ <b>NSDL</b> ”	National Securities Depository Limited
“ <b>NSE</b> ”	National Stock Exchange of India Limited
“ <b>PAT</b> ”	Profit After Tax
“ <b>PBT</b> ”	Profit Before Tax
“ <b>RBI</b> ”	The Reserve Bank of India
“ <b>SCRR</b> ”	Securities Contract Regulation (Rules), 1957
“ <b>SEBI</b> ”	The Securities and Exchange Board of India
“ <b>SEBI Act</b> ”	Securities and Exchange Board of India Act 1992
“ <b>SEBI FPI Regulations</b> ”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
“ <b>Securities</b> ”	Equity Shares and non-cumulative redeemable preference shares of Praxis Home Retail Limited (formerly known as Praxis Home Retail Private Limited)
“ <b>Stamp Act</b> ”	The Indian Stamp Act, 1899
“ <b>State Government</b> ”	The Government of state of India
“ <b>Stock Exchange(s)</b> ”	The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
“ <b>Takeover Regulations</b> ”	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“ <b>USD</b> ” or “ <b>US\$</b> ”	United States Dollars

Notwithstanding the foregoing, terms in the sections “*Statement of Possible Tax Benefits*”, “*Financial Information of our Company*” and “*Main Provisions of Articles of Association of the Company*” on pages 55, 112 and 164, respectively, shall have the meaning given to such terms in such sections.

## FORWARD LOOKING STATEMENTS

The Information Memorandum contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans, prospects or goals are also forward-looking statements. Forward-looking statements reflect the current views of our Company as of the date of the Information Memorandum and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Moreover, all forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Such risks, uncertainties and assumptions relate to, amongst others, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, and changes in the competitive environment.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General political, social and economic conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the Indian Retail industry;
- Failure to continue business or undertake projects on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting the retail industry generally in India;
- Accidents and natural disasters; and
- Other factors beyond our control.

For further discussion on factors that could cause the actual results to differ from the expectations, please see the sections entitled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 7, 68 and 146 respectively.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, and the risks, uncertainties and assumptions discussed in “*Risk Factors*” and elsewhere in this Information Memorandum, any forward-looking statement discussed in this Information Memorandum may change or may not occur, and our actual results could differ materially from those anticipated in such forward-looking statements.

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

### Certain Conventions

All references to “India” in the Information Memorandum are to the Republic of India.

Unless stated otherwise, all references to page numbers in the Information Memorandum are to the page numbers of the Information Memorandum.

For additional definitions, please see the section entitled “*Definitions and Abbreviations*” of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications.

The information included in this Information Memorandum about various other companies is based on their respective Annual Reports and/or information made available by the respective companies.

### Financial Data

Unless stated otherwise, the financial information in this Information Memorandum is derived from our audited standalone financial statements as of and for the fiscal year / period ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 prepared in accordance with Indian GAAP and the Companies Act.

In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Information Memorandum.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections entitled “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis*” and “*Financial Information of the Company*” on page 7, 68, 146 and 112 respectively, and elsewhere in this Information Memorandum have been calculated on the basis of the standalone financial statements of our Company prepared in accordance with Indian GAAP and the Companies Act.

### Currency and Units of Presentation

All references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

Except otherwise specified, our Company has presented certain numerical information in the Information Memorandum in “crores” units. One crore represents 1,00,00,000.



## SECTION II – RISK FACTORS

### RISK FACTORS

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.*

#### **Risks relating to our Company's Business**

##### **Internal Risks**

**1. *Our inability to manage our growth and scale could disrupt our business.***

We have experienced growth in our HomeTown retail format business. As of September 30, 2017, FRL operated 37 stores of the HomeTown format in 21 cities, increasing its presence in regions in which we had none or limited experience.

Pursuant to our strategy of increasing our share in the furniture and furnishing space in India, we intend to expand the number of stores operated by us. We expect this growth to place significant demand on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in:

- integration of new stores;
- preserving a uniform culture, values and work environment;
- developing, improving and implementing our internal administrative infrastructure, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, designing, project management, human resources and marketing personnel;
- maintaining high levels of product quality and customer satisfaction; and
- adhering to health, safety, and environmental standards.

Any delay in receiving the possession of the stores may lead to delays in our opening of stores and impact our time schedules and cause cost and time overruns. In addition, our expansion may present distribution and merchandising challenges that differ from those in our current operation. Addressing the challenges arising from our growth entails substantial senior level management time and resources and would put significant demands on our management team and other resources. Any inability to manage our growth may have an adverse effect on our business and results of operations.

There can be no assurance that we will be able to execute our strategy on time and within the stipulated budget or that we will meet the expectations of the customers and achieve our planned growth. Further, large number of stores may increase our fixed operating costs, and there can be no assurance that we will experience a commensurate increase in revenue or derive operational synergies to offset these higher costs. Our inability to manage our growth could have a material adverse effect on our business, results of operations and financial condition.

**2. *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.***

We offer products at our HomeTown stores that our consumers require and our success is dependent on our ability to meet our consumers' requirements. We plan our products based on the forecast of consumer buying patterns as well as on the forecast of Home Retail and trends in the forthcoming seasons. The retail consumer spending is heavily dependent on the economy and, to a large extent, on various festive occasions. Any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory and requiring us to resort to higher markdown and thus lower margins in order to clear such inventory. Consumer preferences are susceptible to change with change in Home Retail and trends, and their service level expectations too can change from time to time.

Our success depends partly upon our ability to forecast, anticipate and respond to such changing consumer preferences and trends in a timely manner. Any failure by us to identify and respond to such emerging trends in consumer preferences could have a material adverse effect on our business. Our inability to identify and recognize international and domestic trends and the risk of obsolescence could adversely affect our business.

**3. *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.***

We strive to keep optimum inventory at our stores and our warehouses to control our costs and working capital requirements. Inefficient supply chain management and information technology systems could adversely affect availability of merchandise at our stores and our results of operations. Ensuring shelf availability for our products warrants meticulous planning since the lead times are long and high level of coordination between the suppliers, our warehouses and our stores.

Further, we rely on our network of suppliers to supply our products in each region where we operate. Hence, our business is dependent on maintaining good relationships with our suppliers. Furthermore, our growth as a business depends on our ability to attract additional high-quality and cost-efficient suppliers to our network. We cannot assure you that our current suppliers will continue to do business with us or that we can continue to attract additional suppliers to our network. Any inability to maintain the stability of our supply network and to attract such additional suppliers to our network will affect our ability to meet the consumer demands for our products in a timely manner and may have an adverse impact on our business, results of operations and financial condition.

Some of the furniture, furnishings and general merchandise items retailed through our stores are imported from countries like Indonesia, China, Malaysia, Thailand, Vietnam, United States and Germany. Any inability to maintain stable supply network with suppliers in these countries or any adverse political, economic or social condition in these countries, may lead to disruption or delay in supply of goods to us, which may have an adverse impact on our business, results of operations and financial condition. Further, in the event, any anti-dumping or import duty were to be levied on such imports or vendors or imports from such countries or vendors is prohibited or restricted, the import of goods may become unviable for us or may be disrupted, which may adversely impact our operations and financial results.

**4. *Upon the Scheme of Arrangement becoming effective, we would depend on other Future group companies for procurement of certain of our products and services. Any disruption in the availability of this support function may have an adverse effect on our business and results of operations.***

Upon Scheme of Arrangement becoming effective, we would be depending for some sourcing of goods as well as services from companies comprising of Future Enterprises Limited (“FEL”), and their respective subsidiaries, associates and joint ventures. Any disruption in the supply from these entities or due to change in terms of supply for any products/services, we would be required to find an alternative vendor and we may not be able to find, a vendor of a comparable quality at an acceptable price, or at all. This may, ultimately, have an adverse effect on our business and results of operations.

The Home Retail Business Undertaking is dependent on FEL for procuring infrastructure related services like fixed assets, IT assets, retail infrastructure, store fit outs etc for our HomeTown stores. Any disruption in the availability of this support function from FEL may have an adverse effect on our business and results of operations, and we may be required to locate alternative service provider, which will be a detailed process involving review of capabilities of such alternate service provider, quality control, responsiveness and service, financial stability and labour and other ethical practices or else we may require to mobilise financial and other resources to procure such assets and services directly which may involve significant cost.

The Home Retail Business Undertaking is also dependent on Future Supply Chain Solutions Limited (“FSCSL”) for the warehousing and logistics support to our HomeTown stores across the country. These warehousing and logistics activities include like factory-gate logistics, storage and fulfillment, retail store replenishments, movement (nation-wide and intra city), home deliveries, freight forwarding, custom clearance, reverse logistics and distribution services for our various formats.

Any disruption in the availability of this support function from FSCSL would require us to locate alternative service providers and we may not be able to find a service provider of a comparable quality at an acceptable price, or at all. Further, identifying a suitable alternative service provider is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. This may, ultimately, have an adverse effect on our business and results of operations.

**5. *Our Directors, Promoters and certain of our Group Companies are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.***

Our Directors, Promoters and certain of our Group Companies are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters, actions by regulatory/ statutory authorities and matters against Promoters and our Directors, Group Companies have been set out below.

- *Litigation against our Directors*

S. No.	Nature of Case	Number of outstanding cases	Amount involved (in ₹ million)
1.	Criminal	-	-
2.	Action by regulatory/ statutory authorities	-	-
3.	Other matters	-	-
4.	Direct tax	2	2.09
5.	Indirect tax	-	-
	<b>Total</b>	<b>2</b>	<b>2.09</b>

- *Litigation against our Promoters*

S. No.	Nature of Case	Number of outstanding cases	Amount involved (in ₹ million)
1.	Criminal	12	Nil
2.	Action by regulatory/ statutory authorities	-	-
3.	Other matters	15	2.80
4.	Direct tax	22	501.90
5.	Indirect tax	-	-
	<b>Total</b>	<b>49</b>	<b>504.70</b>

- *Litigation against our Group Companies*

S. No.	Nature of Case	Number of outstanding cases	Amount involved (in ₹ million)
1.	Criminal	236	Nil
2.	Action by regulatory/ statutory authorities	17	125.66
3.	Other Matters	1	100
4.	Direct tax	24	169.57
5.	Indirect tax	68	86.87
	<b>Total</b>	<b>346</b>	<b>482.1</b>

For further details, please see the section entitled “*Outstanding Litigation and Material Developments*” on page 148. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against our Directors, Promoters and Group Companies, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

6. ***We will have to find locations to open stores and operate our formats. In the event we are unable to find favourable locations at terms acceptable to us, we may not be able to open new stores or the stores may not yield the expected returns, which may adversely affect our business, cash flows and results of operations.***

As the success of any retail business lies largely in identifying the best possible location at a competitive cost, we have dedicated teams to find locations for the purposes of opening our stores. Our Company has to compete with other retailers to lock in locations for our stores on a continuous basis. We cannot assure you that we will be able to expand and grow at the rate at which we may desire to, as we may not be able to obtain lease at such locations that we believe will be necessary for implementing our expansion plans and at prices that are viable for our business. If we are not able to obtain the locations at favourable lease rentals or lease period or at the time and place that we desire, the same may have a material adverse impact on our results of operation.

In addition to this, our Company may not enjoy the benefit of economies of scale of FRL to obtain lease at location of preference and at a competitive price, and same may have material adverse impact on our results of operation.

7. ***Competition may impede our ability to renew leases or licences entered into by us.***

None of the stores, distribution centres and warehouses are owned by us. We face competition from other large retailers who compete for real estate resources. Whilst we typically have long-term license/lease arrangements, the term of some of our license/lease arrangements will complete in the next few years. We may not be able to renew our leases or licenses on terms acceptable to us or at all. In the event that any of our leases or licenses are not renewed, and we will be required to vacate our stores, identify alternative real estate and enter into fresh lease or leave and license agreements, suffer losses in terms of existing furniture and fixtures and the cost of restoring furniture and fixtures at the new location, which could result in loss of business and may adversely affect our operations and profitability.

**8. *Our business, financial condition and results of operations have been dependent on Hometown, and any failure to operate the same may adversely affect our business, market position and results of operations.***

Our business, financial condition and results of operations have been dependent on Hometown and have made and will continue to make investments towards the development of this format. We also continue to evaluate initiatives and strategies to increase our presence in online retail. The success of such expansion in online retail segment is dependent upon various internal and external factors. We cannot assure you that we will be able to continue to generate a significant portion of our revenue from Hometown format going forward and any decline in the contribution from this format may adversely affect our investments, business, market position and results of operations.

**9. *Our business needs substantial capital and additional financing in the form of debt and/or equity to meet our requirements, and any failure or delay to obtain the same may affect our business plans adversely.***

Our business is funded through equity, debt and internal accruals. However the actual amount and timing of future capital requirements may differ from estimates including but not limited to unforeseen delays or cost overruns, unanticipated expenses, market developments or new opportunities in the industry. We may also not be able to generate internal cash in our Company as estimated and may have to resort to alternate sources of funds.

Sources of additional financing may include commercial borrowings, vendor financing, or issue of equity or debt instruments. If we decide to raise additional funds through the debt route, the interest obligations would increase and we may be subject to additional covenants, which could limit our ability to access cash flows from the operations. We may not be successful in raising additional funds in a timely manner, on favourable terms or at all. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our store plans or growth strategies or reduce capital expenditure and the size of our operations.

Additionally, if we decide to raise additional funds through the equity route, your shareholding in our Company could get diluted.

**10. *Risks associated with the suppliers from whom our products are sourced and the safety of those products could adversely affect our financial performance.***

The products sold by us are sourced from a wide variety of domestic and international suppliers. Global sourcing of many of the products we sell is an important factor in our financial performance. All of our suppliers must comply with applicable laws, including labour and environmental laws, and otherwise be certified as meeting our required supplier standards of conduct. Our ability to find qualified suppliers who meet our standards, and to access products in a timely and efficient manner is a significant challenge, especially with respect to suppliers located and goods sourced outside of the respective states in which the stores are located. Political and economic instability in India or political instability in certain states of India in which the suppliers are located, the financial instability of suppliers, suppliers' failure to meet our supplier standards, labour problems experienced by our suppliers, the availability of raw materials to suppliers, merchandise quality issues, currency exchange rates, transport availability and cost, transport security, inflation, and other factors relating to the suppliers and the countries in which they are located are beyond our control. These and other factors affecting our suppliers and our access to products could adversely affect our financial performance.

Our customers count on us to provide them with safe products. Concerns regarding the safety of products that we source from our suppliers and then sell could cause shoppers to avoid purchasing certain products from us, or to seek alternative sources of supply for their needs. Any loss of confidence on the part of our customers would be difficult and costly to re-establish. As such, any issue regarding the safety of any items we sell, regardless of the cause, could adversely affect our financial performance.

**11. *We may not in a timely manner identify or effectively respond to trends in consumption patterns of our customers, which could negatively affect our relationship with our customers and the demand for goods retailed through our format and our market share.***

It is difficult to predict consistently and successfully the consumption patterns of the customers. The success of our business depends in part on our ability to identify and respond to the evolving consumption patterns in various lines of businesses that we operate in. Failure to timely identify the changing patterns or effectively respond to such trends, preferences and spending patterns could negatively affect our relationship with our customers and the demand for our products.

12. *We rely extensively 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 (back-up) systems could harm our ability to run our business.*

It is critical that we maintain uninterrupted operation of our business' critical information technology systems. Our information technology systems, including our back-up systems, are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events such as fires, tornadoes and hurricanes, and usage errors by our employees. If our information technology systems and our back-up systems are damaged or cease to function properly, we may have to make significant investment to fix or replace them, and we may suffer interruptions in our operations in the interim.

Any material interruption in both of our information technology systems and back-up systems may have a material adverse effect on our business or results of operations. Further, if we fail to integrate our information technology systems and processes we may fail to realize the benefits anticipated to be derived from these initiatives. Any delay in implementation, problems in transition to new systems or any disruptions in its functions may adversely impact our business operations. Further, if we are not able to obtain IT systems and services from third parties in a cost effective manner, it may affect our technology operations which may have an effect on our financial results.

In our online business, the markets for our products and services are characterized by rapidly changing technology, evolving industry standards and norms, introduction of new products and services. Our results of operations and financial condition depend on our ability to introduce new products and services. The process of developing new products and services is complex and requires us to accurately predict and respond to customers' changing and diverse needs and emerging technological trends. The success of our new products and services will depend on several factors, including proper identification of market demands and the competitiveness of our products and services and adaptation of new technologies. Our failure to respond successfully to any of these challenges will significantly harm our results of operations and financial condition.

13. *Past store sales may not be comparable to and indicative of future store sales*

Various factors affect the sales in our stores including competition, our ability to procure merchandise at appropriate costs, our supply chain and our systems and processes. These factors will have an influence on existing and future stores and thus past figures of sales may not be true indication of future sales.

14. *Our Promoter and some of our Directors have interests in entities which are in the same line of business as us.*

Our Promoter and some of our Directors, directly or indirectly, hold majority of the shares of, and controls, other companies engaged in retail formats. The entities in which our Promoter and some of the Directors are directly interested in and which are engaged in similar line of business as on November 30, 2017 are as follows:

Sr. No.	Name of the Promoter / Director	Name of the entities	Nature of interest in the entities	Number of shares held	Percentage of the shareholding (%)
1.	Kishore Biyani	Future Lifestyle Fashions Limited	Managing Director and shareholder	333	0.00
		Future Retail Limited	Chairman & Managing Director and shareholder	2121	0.00
2.	Suhani Trading and Investment Consultants Private Limited	Future Lifestyle Fashions Limited	Promoter	63,93,522	3.36
		Future Retail Limited	Promoter	23,36,51,321	47.43

Additionally, the above Promoter / Director(s) have indirect interest (through their shareholding in the above entities) in the following entities which are engaged in similar line of business as that of our Company as on November 30, 2017:

Sr. No.	Name of the companies	Aggregate number of shares held	Percentage of the shareholding (%)
<b>Shares held by Future Lifestyle Fashions Limited (by itself and through its nominees)</b>			
1.	Future Trendz Limited	550,000	100.00
2.	FLFL Business Services Limited	150,000	100.00
3.	FLFL Lifestyle Brands Limited	50,000	49.02
4.	Holii Accessories Private Limited	1,60,000	1.00
5.	Clarks Future Footwear Private Limited	5,80,000	1.00

Sr. No.	Name of the companies	Aggregate number of shares held	Percentage of the shareholding (%)
6.	SSIPL Retail Limited	6,09,197	6.07
7.	ReNew Wind Power (Karnataka) Private Limited	6,400	1.82
<b>Shares held by Future Trendz Limited (by itself and through its nominees)</b>			
8.	Future Speciality Retail Limited	259,000	99.96

**15. *Losses on account of shrinkage can negatively impact our profitability***

The retail industry is vulnerable to the problem of shrinkage. Shrinkage at our stores and/or our distribution centres may occur through a combination of shoplifting by customer, pilferage by employee, damage, obsolescence and error in documents and transaction that go un-noticed and later adjusted for upon physical verification of stock with book stock. An increase in shrinkage levels at our existing and future stores or our distribution centres may force us to hire additional supply chain management personnel or additional security staff or install additional security and surveillance equipments, which will increase our operational costs and may have an adverse impact on our profitability.

**16. *We may, from time to time, look for opportunities to acquire or enter joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.***

We may, from time to time, look for opportunities to acquire or enter into strategic partnerships or alliances. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or assume contingent liabilities, as part of any acquisition. Further, the acquisitions may give rise to unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or the acquisition is finalised.

We may also face difficulty in assimilating and retaining the personnel, operations and assets of the acquired company. Further, we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. In the event that the alliance does not perform as estimated, our operations may be materially adversely affected. Further, an inability on the part of our joint venture partner to meet customer requirements may lead to a failure of such a format and may adversely affect our business.

**17. *We face competition from existing and potential domestic and international players that may adversely affect our competitive position and our profitability.***

Significant additional competition in the Home Retail industry may result in reduced prices and thereby negatively affect our revenues and profitability. As the industry is highly fragmented, we face competition from local stores, who may, for a variety of reasons such as easier access and personal relationship with customer, be able to cater to local demands better than us. Further, the introduction of foreign participation in the retail sector will result in the entry of multinational retail companies into the Indian market. We cannot assure you that we will be able to compete with large multinational players.

International competitors may enjoy many of the same advantages that we do and may even have lower cost structures, enabling them to compete vigorously vis-a-vis pricing. As a result of competition, we may have to price our products at prices that reduce our margin and at the same time increase our advertising and distribution expenditure, which may adversely affect our business costs and profits. Competition from these competitors may adversely impact our revenues. Global companies are significantly larger than us and have significantly stronger international market positions, production capacities and greater financial resources than we do. We also face significant competition from Indian players. These market participants include other small, limited-service providers and a number of full-service global companies. The larger competitors have a much broader portfolio of business, greater resources and more experience than smaller companies.

**18. *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.***

Most of the premises from which we operate our stores / offices / distribution centres are taken by us on long term lease or sub-lease or leave and license and/or on the basis of other contractual agreements with third parties. We may continue to enter into such transactions with third parties. Any adverse impact on the title / ownership rights / development rights of our landlords from whose premises we operate our stores may impede our business, our operations and our profitability. The financial impact of such aforesaid risk cannot be quantified.

In the past, we have been subject to lock-in period for some of our lease agreements. In the event, we renew our lease agreements or enter into new lease agreements and such arrangements also prescribe a lock-in period or such other

similar restrictions, it will prevent us from moving our stores in the event that there are events or circumstances that impede our profitability. Any such event and such restrictive covenants in our lease agreements affect our ability to move the location of our stores and may adversely affect our business, financial condition and results of operations.

**19. *We face the risk of potential liabilities from lawsuits or claims by consumers.***

We may face the risk of legal proceedings and claims being brought against us by our customers / consumers for any defective product sold or any deficiency in our services to them. We could face liabilities should our customers / consumers face any loss or damage due to any unforeseen incident such as fire or accidents in our stores, which could cause financial or other damage to our customers / consumers. Any commencement of lawsuits as envisaged above against us could reduce our sales and cause us financial harm and any decision against us may adversely affect the result of our operations.

**20. *Uninsured losses or losses in excess of our insurance coverage could result in a loss of our investment.***

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, etc., occurs in our stores or distribution centres or in regions where the same are located. Although we maintain comprehensive insurance coverage in relation to fire and other perils, there are possible losses from which we are not insured such as claim of infringement of intellectual property right or there may be instances where the insurance cover in relation to the loss may not be adequate. In such situations we may incur loss or lose our investment.

**21. *Our Home Retail Business Undertaking is a part of Future group and we may utilise the trademark ‘Future’ and ‘Future Group’ and the associated logo. Our inability to use any such trademark or logo could adversely affect our business and results of operations.***

Future Ideas Company Limited (“**FICL**”), a Future group company owns the trademarks ‘Future Group – India Tomorrow’ and ‘Future Group’ and the associated logos. Pursuant to the master licence agreement dated November 20, 2017 between FICL and our Company (the “**Agreement**”), FICL has granted a non-exclusive and non-transferable licence to use the Trademarks in, *inter alia*, marketing and advertisements of our products and services during the term of the Agreement and, with the written consent of FICL, for business activities outside India in consideration of royalty payments. The Agreement also allows the use of Trademarks by our Subsidiaries, if any. For details, please see the section entitled “*Our Business – Intellectual Property*” on page 72.

We operate in a competitive environment, where generating brand recognition will be a significant part of our business. In the event the Agreement is terminated, we may need to change our logo. Any such change could require us to incur additional costs and may adversely impact our business, financial condition and results of operation.

**22. *We have limited ability to protect the intellectual property of our formats and associated logos and may be subject to third party claims and if we are unable to protect such intellectual protection, our business could be adversely affected.***

Our efforts to protect our intellectual property rights may not be adequate and any third party claim on any of our unprotected format or private label may lead to erosion of our business value and our operations could be adversely affected.

We may need to litigate in order to protect the intellectual property of our formats or brands or to prevent unauthorized use of the same. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. In addition, we may not be able to detect any unauthorized use or take appropriate and timely steps to protect our intellectual property rights. Our inability to protect the same could adversely affect our business.

**23. *Changes in safety and health laws and regulations may adversely affect our results of operations and our financial condition.***

We are subject to a broad range of safety and health laws and regulations in the areas in which we operate such as the Consumer Protection Act, 1986, Sale of Goods Act, 1930 and similar state regulatory enactments like the shop and establishments legislations, as applicable. We have incurred, and expect to continue to incur, operating costs to comply with such laws and regulations. In addition, we have made and expect to continue to make capital expenditures on an ongoing basis to comply with safety and health laws and regulations. While we believe we are in compliance in all material respects with all applicable safety, health and environmental laws and regulations, we may nevertheless be liable to the Central Government or the State Governments or Union Territories with respect to our failures to comply with applicable laws and regulations.

Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures or incur additional operating expenses in order to maintain our current operations or take other actions

that could have a material adverse effect on our financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future.

Further, the measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by governmental authorities and our compliance costs may significantly exceed current estimates. If we fail to meet safety and health requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by our consumers / customers and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit our operations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety and health matters in the future, the costs of which could be material. Remediation costs of our stores and outlets and related litigation could adversely affect our cash flow, results of operations and financial condition.

**24. *Negative publicity if any, would adversely affect the value of our brand, and our sales.***

Our business is dependent on the trust our customers have in the quality of our merchandise as well as on our ability to protect our trademarks and copyrights and our intellectual property to maintain our brand value. If we fail to adequately protect our intellectual property, competitors may market products similar to ours. Any negative publicity regarding our Company, brands, or products, including those arising from a drop in quality of merchandise from our vendors, disputes concerning the ownership of intellectual property, mishaps at our stores, or any other unforeseen events could adversely affect our reputation our brand value, our operations and our results from operations.

**25. *Our business depends on our ability to maintain consistency in customer service and other operations.***

Our ability to maintain consistency in the quality of customer service in our stores is critical to our success. This will depend on our ability to hire the right personnel and also train the new personnel in the implementation of our processes effectively. In addition, the attrition rate of employees is high in the retail industry and in the event we lose employees at a high rate or we cannot recruit fresh talent, it may adversely affect our operations.

**26. *We operate through online and brick and mortar format and a lower than anticipated customer response, or our inability to successfully meet customer requirements can adversely impact us.***

We operate through brick and mortar format and online format and may, from time to time, consider launching new formats. The success of these formats depends upon the consumer response. A lower than anticipated consumer response can impact our business. Our inability to successfully attract and meet with customer requirements may adversely affect our operations and profitability.

**27. *Our Group Companies have incurred losses in the past.***

Certain of our Group Companies have incurred losses in last three financial years as set forth below:

	(₹ in crores)		
Loss Making Companies	2017	2016	2015
Future Brands Limited	1.27	2.14	-14.70
Future Digital Payment System Limited	0.32	-0.13	company started in Nov 15
Future Entertainment Private Limited	6.87	-4.95	-2.44
Future Ideas Company Limited	1.38	-12.80	-0.46
Future Lighting India Limited	-0.10	-0.01	-0.06
Future People Services Limited	-1.10	-1.40	-0.80
Future Sharp Skills Limited	-4.45	-2.67	-4.21
Idiom Design and Consulting Limited	-2.73	-3.02	-0.29
Future Consumer Limited	7.78	-63.55	-93.75
Future Retail Limited	368.28	15.09	-379.21

**28. *The success of our business is dependent on our management team including our Chairman and Managing Director, Viraj Didwania 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.***

Our Company is managed by a team of professionals to oversee its operations and growth. Our performance and success depends on our management team including, our Chairman and Managing Director, Viraj Didwania, to manage our current operations, develop new projects and meet future business challenges. Our ability to sustain our growth depends, in large part, on our ability to attract, train, motivate and retain highly skilled personnel. We believe that there is significant demand for personnel who possess the skills needed to perform the services we offer. There is significant



competition for management and other skilled personnel in our industry. Our inability to hire and retain additional qualified personnel will impair our ability to continue to expand our business. The Chairman and Managing Director of our Company has substantial responsibilities for strategizing our growth. The loss of the services of such personnel or the Chairman and Managing Director of our Company and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations. An increase in the rate of attrition of our experienced employees, would adversely affect our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills or to replace those personnel who leave. Further, we cannot assure you that we will be able to re-deploy and re-train our personnel to keep pace with continuing changes in our business. The loss of the services of such personnel and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, results of operations and financial condition.

**29. *Our Registered Office and/or stores are not owned by us. Inability to execute or renew lease arrangements on favourable terms or at all may materially affect our business and profitability.***

Our registered office is located at “iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjumarg (East), Mumbai- 400 042, which is not owned by our Company. We cannot assure that we will be able to renew the arrangement for using the premises on which our Registered Office is located on commercially acceptable terms, or at all.

Further, our stores are operated from premises which are generally acquired on long-term leasehold or on leave and license basis or on the basis of other contractual agreements with third parties. If we are unable to execute or renew lease arrangements on favourable terms or at all, or enforce our rights with respect to occupation of existing properties, this may lead to time and cost overruns and may have a material adverse effect on our business, financial performance.

**30. *The statements contained in this Information Memorandum are based on current management plans and estimates and may be subject to change. In addition, industry statistical and financial data contained in this Information memorandum may be incomplete or unreliable.***

We have not independently verified data from industry publications and other sources contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the Home Retail industry herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable and should not be unduly relied upon.

**31. *Our Promoter and Group Companies have unsecured loans which can be recalled by the lenders at any time***

Our Promoter and Group Companies currently have availed loans which may be recalled by their lenders at any time. In the event that any lender seeks a repayment of any such loan, our Promoter and Group Companies would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate capital / working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

### **Risks relating to the Equity Shares**

**1. *There is no prior trading history for the Equity Shares.***

Since the Equity Shares have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company’s operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company’s Equity Shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

**2. *Significant trading volumes of the Equity Shares on the Stock Exchanges in the period on listing could impact the price of our Company’s Equity Shares.***

Following admission of our Equity Shares for trading on the Stock Exchanges, there may be a period of relatively high volume trading in the Equity Shares. A high volume of sales of our Equity Shares on the Stock Exchanges after admission, or the perception that these sales might occur, could result in volatility in the market price of our Equity Shares.

3. ***Our Company may decide to offer additional Equity Shares in the future, diluting the interests of existing shareholders which could adversely affect the market price of Equity Shares.***

Our Company's ability to execute our business strategy depends on our access to an appropriate blend of debt financing, and equity financing. If our Company decides to offer additional Equity Shares or other securities convertible into Equity Shares in the future, this could dilute the interests of existing Shareholders which could have an adverse impact on the market price of Equity Shares. An additional offering of Equity Shares by our Company, or the public perception that an offering may occur, could have an adverse impact on the market price of the Equity Shares.

4. ***There is no guarantee that dividends will be paid.***

There can be no assurances that our Company will pay dividends. Any decline in our Company's operating income could result in distributable profits not being available for payment of dividend which may have an adverse impact on the market price of our Equity Shares.

**External risk factors**

1. ***Our business is substantially affected by prevailing economic conditions in India.***

Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- changes in governmental laws and regulations;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its retail sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Securities.

2. ***Investors may not be able to enforce a judgment of a foreign court against our Company.***

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and substantially all of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced

by a court of competent jurisdiction, unless the contrary appears on record. However, under the Civil Code, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

**3. *Our operations and investments are concentrated in the Indian retail and consumption-led sectors, which exposes us to the risk of a downturn in this sector.***

Our strategic focus is on the Indian retail and consumption-led sectors. As a result of this focus, during periods of difficult market conditions or slowdowns in these sectors, the decreased revenues, difficulty in obtaining access to financing and increased running costs experienced by us may adversely affect us. Although the Indian retail and consumption-led sectors have been growing rapidly in recent periods, this growth may not be sustainable in the long term and there may be periods of difficult market conditions. Interest rate fluctuations could also adversely impact the growth of the retail and consumption-led sectors. If growth in the Indian retail and consumption-led sectors were to slow or if market conditions were to worsen, we could sustain losses or may be unable to attain target returns, which would adversely impact our financial performance. In addition, demand for our retail services could decline as Indian consumers reduce their spending. Any of the foregoing would have a material adverse effect on our business, results of operations and financial condition.

**4. *Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Securities.

**5. *Multiplicity of legislations, taxes and levies in addition to changes in legislation, including changes in direct and indirect tax policies, or policies applicable to us could adversely affect our results of operations.***

Various laws and regulations are applicable to the retail industry and our business in general. At every stage, different licenses, approvals and clearances are required, for instance in acquiring store space, opening stores, trade license, etc. This process is tedious and time consuming and there can no assurance that the licenses, approvals and clearances will be granted to us within the expected time frame or at all. Therefore, statutes relating to labour, hours of work, minimum wages, overtime, etc. have an impact on our operational activities and overall costs. Moreover, the complexities of Indian tax structure comprising separate central and local taxes, and levies including sales tax, octroi, etc. has added to our costs and affected flexibility of our operations. Changes in taxes and levies and other regulatory policies and legislations could directly impact the profit margins and activities of our Company.

**6. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended (the “**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and may result in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation. We cannot assure you that we will be able to obtain approval for any future transactions on satisfactory terms, or at all. If we or any member of our group are/is affected directly or indirectly by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the CCI or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or prosecution under the Competition Act, including by way of financial penalties, our reputation may also be materially and adversely affected.

**7. *All public companies whose equity or debt securities are listed or in the process of being listed in India or outside India and having networth less than ₹500 crores are required to prepare financial statements under Ind AS for the accounting period beginning on or after April 1, 2017 with comparatives for period ending on March 31, 2017 and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is very recent and our transition to the use of the IFRS converged IND AS may adversely affect financial performance and financial position of our Company.***

India has decided to adopt the “Convergence of its existing standards with IFRS” and not IFRS. These “IFRS based/ synchronised Accounting Standards” are referred to in India as Ind AS. On February 16, 2015, the Ministry of Corporate Affairs, has set out the Ind AS and the timelines for their implementation. Accordingly, our Company is required to prepare its financial statements in accordance with Ind AS from April 1, 2017. Additionally, IND AS has fundamental differences with Indian GAAP and as a result, financial statements prepared under IND AS may be substantially different from financial statements prepared under Indian GAAP. As we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. The adoption of IND AS by us and any failure to successfully adopt IND AS could have an adverse effect on financial performance, financial position of our Company and may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences.

In addition, our management is devoting and will continue to devote time and other resources for the successful and timely implementation of Ind AS. Any failure to successful adoption of Ind AS may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect financial performance and financial position of our Company.

In addition, the Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2015 and are applicable from Financial Year 2015-16 and will have impact on computation of taxable income for Financial Year 2015-16. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. In addition, ICDS is applicable for the computation of income for tax purposes but is not applicable for the computation of income for MAT. Further, pursuant to ICDS, premium earned on forward contracts becomes taxable on settlement and not at the time of earning. Non-compliance of ICDS will result in best judgment assessment by tax authorities which may lead protracted litigations

**8. *Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.***

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business and the Indian markets in which the Securities trade are proposed to be listed. For instance, any violence in public places such as retail stores and malls could cause damage to life and property, and also impact consumer sentiment and their willingness to visit public places. Financial impact of the aforesaid risk can not be reasonably quantified. If any such acts of violence were to take place in any of the malls or stores operated by us, it may cause substantial damage to life and property at our malls or stores and also erode our footfalls in our stores significantly.

In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Securities. Further, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business, results of operations and financial condition, and the market price of the Securities.

**9. *The occurrence of natural disasters could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease could adversely affect our results of business, results of operations and financial condition. The potential impact of a natural disaster such as the H1N1 “swine flu” virus on our results of operations and financial condition is highly speculative, and would depend on numerous factors. For instance, our corporate offices are located in the state of Maharashtra and our stores and warehouses located across India. It is possible that earthquakes, cyclones, floods or other natural disasters in India, particularly those that directly affect the areas in which our facilities and other operations are located, could result in substantial damage to our stores, warehouses and other assets. We cannot assure prospective investors that such events will not occur in the future or that our business, results of operations and financial condition will not be adversely affected.

**10. *The retail sector is subject to extensive foreign exchange regulations.***

The retail sector in India is regulated by the GoI, state governments and local authorities. Further, investments made by non-residents into India are governed by the Foreign Exchange Management Act, 1999 and the rules and regulations thereunder and the Consolidated FDI Policy and various notifications, circulars and press notes. According to current Consolidated FDI Policy, FDI has now been permitted in the Indian multi-brand retail trading industry up to a maximum of 51%, with prior Governmental approval and subject to the satisfaction of certain conditions.

As per the Consolidated FDI policy, FDI upto 100% under automatic route is permitted in Business to Business (B2B) e-commerce. Further, FDI is permitted in Business to Consumer (B2C) e-commerce under the market place model subject to certain conditions.

**11. *Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.***

Our business and operations are governed by various laws and regulations. Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the relevant governmental authorities will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, results of operations and financial condition.

**12. *Conditions in the Indian securities market may affect the price or liquidity of the Securities.***

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced events that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have, from time to time, restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasions between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar events occur in the future, the market price and liquidity of the Securities could be adversely affected.

**13. *Economic developments and volatility in securities markets in other countries may cause the price of the Securities to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general and may cause the price of the securities to decline.

**14. *Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sales of the Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Except as otherwise stated in this document, there is no restriction on our Company's ability to issue the Equity Shares or the relevant shareholders' ability to dispose of their Equity Shares, and there can be no assurance that our Company will not issue Equity Shares or that any such shareholder (including Promoter and Promoter Group) will not dispose of, encumber, or pledge its Equity Shares.

**15. *You may be subject to Indian taxes arising out of capital gains on the sale of the Securities.***

Capital gains arising from the sale of the Securities are generally taxable in India. Any gain realised on the sale of the Securities on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Securities are sold. Any gain realised on the sale of the Securities held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of the Securities held for a period of 12 months or less will be subject to capital gains tax in India.

**Prominent Notes**

1. Our Company has allotted 2,46,33,208 Equity Shares of ₹5 each to eligible shareholders of FRL pursuant to the Scheme approved by National Company Law Tribunal on November 10, 2017.
2. As on March 31, 2017, our Company's net worth was ₹2,46,502 as per the Standalone Financial Statements as on March 31, 2017.
3. The net asset value per Equity Share was ₹4.93 as per the Standalone Financial Statements as on March 31, 2017.
4. Except as stated in the sections entitled "Group Companies" and "Related Party Transactions" on pages 97 and 110, respectively, none of the Group Companies have any business or other interest in our Company.
5. For details of related party transactions entered into by our Company with the Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section entitled "Related Party Transactions" on page 110.
6. There has been no financing arrangement whereby our Promoter Group, the Directors and their relatives have financed the purchase of equity shares by any other person during the period of six months immediately preceding the date of this Information Memorandum.

7. There has been a change in the object clause of our Memorandum of Association since incorporation as provided in this Information Memorandum.
8. The average cost of acquisition per Equity Share to the Promoters is ₹52.31 per Equity Share.

## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

#### SEGMENTS IN THE HOME RETAIL INDUSTRY

##### **Furnishing**

Furniture & Furnishings market size is worth of INR 102 bn (US\$ 17.13 bn) has growing at 12-13% annually. It is expected to be worth of US\$ 24.05 bn by 2017. Organized retail market is estimated at 19% of the total organized retail market and it is expected to grow at 24-27% in terms of number of retail outlets and retail space with the same store revenue growth being at 15%, according to data from Images Retail Report, 2015. The category is broadly divided three segments – furnishings, furniture and décor. The furniture segment, driven by small furniture including chair, table, stools, cabinets, and desks contributes highest (about 43%) in the overall market. Large furniture items such as beds, sofa sets, dining furniture set, large wardrobes and cupboards are high ticket items accounting for 25% of the furniture segment. On the other hand, home furnishing segment accounts for only 26% of the overall all market. Bed-linen is the largest sub-segment, constituting about 50% of the segment sales. However, other sub-segments such as curtains, upholstery, blankets, rugs and carpets are have been growing steadily.

Key players are HomeStop, Home Centre, Home Town, @Home and Bombay Dyeing; and online retailers like Fabfurnish, Pepperfry and Urbanladder. (Source: *Images Retail Report, 2015*)

##### **Electronics retailers**

Riding the wave of strong macro-economic conditions, India's electronics & appliances retail market is growing at 19-21%. The category generally sees the customers weighing many options before making a high-ticket purchase decision and is thereby called a 'planned purchase' category. As it requires customer guidance and education electronics has seen a rapid increase in the penetration of organized retailers – to 23%, according to data from Images Retail Report, 2015. (Source: *Images Retail Report, 2015*)

The strong growth, increasing demand and increasing penetration of organized retail in this category have led to many players entering the market and resulting in price competition. Players like Future Group (Ezone), Tata (Croma), Reliance (Reliance Digital) are relatively new entrants. At the same time, there are well established regional chains such as Girias, Viveks and Vasanth in southern India; Vijay Sales and Kohinoor in western India; and Sargam in northern India. Also, pulling a serious departure from their practices in other developed countries, most manufacturers like Samsung, Sony, Nokia, LG have their own exclusive store networks. Since brands sold by most retailers are the same, differentiation is limited and price competition is therefore high. (Source: *Images Retail Report, 2015*)

Furthermore, the emergence of online retailers like Flipkart, Snapdeal and Amazon is adding all the more pressure on profitability and sustainability as they offer significant deep discounts as compared to store-based retailers. This has led to increased upsetting trend in India, whereby the customer take the look and feel from the physical retailers and place their order through the online retailers. (Source: *Images Retail Report, 2015*)

It has become increasingly crucial for electronics retailers to differentiate from each other. Taking cues from their global counterparts' experience, we believe electronics retailers that will survive and thrive in the long run will need to (1) guarantee superior customer service by assisting consumers in the purchase decision, providing detailed product demos and after-sales service, (2) invest in training employees on electronics products, (3) design and implement an omni-channel framework, (4) create a differentiation through exclusive tie-ups with premium brands and (5) establish a differentiated private label in certain categories and accessories. Among existing players, we believe Croma, the Tata group's retail chain, is actively trying to differentiate itself on the above parameters. Future Group, through its electronics arm Ezone, has come up very strongly in his space with its focus on the long-term strategy. (Source: *Images Retail Report, 2015*)



## SUMMARY OF OUR BUSINESS

### Overview

Our Company was incorporated in 2011 as the wholly own subsidiary of GRN. Our Company was not carrying on any business until the effectiveness of the Scheme of Arrangement. Pursuant to the Scheme of Arrangement, the home retail business undertaking of FRL and e-commerce home retail business undertaking of BSPL was transferred and vested into our Company.

Our Company shall now be conducting the consolidated brick and mortar and online home retail business as under:

- ***Brick and Mortar home retail segment***

Our Company will now be operating stores of home furniture and home fashion in the brand name of HomeTown. This retail format is a one stop shop that brings together under one roof a wide range of furniture, home furnishing goods, design and build, other home related products and high quality services including complete home design, modular kitchen, flooring, tiles, plumbing, wallpaper among others, along with great in-store experience. Our stores provide attractive offers and prices on a wide range of kitchenware, furniture (including office and home furniture), and furnishing (including bedsheets, cushions and towels). 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. Currently, HomeTown has a pan India presence with 37 stores, across 21 cities across 11 states majorly in Maharashtra, West Bengal, Karnataka, Uttar Pradesh, Telangana and NCR. As of September 30, 2017, these stores have a total retail space of approximately 8.5 lakh sq. ft.

- ***Online home retail segment***

Our Company will also be operating a web portal for online sale of furniture and furnishing products through websites ([www.fabfurnish.com](http://www.fabfurnish.com) and [www.hometown.in](http://www.hometown.in)). FabFurnish and Hometown will operate as an e-commerce consumer portal under the market place model. Through these portals, we will directly sell a wide range of products particularly focused on fast moving product categories.

From the date of the Scheme becoming effective, our Company's promoters will be Kishore Biyani and Suhani Trading & Investment Consultants Private Limited. With 37 years of experience of in the field of manufacturing, marketing of ready made garments and retail, Kishore Biyani has been rightly known as pioneer of modern retail in India and has been instrumental in the growth of retail business of Future Group. Future Group focuses *inter alia* on consumption-led businesses and operates, through group companies' retail stores in various formats across food, fashion apparels, accessories and footwear, general merchandise, home improvement, consumer durables and electronics in India.

Continuing the legacy of Future Group, our Company intends to cater to home retail segment in India by providing consumers with varied goods and services at competitive prices.

### Our Strengths

We believe that the following are our principal business strengths:

#### ***Strong Sourcing Capabilities and differentiated business value***

Driven by the wide scale of operation and an experienced management team, the business reflects market-leading sourcing capabilities across categories. In addition, Home Town maintains a rigorous vendor network, both in local and foreign markets. With a strong vendor network, ensures best quality products for entire product portfolio. Home Town works with different renowned vendors across India. Vendors work primarily on an open costing model. In addition, the business has put in place strong quality control measures, by a centralized quality control team. Furniture/SKUs are approved post a comprehensive quality screening process wherein sample for each SKU is sent to quality control team pre-dispatch.

With about 10 years of experience in the retail business, we have developed an understanding of the retailing of furniture and furnishing business in India. We believe that our insights into consumer behavior have contributed to the development of a distinguished retail format. This insight has also enabled us to strategize, develop and promote new services to cater to the evolving needs of an Indian consumer.

#### ***Our early mover advantage***

HomeTown launched its first store in April, 2007 at Great India Place, Noida, while the second store opened in June, 2007 at Acropolis Mall, Ahmedabad. Within a short span of five years, in 2012, HomeTown became the first Indian retailer to bag Global Innovation Award for the year 2012-2013. HomeTown also won International Home and House wares Retail Excellence/Global Innovation's for the year 2012-2013. HomeTown won Excellence under category of "Importer and Distribution" at MATRADE, Government of Malaysia; "Gold Award" in ACEF - Asian Customer Engagement Forum for Gurukul App and "Rockstar Award" at Pepperfry Partners Meet in 2016.

Kishore Biyani, the Promoter of our Company started retail format business in 1997 in Kolkata and as of September 30, 2017, Future group operates 37 Hometown stores in more than 21 cities in India. We believe that this early mover advantage has helped us develop a wide network of stores across India in various formats and establish brand equity for our Company. This has also enabled us to lock in prime locations for our stores at competitive rentals in various cities in India and create efficient processes to cater the Indian consumers.

#### ***Identification of strategic locations for the stores***

We have dedicated teams which enables us to evaluate the requirement of new stores and identify strategic locations for our stores. Various factors including the demand for a particular product in that region, competition, brands already operating, number of stores of the brand proposed to be established, population, purchasing power, demographics, growth potential, local laws, and others are considered while deciding the requirement of a store and the location. After analysis of these factors, our teams finalise the location, obtain necessary approvals, complete fit out activities and commence operations. Through such an expansion, we believe that we have developed our domain knowledge and expertise that enable us to execute our projects in multiple locations at competitive costs and in minimal time. HomeTown's wide presence covering the key locations, close to major consumption centers in the country, allows it effectively to tap the target customer segment in a focused manner.

#### ***Strong supplier network enabling procurement at predictable and competitive pricing***

We sell a wide range of goods and merchandise across our product categories. We focus on using our deep knowledge of the markets which we operate to customise our product assortment in each store keeping in mind local demands and preferences. We also continuously focus on enhancing the goods and merchandise we carry.

Our procurement team conducts detailed research on an ongoing basis to locate the best product sources, in relation to both quality and price. We have an extensive network of suppliers and we endeavour to source our products from regions where they are widely available or manufactured to minimise our procurement costs. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices. We have a wide network of vendors and suppliers across the country. Our sustained efforts to improve our strong supplier network have led to an efficient supply and sale cycle.

Over the years, Home Town's business model has remained responsive to supply and demands disruptions. The differentiated combination of integrated sourcing, distribution and demand fulfillment, sets Home Town with unique business position. The business maintains sourcing ties with manufacturers both in India and in foreign markets to obtain the most compelling product offering for aspirational Indian consumers. The interconnectivity of the distribution centers and the central warehouse ensure that the products reach the consumers, safely and timely. The business reaches the target customer base through a wide retail base. A mix of strong back-end processes and persuasive in-store communication deliver a unique customer experience. Due to the scale that we have achieved over the past 10 years, we have been able to understand and implement the relevant processes to make our front end and back end functions and execution capabilities efficient. We have been able to increase the scope of our operations at a consistent pace and provide efficient and convenient offerings to our consumers. Further, due to our scale and presence across India, we have been able to develop efficient category management processes that enable us to offer competitive deals to our consumers.

#### ***Strong promoter background, experienced management team and motivated workforce***

Our business is consumer driven. Our promoter Kishore Biyani, brings to our Company his vision and leadership which has been instrumental in our success. Our experienced professional management team led by Viraj Didwania, the Chairman and Managing Director of our Company, have helped us to offer high standards of customer service and a pleasant shopping experience. Our management team consists of a team of professionals with relevant domain expertise and retail oriented functional specializations. Further, our management team has been able to complement our expansion with the ability to create adequate systems and processes. Our management team is complemented by a committed work force that enables us to operate, synergies and integrate our front-end and back-end operations efficiently. Our human resources policies aim to create an engaged and motivated work force, which is essential for our success. We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity.

#### ***High operating efficiency and lean cost structures through stringent inventory management using IT systems***

We have benefitted from our in-depth understanding of local needs and our ability to respond quickly to changing consumer preferences. This has been achieved in part due to our advanced IT systems. We use our IT systems for procurement, sales and inventory management which enables us to identify and quickly react to changes in customer preferences by adjusting our products available, brands carried, stock levels and pricing in each of our stores and effectively monitor and manage the performance of each of our stores.

Our IT systems are built with a wide range of data management tools specific to our business needs and support key aspects of our business, including procurement, sales and inventory control on a daily basis. Our IT systems also support our cash

management, in-store systems, logistics systems, human resources and other administrative functions. Our IT systems run on ERP applications and are robust and scalable.

Together with our supply chain management systems and our internal controls to minimise product shortage and the occurrence of out-of-stock situations and pilferage, we are able to operate efficiently and productively with minimal disruptions to our day to day operations.

### **Our Strategy**

We intend to maintain and enhance our position as a leading home retail entity through continued focus on the Indian market and investing further in our competitive strengths to grow our business. The key elements of our business strategy include:

#### ***Strengthen our market position by expanding our store network***

As of September 30, 2017, we operated 37 stores in 21 cities across 11 states majorly in Maharashtra, West Bengal, Karnataka, Uttar Pradesh, Telangana and Delhi NCR. These stores have a total retail space of approximately 8.5 lakh sq. ft.

<b>State</b>	<b>Number of stores</b>
Maharashtra	11
West Bengal	6
Karnataka	5
National Capital Region (NCR)	5
Telangana	3
Gujarat	2
Andhra Pradesh	1
Chhattisgarh	1
Jharkhand	1
Kerala	1
Uttar Pradesh	1
<b>Total</b>	<b>37</b>

We intend to further enhance our position in the home retail business by increasing our market penetration and expanding our store network in these states. We also intend to strengthen our store network in National Capital Region (NCR), Gujarat, Maharashtra, Karnataka, West Bengal, Telangana and Uttar Pradesh.

With over a decade of experience and successful growth, we believe that we are well-positioned to take advantage of the growth potential and opportunities offered by many states in western, southern, central and northern India.

Increasing our penetration in existing cities with a greater number of stores will enable us to penetrate into new catchment areas within these cities and optimize our infrastructure. Enhancing our reach to cover additional cities will enable us to reach out to a larger population and become a preferred shopping destination for their daily needs.

We believe that selection of suitable locations for our stores has been critical to our expansion plans. We aim to be an early mover in our target markets to take advantage of the opportunities offered by these under-served regions and actively search for suitable locations.

#### ***Increasing our share in the consumer spend through increase in our consumer base, consumer loyalty and expansion of our operations***

We intend to enhance our consumer base through increasing our presence in various cities in India and drive spending across various product segments. We are specifically focusing to achieve a larger share of consumption spending in our existing markets. We intend to increase our share in the consumer spending in India by adding categories to our existing product range to cater to consumers across Indian society in various home consumption spaces. We are also in the initial phases of developing omni channel retailing which will enable us to sell our products on every platform including physical stores and online portals.

To expand our operations, we intend to continue to identify properties that we believe may be viable retail property spaces at strategic locations and enter into arrangements to lock such properties for our format to be launched in the future. We are at various stages of negotiations to enter into arrangements for locking such retail property for our future requirements to open stores and expand our format.

#### ***Continue improving our operating efficiency and supply chain management***

Our business model and pricing strategy require us to maintain high levels of operational efficiency on a consistent basis. Further, we believe that supply chain management is critical to our business. Our supply chain management involves planning, merchandising, sourcing, standardization, vendor management, logistics, quality control, pilferage control, replacement and

replenishment. We are, and will continue to consolidate our supply chain network to improve the stock turn by improving stock movement, replenishment and fill rates.

We plan to further improve our operating efficiency and ensure efficient supply chain management by:

- continuing to refine our store operating systems based on the performance of our stores and feedback from our customers and local management teams;
- investing further in our IT and data management systems to improve productivity and time savings thereby increasing our operating efficiency;
- continuing to strengthen our relationships with our suppliers through cooperation and closer coordination;
- expanding and upgrading our existing distribution centres to improve the efficiency of our inventory and supply management. We will continue to open new distribution centres in strategic locations to serve our existing and new stores when it is cost effective and efficient to do so; and
- continuing to absorb best industry practices.

We intend to scale up and increase our existing distribution centre capability as we expand our store network. Our distribution and logistics set-up will allow us to continue to deliver goods and merchandise to the relevant stores based on orders placed, helping us optimise in-store availability of products.

#### ***Expand our product portfolio and prioritize customer satisfaction through optimal product assortment***

Our format offers wide range of products for home furniture and furnishing segment in India. With our product offerings, our format has reached a critical mass and is being accepted amongst consumers. Our operations are closely connected with the consumer preferences and changing choices and accordingly, it is imperative for us to forecast and continuously identify the changing demands of our consumers. Towards this end, we have, and intend to continue to identify and evaluate consumer demand across regions and expand our product portfolio in terms of new brands and new products, in home retail business.

We will also focus on increasing the products with higher margin in our product portfolio. This will enable us to improve the stock turn by changing the product mix, changing assortment and increasing average selling price.

#### ***Enhance focus on efficiency, cost and return by leveraging our retail space***

We intend to leverage the space occupied by our existing retail format to generate higher return on investment. In order to improve the retail sales per square feet, we have made various efforts including rationalization and operation of our format stores in optimum space, exiting from the underperforming stores and product categories with lower returns.

#### ***To develop talent and skilled workforce and inculcate good business practices***

We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We have been successful in building such a team and intend to continue placing special emphasis on managing attrition and attracting, training and retaining our employees. We intend to recruit best available talent across various industries, train them as per our value system and provide them opportunities to learn, experiment and innovate.

We intend to continue to encourage our employees to be enterprising and contribute constructively to our business through effective training and management. Pursuant to our focus on effective training of our employees, we undertake various internal training programmes like 'Avatar', 'Stride- Store Karta Identification and Development Program', 'Store Guru', Store Product Training.

#### ***Advanced and scalable technology for online retail segment***

Our advanced technology enables us to support a diverse range of products and services and provide complex, modular and customizable e-commerce solutions on a scalable platform capable of implementing large transaction volumes with minimal downtime. Our technology enables us to effectively offer our services across multiple media, channels and customer interfaces including digital downloading and streaming services, and providing application framework solutions for supply chain and inventory management. Our hosting and technology platform incorporates , digital product catalogue, content management, promotions handling, access to payment gateways, as well as inventory and logistics management, and is capable of being integrated into the customer's IT infrastructure and third party configurable software.

We directly sell a wide range of products on online portal, particularly focused on fast moving product categories. We have strategically followed an asset light inventory model.

Our online portal includes the following features:

- **Browsing.** We provide our customers with a range of information relating to the various products, including product description, images, and product reviews and ratings.
- **Search.** Our platform provides a range of search tools based on various criteria including product category, sub-category, price, brand, size and colour and search options based on certain product specific features which are key specifications for the relevant product. These products may be categorised and sorted for the customer based on popularity, price and other specific criteria.
- **Reviews and ratings.** Customers may submit their reviews of products and services on our website. These reviews are regularly monitored and uploaded on the site for the benefit of other customers to enhance their search experience and enable them to make suitable choices.
- **Personalized services.** We offer a personalized e-commerce experience by enabling our customers to build online shopper profiles reflecting their tastes and interests and by delivering targeted product recommendations based on the relevant customer's browsing and purchase histories and their "wish lists". In order to facilitate the checkout process, we generate customers' preferred delivery address, shipping method and payment option. We also analyze each customer's purchase patterns and send personalized e-mails periodically, updating them on new product launches and promotional and marketing events.

**SUMMARY OF FINANCIAL INFORMATION**

**Balance Sheet as at March 31, 2017**

*(Amount in ₹)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
(a) Share Capital	500,000	100,000
(b) Reserves and Surplus	(253,498)	(219,309)
	246,502	(119,309)
<b>Current Liabilities</b>		
(a) Short term borrowings	-	108,211
(b) Other current liabilities	5,750	17,068
	5,750	125,279
	<b>TOTAL</b>	<b>5,970</b>
<b>ASSETS</b>		
<b>Current assets</b>		
(a) Cash and Cash Equivalents	252,252	5,970
	252,252	5,970
	<b>TOTAL</b>	<b>5,970</b>

Statement of Profit and Loss for the year Ended March 31, 2017

(Amount in ₹)

Particulars	2016-17	2015-16
<b>Income</b>		
Revenue from operations (gross)	-	-
Other income	-	-
<b>Total Revenue</b>	-	-
<b>Expenses</b>		
(a) Finance costs	2,529	-
(b) Other expenses	31,660	7,550
<b>Total Expenses</b>	<b>34,189</b>	7,550
<b>Profit / (Loss) before tax</b>	<b>(34,189)</b>	(7,550)
<b>Tax expense:</b>		
(a) Current Tax	-	-
(b) Deferred Tax	-	-
<b>Profit / (Loss) for the year</b>	<b>(34,189)</b>	(7,550)
<b>Earnings per equity share of face value of Rs. 10/- each :</b>		
Basic and Diluted	<b>(1.11)</b>	(0.76)

**Statement of Cash Flows for the year Ended March 31, 2017**

(Amount in ₹)

	<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>A</b>	<b>Cash flow from operating Activities</b>		
	<b>Net Profit before tax, Extraordinary and prior period items</b>	<b>(34,189)</b>	<b>(7,550)</b>
	Adjustment for :		
	Non cash items	-	-
	Operating profit before working capital changes	<b>(34,189)</b>	<b>(7,550)</b>
	Adjustment for:		
	Sundry Payable	<b>(11,318)</b>	5,750
		<b>(11,318)</b>	5,750
	Cash (used) in/ generated from operations	<b>(45,507)</b>	<b>(1,800)</b>
	Direct Taxes paid	-	-
	Cash inflow/( outflow ) before extraordinary and prior period items	<b>(45,507)</b>	<b>(1,800)</b>
	extraordinary and prior period items	-	-
	Net Cash from/(Used) in operation activities	<b>(45,507)</b>	<b>(1,800)</b>
<b>B</b>	<b>Cash flow from investment activities</b>		
	Net Cash (used) in investment activities	-	-
<b>C</b>	<b>Cash flow from financial activities</b>		
	Repayment of Short Term Borrowings	(108,211)	-
	Proceeds from Issue of Equity Shares	400,000	-
	Net cash from /(used ) in financial activities	<b>291,789</b>	-
	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>246,282</b>	<b>(1,800)</b>
	Cash and cash equivalents as at 1st April 2016	<b>5,970</b>	<b>7,770</b>
	Cash and cash equivalents as at 31st March 2017 (Refer Note No. 5)	<b>252,252</b>	<b>5,970</b>



**Balance Sheet as at March 31, 2016**

*(Amount in ₹)*

Particulars		As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital		100,000	100,000
(b) Reserves and Surplus		(219,309)	(211,759)
		(119,309)	(111,759)
<b>Current Liabilities</b>			
(a) Short term borrowings		108,211	108,211
(b) Other current liabilities		17,068	11,318
		125,279	119,529
	<b>TOTAL</b>	<b>5,970</b>	<b>7,770</b>
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and Cash Equivalents		5,970	7,770
		5,970	7,770
	<b>TOTAL</b>	<b>5,970</b>	<b>7,770</b>

Statement of Profit and Loss for the year Ended March 31, 2016

(Amount in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Income</b>		
Revenue from operations (gross)	-	-
<b>Other income</b>	-	-
<b>Total Revenue</b>	-	-
<b>Expenses</b>		
(a) Other expenses	7,550	8,700
<b>Total Expenses</b>	7,550	8,700
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>	(7,550)	(8,700)
Exceptional items	-	-
<b>Profit / (Loss) before extraordinary items and tax</b>	(7,550)	(8,700)
Extraordinary items	-	-
<b>Profit / (Loss) before tax</b>	(7,550)	(8,700)
<b>Tax expense:</b>		
(a) Current Tax	-	-
(b) Deferred Tax	-	-
	-	-
<b>Profit / (Loss) for the year</b>	<b>(7,550)</b>	<b>(8,700)</b>
<b>Earnings per equity share of face value of Rs. 10/- each :</b>		
(a) Basic	(0.76)	(0.87)
(b) Diluted	(0.76)	(0.87)

**Statement of Cash Flows for the year Ended March 31, 2016**

(Amount in ₹)

		As at 31st March 2016	As at 31st March 2015
<b>A</b>	<b>Cash flow from operating Activities</b>		
	Net Profit before tax, Extraordinary and prior period items	(7,550)	(8,700)
	Adjustment for :		
	Non cash items	-	-
	Operating profit before working capital changes	(7,550)	(8,700)
	Adjustment for:		
	Sundry Payable	5,750	5,700
		5,750	5,700
	Cash (used) in/ generated from operations	(1,800)	(3,000)
	Direct Taxes paid	-	-
	Cash inflow/( outflow ) before extraordinary and prior period items	(1,800)	(3,000)
	extraordinary and prior period items	-	-
	Net Cash from/(Used) in operation activities	(1,800)	(3,000)
<b>B</b>	<b>Cash flow from investment activities</b>		
	Loan & Advances(Short Term)	-	3,000
	Net Cash (used) in investment activities	-	3,000
<b>C</b>	<b>Cash flow from financial activities</b>		
	Net cash from /(used ) in financial activities	-	-
	<b>Net increase / (decrease) in cash and cash equivalents</b>	(1,800)	-
	Cash and cash equivalents as at 1st April 2015	7,770	7,770
	Cash and cash equivalents as at 31st March 2016	5,970	7,770

**Balance Sheet as at March 31, 2015**

(Amount in ₹)

Particulars		As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital		100,000	100,000
(b) Reserves and Surplus		(211,759)	(203,059)
		(111,759)	(103,059)
<b>Current Liabilities</b>			
(a) Short term borrowings		108,211	105,211
(b) Other current liabilities		11,318	5,618
		119,529	110,829
	<b>TOTAL</b>	<b>7,770</b>	<b>7,770</b>
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and Cash Equivalents		7,770	7,770
		7,770	7,770
	<b>TOTAL</b>	<b>7,770</b>	<b>7,770</b>

Statement of Profit and Loss for the year Ended March 31, 2015

(Amount in ₹)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>Income</b>		
Revenue from operations (gross)	-	-
<b>Other income</b>	-	-
<b>Total Revenue</b>	-	-
<b>Expenses</b>		
(a) Other expenses	8,700	6,702
<b>Total Expenses</b>	<b>8,700</b>	6,702
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>	<b>(8,700)</b>	(6,702)
Exceptional items	-	-
<b>Profit / (Loss) before extraordinary items and tax</b>	<b>(8,700)</b>	(6,702)
Extraordinary items	-	-
<b>Profit / (Loss) before tax</b>	<b>(8,700)</b>	(6,702)
<b>Tax expense:</b>		
(a) Current Tax	-	-
(b) Deferred Tax	-	-
	-	-
<b>Profit / (Loss) for the year</b>	<b>(8,700)</b>	<b>(6,702)</b>
<b>Earnings per equity share of face value of Rs. 10/- each :</b>		
(a) Basic	(0.87)	(0.67)
(b) Diluted	(0.87)	(0.67)

**Statement of Cash Flows for the year Ended March 31, 2015**

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
<b>A Cash flow from operating Activities</b>		
Net Profit before tax, Extraordinary and prior period iteams	(8,700)	(6,702)
Adjustment for :		
Non cash items		
Operating profit before working capital changes	(8,700)	(6,702)
Adjustment for:		
Trade Payable	5,700	(5,618)
	5,700	(5,618)
Cash (used) in/ generated from operations	(3,000)	(12,320)
Direct Taxes paid	-	-
Cash inflow/( outflow ) before extraordinary and prior period iteams	(3,000)	(12,320)
extraordinary and prior period items	-	-
Net Cash from/(Used) in operation activites	<b>(3,000)</b>	(12,320)
<b>B Cash flow from investment activities</b>		
Loan & Advances(Short Term)	3,000	15,500
Net Cash (used) in investment activities	<b>3,000</b>	15,500
<b>C Cash flow from financial activities</b>		
Net cash from /(used ) in financial activities	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	-	3,180
Cash and cash equivalents as at 1st April 2014	7,770	4,590
Cash and cash equivalents as at 31st March 2015	7,770	7,770

**Balance Sheet as at March 31, 2014**

*(Amount in ₹)*

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
(a) Share Capital	100,000	100,000
(b) Reserves and Surplus	(203,059)	(196,357)
	(103,059)	(96,357)
<b>Current Liabilities</b>		
(a) Short term borrowings	105,211	89,711
(b) Other current liabilities	5,618	11,236
	110,829	100,947
	<b>TOTAL</b>	<b>7,770</b>
		<b>4,590</b>
<b>ASSETS</b>		
<b>Current assets</b>		
(a) Cash and Cash Equivalents	7,770	4,590
	7,770	4,590
	<b>TOTAL</b>	<b>7,770</b>
		<b>4,590</b>

Statement of Profit and Loss for the year Ended March 31, 2014

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Income</b>		
Revenue from operations (gross)	-	-
Other income	-	-
<b>Total Revenue</b>	-	-
<b>Expenses</b>		
(a) Other expenses	6,702	9,618
<b>Total Expenses</b>	<b>6,702</b>	9,618
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>	<b>(6,702)</b>	(9,618)
Exceptional items	-	-
<b>Profit / (Loss) before extraordinary items and tax</b>	<b>(6,702)</b>	(9,618)
Extraordinary items	-	-
<b>Profit / (Loss) before tax</b>	<b>(6,702)</b>	(9,618)
<b>Tax expense:</b>		
(a) Current Tax	-	-
(b) Deferred Tax	-	-
	-	-
<b>Profit / (Loss) for the year</b>	<b>(6,702)</b>	(9,618)
<b>Earnings per equity share of face value of Rs. 10/- each :</b>		
(a) Basic	(0.67)	(0.96)
(b) Diluted	(0.67)	(0.96)



**Balance Sheet as at March 31, 2013**

*(Amount in ₹)*

Particulars		As at 31st March, 2013	As at 31st March, 2012
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share Capital	100,000	100,000
	(b) Reserves and Surplus	(196,357)	(186,739)
		(96,357)	(86,739)
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Other long-term liabilities	89,711	89,711
		89,711	89,711
<b>3</b>	<b>Current Liabilities</b>		
	(a) Other current liabilities	11,236	5,618
		11,236	5,618
	<b>TOTAL</b>	<b>4,590</b>	<b>8,590</b>
<b>II</b>	<b>ASSETS</b>		
<b>1</b>	<b>Current assets</b>		
	(a) Cash and Cash Equivalents	4,590	8,590
	<b>TOTAL</b>	<b>4,590</b>	<b>8,590</b>

Statement of Profit and Loss for the year Ended March 31, 2013

(Amount in ₹)

Particulars	For the year ended 31st March, 2013	For the period ended 31st March, 2012
<b>Revenue from operations (gross)</b>	-	-
<b>Other income</b>	-	-
<b>Total Revenue</b>	-	-
<b>Expenses</b>		
(a) Other expenses	9,618	186,739
<b>Total Expenses</b>	<b>9,618</b>	186,739
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>	<b>(9,618)</b>	(186,739)
Exceptional items	-	-
<b>Profit / (Loss) before extraordinary items and tax</b>	<b>(9,618)</b>	(186,739)
Extraordinary items	-	-
<b>Profit / (Loss) before tax</b>	<b>(9,618)</b>	(186,739)
<b>Tax expense:</b>		
(a) Current Tax	-	-
(b) Deferred Tax	-	-
	-	-
<b>Profit / (Loss) for the year</b>	<b>(9,618)</b>	(186,739)
<b>Earnings per equity share of face value of Rs. 10/- each:</b>		
(a) Basic	(0.96)	(18.67)
(b) Diluted	(0.96)	(18.67)

## GENERAL INFORMATION

Our Company was originally incorporated on January 31, 2011 as GRN Energy Private Limited with the RoC. Further, the name of our Company was changed to GRN Retail Private Limited and a fresh certificate of incorporation was issued on December 21, 2016 by RoC. Furthermore, the name of our Company was changed to Praxis Home Retail Private Limited and a fresh certificate of incorporation was issued on January 05, 2017 by RoC. Thereafter, our Company was converted to a public limited company and the name of our Company was changed to Praxis Home Retail Limited and a fresh certificate of incorporation was issued by the RoC on June 21, 2017. For further details please see the section entitled “*History of our Company and Certain Corporate Matters*” on page 76.

### Registered Office

iThink Techno Campus,  
Jolly Board Tower D,  
Ground Floor,  
Kanjumarg (East),  
Mumbai 400 042  
Tel: +91 22 7106 8031  
Fax: +91 22 7106 8032  
Website: www.praxisretail.in  
E-mail: investorrelations@praxisretail.in  
CIN: U52100MH2011PLC212866  
Registration Number: 212866

### Address of the RoC

Our Company is registered with the RoC situated at 100, Everest, Marine Drive, Mumbai 400 002.

### Board of Directors:

The following table sets forth details relating to our Board as on the date of this Information Memorandum:

Sl. No.	Name	Designation	DIN	Address
1	Viraj Didwania	Chairman & Managing Director	02412474	102 A Grand Paradi, Kemps Corner, Mumbai – 400 036
2	Shrirang Sarda	Non-Independent Director	00576667	Sarda House, Godavari River Bank, Old Gangapur Naka, Nashik – 422 013
3	Pankaj Bhargava	Independent Director	02685275	F-6/1, Sector 7, Vashi, Navi Mumbai – 400 703
4	Shantanu Shah	Independent Director	07012322	207 Brigade Paramounty Apts, Old Madras Road, Bangalore- 560 093
5	S. Subramanian	Independent Director	00092215	New No.5, Bharathi Nagar, Second Street, T.Nagar, Chennai – 600 017
6	Sridevi Badiga	Independent Director	02362997	D.No. 5-10-173, Vasantha Chambers Fateh Maidan Road, Basheerbagh, Hyderabad, Telengana - 500 004

For further details of our Directors, please see the section entitled “*Our Management*” on page 81.

### Filing

This Information Memorandum has been filed with BSE and NSE. All the legal requirements applicable till the date of filing the Information Memorandum with the Stock Exchanges have been complied with.

### Authority for listing

The National Company Law Tribunal, Mumbai through its order dated November 10, 2017 has approved the Scheme of Arrangement. For more details relating to the Scheme, please see the section entitled “*History of our Company and Certain Corporate Matters*” on page 76.

In accordance with the Scheme of Arrangement, the Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on BSE and the NSE. Such listing and admission for trading is not automatic and will be subject to fulfillment of listing criteria of BSE and the NSE by our Company and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of application by our Company seeking listing.

## **Eligibility criteria**

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters III and IV of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable. Pursuant to SEBI circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the “**SEBI Circular**”), our Company had applied for exemption from strict enforcement of provisions of Rule 19(2)(b) of the Securities Contract (Regulations) Rules, 1957. SEBI through its letter dated January 23, 2018 has granted relaxation to our Company from the applicability of Regulation 19(2)(b) of the Securities Contract (Regulations) Rules, 1957 subject to the following conditions being complied with by our Company:

The Company has submitted this Information Memorandum to BSE and NSE. The Information Memorandum would also be made available on the website of BSE, [www.bseindia.com](http://www.bseindia.com) and NSE, [www.nseindia.com](http://www.nseindia.com) and our Company’s website [www.praxisretail.in](http://www.praxisretail.in).

Before commencement of trading, our Company will publish an advertisement in one English and one Hindi newspaper with nationwide circulation and one regional newspaper with wide circulation at the place where the registered office of the Company is located, containing details in accordance with the requirements set out in the SEBI circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement has a specific reference to the availability of the Information Memorandum on our Company's website.

## **Prohibition by SEBI**

Our Company, its Directors, its Promoters, other companies promoted by the Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

## **General disclaimer from our Company**

Our Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in relation to this Scheme in terms of SEBI Circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

## **Disclaimer of BSE**

As required, a copy of the Draft Information Memorandum was submitted to BSE.

The BSE had through its letter dated August 4, 2017, given its ‘No Objection’ to the Scheme of Arrangement in terms of Regulation 94 of the SEBI Listing Regulations and by virtue of that No Objection, BSE’s name in this Information Memorandum has been used as one of the Stock Exchanges on which our Company’s securities are proposed to be listed.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum;
- warrant that this Company’s securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company; and
- it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## **Disclaimer of NSE**

As required, a copy of the Draft Information Memorandum was submitted to NSE.

The NSE had through its letter dated August 4, 2017 given its ‘No Objection’ to the Scheme of Arrangement under Regulation 94 of the SEBI Listing Regulations and by virtue of that No Objection, NSE’s name in this Information Memorandum has been used as one of the Stock Exchanges on which our Company’s securities are proposed to be listed.

The NSE has scrutinized this Information Memorandum for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Information Memorandum has been cleared or approved by the NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company.

Every person who acquires any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Designated Stock Exchange**

The Designated Stock Exchange is BSE.

### **Demat and credit**

Our Company has executed tripartite agreements with the Registrar and the Depositories, i.e. NSDL and CDSL, respectively, for admitting its Equity Shares in demat form and has been allotted ISIN – INE546Y01014. On sub-division of the existing authorised equity share capital of the Company, divided into 1,77,00,000 (One Crore Seventy Seven Lakh) Equity Shares of Rs.10/- each now divided into 3,54,00,000 (Three Crores Fifty Four Lakh) Equity Shares of Rs.5/- each, the old ISIN has been deleted and new ISIN INE546Y01022 has been allotted to our Company.

### **Dispatch of share certificates**

Upon allotment of Equity Shares to eligible shareholders pursuant to the Scheme of Arrangement sanctioned by the National Company Law Tribunal, Mumbai on November 10, 2017, our Company dispatched on December 18, 2017, the share certificates to those shareholders who were holding shares in FRL, as on the Record Date i.e. November 30, 2017.

### **Previous rights and public issues**

Our Company has never made any public issue, rights issue of equity shares since incorporation.

### **Commission and brokerage on previous issues**

No sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the equity shares since our Company's inception.

### **Outstanding debenture or bonds and preference shares and other instruments issued by our Company**

There are no outstanding debentures, bonds or convertible preference shares as of the date of this Information Memorandum. Pursuant to the Scheme, our Company has issued 6,30,000 9% Redeemable Preference Shares of face value of Rs. 100 each.

### **Experts**

Our Company has not obtained any expert opinion.

### **Chief Financial Officer**

#### **V Harish Parasuram**

iThink Techno Campus,  
Jolly Board Tower D,  
Ground Floor,  
Kanjumarg (East)  
Mumbai 400 042  
Tel: +91 22 7106 8123  
Fax: +91 22 7106 8032  
Email id: harish.parasuram@praxisretail.in

### **Company Secretary and Compliance Officer**

#### **Smita Chowdhury**

iThink Techno Campus,  
Jolly Board Tower D,

Ground Floor,  
Kanjumarg (East)  
Mumbai 400 042  
Tel: +91 22 7106 8031  
Fax: +91 22 7106 8032  
Email id: investorrelations@praxisretail.in

### **Bankers to our Company**

#### **Axis Bank Limited**

Jeevan Prakash Building,  
Sir P M road, Fort, Mumbai – 400 001  
Tel: +91 22 40867334  
Fax: +91 22 4086741  
Contact Person: Gaurav Lohiya  
E-mail: gaurav.lohiya@axisbank.com  
Website: www.axsbank.com

### **Statutory Auditors**

#### **Pathak H. D. & Associates**

814-815, Tulsiani Chambers  
212, Nariman Point  
Mumbai 400 021  
Tel: +91 22 30228508  
Fax: +91 22 30228509  
Contact Person: Naveen Chaturvedi  
E-mail: naveen.c@phd.ind.in  
Website: www.phd.ind.in  
Registration Number: 107783W

### **Registrar**

#### **Link Intime (India) Private Limited**

C 101, 247 Park,  
L.B.S.Marg, Vikhroli (West),  
Mumbai – 400 083  
Tel: +91 22 4918 6000  
Fax: +91 22 4918 6060  
Contact Person: Suman Shetty  
E-mail: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in  
SEBI Registration Number: INR000004058

## CAPITAL STRUCTURE

### Share capital of our Company prior to the Scheme of Arrangement

Particulars	Aggregate Value at Face Value (in ₹)
<b>Authorised Share Capital</b>	
1,77,00,000 equity shares of ₹10 each	17,70,00,000
6,30,000, 9% Redeemable Preference shares of ₹100 each	6,30,00,000
<b>Total</b>	<b>24,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
50,000 equity shares of ₹10 each	5,00,000
<b>Total</b>	<b>5,00,000</b>

### Share capital of our Company post the Scheme of Arrangement

Particulars	Aggregate Value at Face Value (in ₹)
<b>Authorised Share Capital</b>	
3,54,00,000 equity shares of ₹5 each	1770,00,000
6,30,000 Redeemable 9% preference shares of ₹100 each	6,30,00,000
<b>Total Authorised Share Capital</b>	<b>24,00,00,000</b>
<b>Issued Share Capital</b>	
2,46,38,426 equity shares of ₹5 each	12,31,92,130
6,30,000, 9% Redeemable preference shares of ₹100 each	6,30,00,000
<b>Total Issued Share Capital</b>	<b>18,61,92,130</b>
<b>Subscribed and Paid-up Share Capital</b>	
2,46,33,208 equity shares of ₹5 each	12,31,66,040
6,30,000, 9% redeemable preference shares of ₹100 each	6,30,00,000
<b>Total Subscribed and Paid-up Share Capital</b>	<b>1,86,16,6040</b>

### Changes in the Authorised Capital

The initial authorised equity share capital of ₹1,00,00,000 divided into 10,00,000 equity shares of face value of ₹10 each was increased to ₹17,70,00,000 divided into 1,77,00,000 equity shares of ₹10 each and ₹6,30,00,000 9% redeemable preference shares divided into 6,30,000 of ₹100 each pursuant to a resolution of the Shareholders of our Company, passed on October 12, 2017. The authorised equity share capital was sub-divided from 1,77,00,000 equity shares of ₹10 each into 3,54,00,000 equity shares of ₹5 each pursuant to the Scheme becoming effective on November 20, 2017. Further there is no change in the Preference Share Capital of the Company.

### Notes forming part of Capital Structure

#### Details of Share Capital built up of our Company since inception as follows:

#### 1. Equity share capital history

The history of the equity share capital and the securities premium account of our Company is provided in the following table:

Date of Allotment	Face Value / Share (in ₹)	No. of Shares Allotted	Cumulative No. of Shares	Issue Price (in ₹)	Cumulative Paid up Share Capital (in ₹)	Reasons for Allotment	Mode of Consideration	Cumulative Share Premium (₹)
January 21, 2011	10	10,000	10,000	10	1,00,000	Initial Paid-up Capital	Cash	Nil
September 22, 2016	10	40,000	50,000	10	5,00,000	Rights Issue	Cash	Nil
November 20, 2017	5	1,00,000	1,00,000	5	5,00,000	Sub division of Equity Shares  Pursuant to Scheme of Arrangement becoming effective, Equity Share	Not applicable	Not applicable

Date of Allotment	Face Value / Share (in ₹)	No. of Shares Allotted	Cumulative No. of Shares	Issue Price (in ₹)	Cumulative Paid up Share Capital (in ₹)	Reasons for Allotment	Mode of Consideration	Cumulative Share Premium (₹)
						Capital of ₹5,00,000 stand cancelled and reduced		
December 8, 2017	5	2,46,33,208	2,46,33,208	5	12,31,66,040	Allotment of Equity Shares to the FRL Share holders in the ratio of 1:20	Other than cash	Nil

## 2. Preference share capital history

The history of the preference share capital and the securities premium account of our Company is provided in the following table:

Date of Allotment	Face Value / Share (in ₹)	No. of Shares Allotted	Cumulative No. of Shares	Issue Price (in ₹)	Cumulative Paid up Share Capital (in ₹)	Reasons for Allotment	Mode of Consideration	Cumulative Share Premium (₹)
December 8, 2017	100	6,30,000	6,30,000	100	6,30,00,000	Pursuant to Scheme of Arrangement becoming effective, preference shares were allotted to the shareholders of BSPL in consideration of demerger of eCommerce Business Undertaking of BSPL into the Company	Other than cash	Nil

- All the equity shares issued prior to the Scheme of Arrangement were issued at par;
- The details of the Scheme of Arrangement and share entitlement ratio are given under the section entitled "History of our Company and Certain Corporate Matters" on page 76.
- As per provisions of Clause 5.3 of the Scheme of Arrangement, total 5218 Equity Shares of ₹ 5/- each of the Company are kept in abeyance.
- Except to the extent of any Employee Stock Options Scheme that may be introduced or implemented by our Company for employee stock options and subsequent issue of stock options to be granted in connection therewith, our Company presently does not intend or propose to alter the capital structure for a period of six months from the date of this Information Memorandum, by way of split or consolidation of the denomination of equity shares or issue of equity shares (including any issue of fresh securities convertible into or exchangeable, directly or indirectly, for equity shares) on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use equity shares as currency for acquisition or participation in such joint ventures.



### 3. History of equity shares held by our Promoters

(a) *Build-up of our Promoters' shareholding in our Company*

As on the date of this Information Memorandum, our Promoters hold 1,16,82,664 Equity Shares, constituting 47.43% of the paid-up equity share capital of our Company.

Name of Promoter	Nature of Issue / Allotment	Date of Allotment	No. of Shares	Face Value /Share (in Rs.)	Consideration	Issue Price	Date when shares were fully paid up	Percentage of pre-scheme capital	Percentage of post scheme paid up equity capital	Lock In details No of Shares	No. & % of shares pledged of paid up equity capital
Kishore Biyani	Equity shares pursuant to the Scheme	December 8, 2017	106	5	Other than cash	5	December 8, 2017	0.00%	0.0004%	Nil	Nil
Suhani Trading Investment And Consultants Private Limited	Equity shares pursuant to the Scheme	December 8, 2017	1,16,82,558	5	Other than cash	5	December 8, 2017	0.00%	47.43%	4713382	5566961 equity Shares

*Note: Prior to the approval of the Scheme,, our Promoters namely Kishore Biyani and Suhani Trading and Investments Consultant Private Limited were not holding any shares in our Company. GRN, which was our promoter prior to the Scheme, was holding shares in our Company, which were cancelled and reduced as provided in the Scheme.*

- (b) *Shareholding of our Promoters and Promoter Group after allotment of Equity Shares pursuant to the Scheme of Arrangement is as under:*
- (i) Our Promoters hold 1,16,82,664 Equity Shares, constituting 47.43% of the total subscribed and paid-up share capital of our Company.
  - (ii) Our Promoter Group holds 4,349 Equity Shares in our Company which is 0.02% of the total subscribed and paid-up share capital of our Company.
- (c) *Details of equity shares pledged by GRN prior to the Scheme of Arrangement becoming effective:*

Name of Promoter	No. of equity shares pledged/ encumbered	Face value	Percentage (%) of	
			Pre-Scheme of Arrangement paid-up capital	
GRN	Nil	10	0	

Details of equity shares pledged by our Promoters upon the Scheme of Arrangement becoming effective:

Name of Promoter	No. of equity shares pledged/ encumbered	Face value	Percentage (%) of	
			Post-Scheme of Arrangement paid-up capital	
Kishore Biyani	0	5	0	
Suhani Trading Investment and Consultants Private Limited	34,86,036	5	14.15%	

- (d) *Details of Lock-in*

Other than the existing lock-in on the Equity Shares allotted to our Promoters pursuant to the Scheme, there will be lock-in of 21,73,912 equity shares of M/s Cedar Support Services Limited's ("Cedar") till September 10, 2019 in compliance with point III(A)(1)(e) of Annexure I of SEBI Circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017.

We shall comply with the abovementioned lock-in requirements on or prior to the date of listing of our Equity Shares.

Name of Promoter	No. of Equity Shares locked in	Face value	Percentage (%) of	
			pre-Scheme paid-up capital	post-Scheme paid-up capital
Kishore Biyani	0	5	--	0%
Suhani Trading Investment and Consultants Private Limited	4713382	5	-	19.113

- There have been no financial arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Information Memorandum.
- None of our Promoters, Promoter Group, or Directors have purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of filing this Information memorandum with the SEBI which in aggregate is equal to or greater than 1% of pre-Merger capital of our Company.
- Our Promoters, Directors of our corporate Promoters, Promoter Group and our Directors have not entered into buy-back, standby or similar arrangements to purchase Equity Shares of our Company from any person.
- Neither we, nor our Directors nor their relatives have purchased, sold or financed, directly or indirectly, any securities of our Company during the period of six months immediately preceding the date of filing of this Information Memorandum.
- The Equity Shares being issued in the Scheme are fully paid up at the time of allotment.

4. Shareholding pattern of our Company before and after the Scheme:

**Pre – Scheme – Equity shareholding pattern of our Company before cancellation and allotment of Equity Shares**

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)As a % of (A+B+C2)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)	(XIV)		
(A)	Promoter & Promoter Group <sup>(##)</sup>	1	1,00,000	0	0	1,00,000	100.0000	1,00,000		1,00,000	100.0000	0	100.0000	0	0.0000	0	0.0000	0
(B)	Public	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(C)	Non Promoter - Non Public				0				0		0		0.0000	0	0.0000			
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
	<b>Total</b>	<b>0</b>	<b>1,00,000</b>	<b>0</b>	<b>0</b>	<b>1,00,000</b>	<b>100.0000</b>	<b>1,00,000</b>	<b>0</b>	<b>1,00,000</b>	<b>100.0000</b>	<b>0</b>	<b>100.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>

<sup>(##)</sup> Note: Prior to Scheme of Arrangement becoming effective, GRN was our Company's promoter. Upon the Scheme of Arrangement becoming effective, equity shares held by GRN have been cancelled and reduced. GRN holding share capital of the Company of ₹5,00,000 comprising of 1,00,000 equity shares of ₹ 5 each was cancelled.

**Post – Scheme – Equity shareholding pattern of our Company before cancellation and allotment of Equity Shares**

Category	Category of shareholder	Number of shareholders	No. of fully paid up Equity Shares held	No. of Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
(A)	Promoter & Promoter Group	11	1,16,87,013	0	0	1,16,87,013	47.444	1,16,87,013	0	1,16,87,013	47.444	0	47.444	47,13,382	40.330	3486036	29.828	11687013
(B)	Public	37,918	1,29,46,195	0	0	1,29,46,195	52.556	1,29,46,195	0	1,29,46,195	52.556	0	52.556	21,73,912	16.792	NA	NA	12875597
(C)	Non Promoter - Non Public																	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.000	0	0	0	0.0000	0	0.0000	0	0.000	NA	NA	0
	<b>Total</b>	<b>37,929</b>	<b>2,46,33,208</b>	<b>0</b>	<b>0</b>	<b>2,46,33,208</b>	<b>100.000</b>	<b>2,46,33,208</b>	<b>0</b>	<b>2,46,33,208</b>	<b>100.000</b>	<b>0</b>	<b>100.000</b>	<b>68,87,294</b>	<b>27.959</b>	<b>3486036</b>	<b>14.152</b>	<b>2,45,62,610</b>

**Pre – Scheme – Preference shareholding pattern of our Company**

Category	Category of shareholder	Number of shareholders	No. of fully paid up Preference Shares held	No. of Partly paid-up Preference Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Preference Shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	0	0.000	0
(B)	Public	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	NA	NA	0
(C)	Non Promoter - Non Public																	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	NA	NA	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>	<b>0</b>

**Post – Scheme – Preference shareholding pattern of our Company**

Category	Category of shareholder	Number of shareholders	No. of fully paid up Preference Shares held	No. of Partly paid-up Preference Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Preference Shares held in dematerialised form	
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
								Class eg: X	Class eg: y	Total									
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
(A)	Promoter & Promoter Group	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	0	0.000	0	0
(B)	Public	1	630000	0	0	630000	100.000	630000	0	630000	100.000	0	100.000	0	0.000	NA	NA	0	0
(C)	Non Promoter - Non Public	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	0	0.000	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	NA	NA	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.000	0	0	0	0.000	0	0.000	0	0.000	NA	NA	0	0
	<b>Total</b>	<b>1</b>	<b>630000</b>	<b>0</b>	<b>0</b>	<b>630000</b>	<b>100.000</b>	<b>630000</b>	<b>0</b>	<b>630000</b>	<b>100.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>

5. The list of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, 10 days before the date of filing, and two years prior to the date of filing of this Information Memorandum are set forth below:

(a) The top 10 shareholders of our Company as on the date of filing of this Information Memorandum are as follows:

Sr. No	Name of the shareholder	No. of Shares	% of Equity Capital
1	Suhani Trading and Investment Consultants Private Limited	11,682,558	47.43
2	Cedar Support Services Limited	2,316,531	9.40
3	Brand Equity Treaties Limited	1,189,999	4.83
4	Bennett, Coleman and Company Limited	1,155,737	4.69
5	Arisaig India Fund Limited	1,113,748	4.52
6	Heritage Foods Limited	892,371	3.62
7	Wgi Emerging Markets Smaller Companies Fund, Llc	371,405	1.51
8	Government Pension Fund Global	310,103	1.26
9	Life Insurance Corporation of India	218,914	0.89
10	Blue Daimond Properties Private Limited	209,043	0.85
	<b>Total</b>	<b>19460409</b>	<b>79.00</b>

(b) The top 10 shareholders of our Company 10 days prior to the date of filing of this Information Memorandum are as follows:

Sr. No	Name of the shareholder	No. of Shares	% of Equity Capital
1	Suhani Trading and Investment Consultants Private Limited	111,682,558	47.43
2	Cedar Support Services Limited	2,316,531	9.40
3	Brand Equity Treaties Limited	1,189,999	4.83
4	Bennett, Coleman and Company Limited	1,155,737	4.69
5	Arisaig India Fund Limited	1,113,748	4.52
6	Heritage Foods Limited	892,371	3.62
7	Wgi Emerging Markets Smaller Companies Fund, Llc	371,405	1.51
8	Government Pension Fund Global	310,103	1.26
9	Life Insurance Corporation Of India	218,914	0.89
10	Blue Daimond Properties Private Limited	181,187	0.74
	<b>Total</b>	<b>19432553</b>	<b>78.89</b>

(c) The top 10 shareholders of our Company two years prior the date of filing of this Information Memorandum:

Sr. No	Name of the shareholder	No. of Shares	% of Equity Capital
1	GRN	10,000	100
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

(d) The top 10 shareholders of our Company as on the date of incorporation were as under:

Sl. No.	Name of the shareholder	No. of Shares	% Shareholding
1	GRN	9,999	99.99%
2	Girdhar Pathak	1	0.01%
	<b>Total</b>	<b>10,000</b>	<b>100.00%</b>

- As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares of our Company.
- Our Company has allotted 2,46,33,208 Equity Shares to equity shareholders of FRL and 6,30,000 9% redeemable preference shares to shareholders of BSPL pursuant to the Scheme approved by the National Company Law Tribunal, Mumbai on November 10, 2017 which is effective from November 20, 2017 under Sections 230 to 232 of the Companies Act, 2013.

- There shall be only one denomination for the Equity Shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- At least 25% of the post-Scheme paid up share capital of our Company comprises of Equity Shares allotted to the public shareholders of our Company.
- Our Company has 37,929 members as on the date of this Information Memorandum.
- Our Company has not issued any equity shares out of revaluation reserves since incorporation.



## STATEMENT OF POSSIBLE TAX BENEFITS

Date - December 11, 2017

The Board of Directors,  
Praxis Home Retail Limited  
(Formerly known as Praxis Home Retail Private Limited)  
Mumbai – 400 060

### **Sub.: Tax benefits**

We refer to the proposed listing of the Equity Shares of Praxis Home Retail Limited (Formerly known as Praxis Home Retail Private Limited), (“the Company”). We enclose herewith the statement showing the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 for inclusion in the Information Memorandum for the proposed listing of shares of the Company.

The current position of tax benefits available to the Company and to its shareholders is provided for general information purposes only. In view of the individual nature of tax benefits, each investor is advised to consult his own tax consultant with respect to the specific tax implications.

Unless otherwise specified, sections referred to below are sections of the Income-tax Act, 1961 (“the Act”). All the provisions set out below are subject to conditions specified in the respective sections. The tax benefits mentioned below are restricted to the provisions of the Income Tax Act, 1961 presently in force.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Information Memorandum for the proposed listing of Equity Shares which the company intends to submit to the Stock Exchanges.

### **LIMITATIONS**

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Praxis Home Retail Limited and shall not, without our prior written consent, be disclosed to any other person.

Yours faithfully,

**For Pathak H. D. & Associates**  
**Firm Registration No. 107783W**

**Naveen Chaturvedi**  
**Partner**  
**Membership No. 110365**

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO PRAXIS HOME RETAIL LIMITED (FORMERLY KNOWN AS PRAXIS HOME RETAIL PRIVATE LIMITED) AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India.

### **1 Under the Income- tax Act,1961 (“the Act / IT Act”)**

#### **I. Special tax benefits available to the Company**

There are no special tax benefits available under the Act to the Company.

#### **II. General tax benefits available to the Company**

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax (“MAT”) liability.
2. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
  - (a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
  - (b) Income received in respect of units from the Administrator of the specified undertaking; or
  - (c) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

3. Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital assets being shares or any other security listed in a recognised Stock Exchange in India or unit of Unit Trust of India or unit of a Mutual Fund (Equity Oriented) specified under section 10(23D) or a zero coupon bond held by the assessee for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains (“LTCG”). Capital gains arising on sale of these assets held for 12 months or less are considered as short term capital gain (“STCG”).

In respect of any other capital assets, the holding period should exceed 36 months to be considered as long term capital assets except in case of share of a company (not being share listed in recognized stock exchange in India) wherein the holding period should exceed 24 months to be considered as long term capital asset.

4. As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration
5. As per section 10(38) of the Act, LTCG arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or unit of a business trust where such transaction has been entered into on a recognised stock exchange of India and is chargeable to securities transaction tax (“STT”) will be exempt in the hands of the company. However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax (“MAT”) under section 115JB of the Act.
6. In accordance with section 112 of the Act, LTCG to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: -
  - (a) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
  - (b) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation
7. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified assets”.

A “long term specified assets” means any bond , redeemable after three years and issued on or after 1<sup>st</sup> day of April 2007 by the:

- (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or
- (b) Rural Electrification Corporation Limited, ta company formed and registered under the Companies Act, 1956.

The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred or subsequent year.

Where the “long term specified assets are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

8. As per section 111A of the Act, STCG arising to the Company from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
9. As per section 70 read with section 74 of the IT Act, Short Term Capital Loss (“STCL”) computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ STCG as well as LTCG.

However the long term capital loss (“LTCL”) computed for given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG.

10. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.
11. Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to the provisions of section 72(2) and section 73(3) of the Act.
12. As per section 115JAA of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond tenth assessment year immediately succeeding the assessment year in which tax credit become allowable.
13. Under Section 36 (1) (xv) of the Act, the amount of STT paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
14. The tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs 10,000,000. Surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds Rs.100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

### **III. General tax benefits available to Resident Shareholders**

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. As per the Finance Act 2016, income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10% plus applicable surcharge and cess.
2. As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
3. As per section 10(38) of the Act, LTCG arising from the transfer of a long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT , will be exempt in the hands of the shareholder.

4. In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: -
- (a) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
  - (b) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation

5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified assets".

A "long term specified assets" means any bond, redeemable after three years and issued on or after 1<sup>st</sup> day of April 2007 by the:

- (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or
- (b) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred or subsequent year.

Where the "long term specified assets are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

6. As per section 54F of the Act, LTCG in cases not covered under section 10(38) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two year after the date of transfer or to be constructed within three years after the date of transfer.
7. As per section 111A of the Act, STCG arising from the sale of equity shares of the company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.

As per section 70 read with section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG.

However, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

8. Under section 36 (1) (xv) of the Act, the amount of STT paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
9. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.
10. In the case of Individual or Hindu Undivided Family, the tax rates mentioned above stands increased by surcharge, payable at the rate of 15% where the taxable income exceeds Rs 1,00,00,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.
11. In case of domestic company, the tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income exceeds Rs 1,00,00,000 and at the rate of 12% where the taxable income exceeds Rs.10,00,00,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.

#### IV. **General tax benefits available to Non-Resident Shareholders (Other than Foreign Institutional Investors (“FII’s”) / Foreign Portfolio Investors (“FPI’s”))**

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax.
2. As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
3. As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT , will be exempt in the hands of the shareholder.
4. As per section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to the first proviso to section 48 of the Act. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”.

A “long term specified assets” means any bond , redeemable after three years and issued on or after 1<sup>st</sup> day of April 2007 by the:

- (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or
- (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred or subsequent year.

Where the “long term specified assets are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

6. As per section 54F of the Act, LTCG (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.
7. As per section 111A of the Act, STCG arising from the sale of equity shares of the Company, where such transaction is chargeable to STT , will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
8. As per section 70 read with section 74 of the IT Act, STCL computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ STCG as well as LTCG.

However, the LTCL computed for a given year is allowed to be set off only against the LTCG for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG.

9. Under section 36 (1) (xv) of the Act, the amount of STT paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
10. In **respect** of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered

resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the non-resident shall be required to provide such other information, as has been notified.

11. As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a foreign company, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income.
12. The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds Rs 1,00,00,000. Levy of surcharge as follows:
  - (a) In case of a foreign company whose income exceeds Rs 10,00,00,000, the rate of surcharge shall be payable at 5%
  - (b) In case of other non-residents, whose income exceeds Rs 1,00,00,000 surcharge shall be payable at 15%.
  - (c) Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

#### V. Special tax benefits available to Non-Resident Indians

1. As per section 115C(e) of the Act, the term “non-resident Indians” means an individual, being a citizen of India or a person of Indian or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
2. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
3. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
4. As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
5. As per section 115H of the Act, where non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are converted into money.
6. As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of “Chapter XII-A-Special Provision Relating to Certain Income of Non Residents” for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.
7. In a situation where the shareholder transfers the shares of the company, which are held as ‘long-term capital assets’ and such transaction is not covered by the provision of section 10(38) of the Act as referred earlier, the shareholder can **consider** availing the benefit as provided in section 54F of the Act. Shareholders being individuals can consider the

conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.

8. In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

As per section 90(4) of the Act, an assessee being a non-resident Indian, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the non-resident Indian shall be required to provide such other information, as has been notified.

#### **VI. Benefits available to FIIs / FPIs Special tax benefits**

1. Under section 115AD(1)(ii) of the IT Act, income by way of STCG arising to the FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and education cess.

Under Section 115AD(1)(iii) of the IT Act income by way of LTCG arising from the transfer of shares (in cases not covered under Section 10(38) of the IT Act) held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs. Further, for the purposes of section 115AD, FPIs would get similar treatment as available to FIIs.

2. As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
3. As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a FII, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income.
4. As per section 2(14) of the Act, any securities held by a FII / FPI which has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a FII / FPI would be treated in the nature of capital gains.
5. For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a taxpayer other than a domestic company exceeds Rs 1,00,00,000. The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a other than a domestic company exceeds Rs 10,00,00,000.

Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.

#### **VII. Special tax benefits available to Mutual Funds**

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

#### **VIII. The Wealth Tax Act, 1957**

Wealth Tax Act, 1957 has been abolished with effect from Assessment Year 2016-17.

#### **IX. Benefits available under the Gift Tax Act, 1958**

Gift tax is not leviable in respect of any gift made on or after 1 October 1998. Therefore any gift of share of a company will not attract gift tax.

#### **Note:**

*Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the*

*shareholders to derive the tax benefits is dependent upon fulfilling such conditions. The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*



## SECTION IV - ABOUT US

### INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications IMAGES Retail yearbook and other industry sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

#### OVERVIEW OF THE INDIAN ECONOMY

According to the CIA Factbook, India, with a population of over 1.28 (July 2017 est.) billion people, had a gross domestic product (“GDP”) on purchasing power parity (“PPP”) basis of approximately US\$ 8.701 trillion in 2016. This made India the fourth largest economy in the world after the United States, the European Union and China on a PPP basis. (Source: CIA Factbook)

The following table extracted from the International Monetary Fund’s World Economic Outlook of October 2015 presents a comparison of India’s real GDP growth rate with the real GDP growth rate of certain other countries (in percentages; figures for 2016, 2017 and 2021 are estimates):

Country	2009	2010	2011	2012	2013	2014	2015	2016	2017	2022P
Australia	1.7	2.3	2.7	3.6	2.1	2.8	2.4	2.5	2.2	2.7
Brazil	-0.1	7.5	4.0	1.9	3.0	0.5	-3.8	-3.6	0.7	2.0
China	9.2	10.6	9.5	7.9	7.8	7.3	6.9	6.7	6.8	5.8
<b>India</b>	8.5	10.3	6.6	5.5	6.4	7.5	8.0	7.1	6.7	8.2
Japan	-5.4	4.2	-0.1	1.5	2.0	0.3	1.1	1.0	1.5	0.6
Malaysia	-1.5	7.5	5.3	5.5	4.7	6.0	5.0	4.2	5.4	4.9
Russian Fed.	-7.8	4.5	5.1	3.7	1.8	0.7	-2.8	-0.2	1.8	1.5
Korea, Rep.	0.7	6.5	3.7	2.3	2.9	3.3	2.8	2.8	3.0	2.9
Thailand	-0.7	7.5	0.8	7.2	2.7	0.9	2.9	3.2	3.7	3.0
UK	-4.3	1.9	1.5	1.3	1.9	3.1	2.2	1.8	1.7	1.7
USA	-2.8	2.5	1.6	2.2	1.7	2.6	2.9	1.5	2.2	1.7

(Source: IMF World Economic Outlook October 2016).

The following table presents a comparison by Fiscal year of GDP growth at factor cost at constant price in India:

Country	2008	2009	2010	2011	2012	2013E	2014E	2015P	2016P
India	9.3	6.7	8.6	8.9	6.7	5.4	6.3	7.1	7.2

Notes: Data for 2011-12, 2012-13 & 2013-14 are Second Revised Estimates (New Series). Data for 2014-15 are First Revised Estimates, Data for 2015-16 are Provisional Estimates..

(Sources: RBI, Handbook of Statistics of the Indian Economy dated September 16, 2016).

#### INDUSTRY OUTLOOK

India’s economy expanded at a faster pace even as several growth engines stalled: agriculture faced a second consecutive drought year, rural households were under stress, private investments flat-lined, and exports plummeted. Despite these drags, the working engines—demand from urban households and public investments—propelled the economy to a higher growth path. GDP growth accelerated to 7.6 percent y/y in FY16 from an average of 6.5 percent during FY13-FY15. Gross value-added (GVA) growth also accelerated, led by a pickup in industrial activities and a reliable contribution from services.(India development update:June 2016, World Bank) In the coming years, India is anticipated to be one of the fastest growing major economy’s in the world, driven by growing urbanization, changing consumption pattern and rising disposable income.

India’s current retail market is worth \$ 648.90 bn and is 57.6 per cent of PFCE. The market has grown by an average of 16-18 per cent on year on year. The overall retail is expected to grow with lesser rate of around 16 per cent over next three years. It is estimated that by 2017 India’s retail market will be \$ 1026.06 bn. In contrast, the organized retail grew by 30% at an average during last 5 years. The current size of the organized retail is worth of US\$ 63.51bn is 9.8% of the total retail market. It is estimated to be US\$ 150.58 bn by 2017 (Source: Images Retail Report, 2015)

## KEY DRIVERS OF GROWTH

### Growing spending power

One of the key factors driving the growth of the Home Retail market in India is the rising annual disposable income. The growing purchasing power and rising influence of the social media have enabled Indian consumers to splurge on good things. The rising income levels, in conjunction with the population increase, will result in an overall spurt in consumer spending.

### Increasing urbanization

In the last fifty years, while the population of India has grown two and half times, the urban Indian population has grown by nearly five times. (Source: Census 2011 Data)

India's urban population has grown at a CAGR of 2.8 percent over 2001-2011, resulting in an increase in the urbanization rate from 27.8 percent to 31.2 percent. Out of India's 1.21 billion population, 377 million people are urban dwellers as per the census 2011 report. This higher urbanisation will drive discretionary spending by consumers. While the spending class in the metros and mini metros continues to boom, the growth witnessed in the tier I and tier II cities will lead to an increase in the number of units purchased. (Source: Census 2011 Data)

### Rural Consumer Market

Currently, about 69 percent of Indians reside in rural areas. This is also a segment where incomes have been rising fast due to economic growth and welfare measures. Many retailers and fast-moving consumer goods (FMCG) companies have been quick to identify the potential of rural India. They have innovated with products and delivery, while at the same time devising strategies to cater to the relatively affluent among India's villages.

### Favorable demographics

- **Youth:** As per the census of 2011, India also has about 500 million Indians under the age of 25. Young Indians are driving purchases in categories such as mobile phones, fashion, accessories, food and beverages etc. and are willing to experiment and change habits. Young Indians have access to more money than before, driving independence, aspirations and demand for products.
- **Middle income house holds:** The growing middle class and the increased in the disposable income of middle-class Indian consumers significantly, which will leads to a substantial change in their spending habits.

### Increase in the number of working women

The number of women working and seeking work grew by 14.4% annually between 1991 and 2011, even though the population of urban women grew at only 4.5% during the same time period, according to Census 2011. (Source: Census 2011 Data)

Women employment growth will result in an increase in the demand for different kinds of occasion based apparel such as women's formal western wear. Also, due to their financial independence, more women will indulge in higher levels of discretionary spending. This can impact multiple categories, in terms of purchasing both for the woman herself and her family, viz. clothing, personal care and grooming, accessories, travel, etc.

### Changing consumer preferences and shopping habits

One consequence of the evolution in consumer lifestyles is the surge in both the opportunity for and the incidence of socialising, via various activities and events. There is thus a greater demand for multifunctional clothing, e.g. smart casuals, which enable straddling various occasions. Further, more people are travelling abroad much more frequently and thus, get exposed to western fashion trends and brands, and aspire to own such items. This trend is further fuelling the demand for branded apparel in the Indian market. Consumers will continue to drive the growth in the organised retail by expanding the market and compelling retailers to widen their offerings in terms of brands and in terms of variety.

The spending on essential commodities has been steadily falling over the years, whereas the consumption of discretionary products has been growing at a healthy pace. Changes in lifestyle have brought about a paradigm shift in consumption, which will undoubtedly continue to drive retail growth in segments like beauty, healthcare, telecom, and entertainment. Moreover, the rising reach of media coverage is increasing consumer awareness about products, their prices and services, which is likely to further encourage growth in the organised retail segment.

### Changing family structures

The average household size has decreased from 5.3 to 4.8 in fiscal 2011. With the increase in the number of nuclear families and a simultaneous rise in double-income families, higher spending power will remain the privilege of smaller families. (Source: Census 2011 Data)

## SEGMENTS IN THE HOME RETAIL INDUSTRY

### Furnishing

Furniture & Furnishings market size is worth of INR 102 bn (US\$ 17.13 bn) has growing at 12-13% annually. It is expected to be worth of US\$ 24.05 bn by 2017. Organized retail market is estimated at 19% of the total organized retail market and it is expected to grow at 24-27% in terms of number of retail outlets and retail space with the same store revenue growth being at 15%, according to data from Images Retail Report, 2015. The category is broadly divided three segments – furnishings, furniture and décor. The furniture segment, driven by small furniture including chair, table, stools, cabinets, and desks contributes highest (about 43%) in the overall market. Large furniture items such as beds, sofa sets, dining furniture set, large wardrobes and cupboards are high ticket items accounting for 25% of the furniture segment. On the other hand, home furnishing segment accounts for only 26% of the overall all market. Bed-linen is the largest sub-segment, constituting about 50% of the segment sales. However, other sub-segments such as curtains, upholstery, blankets, rugs and carpets are have been growing steadily.

Key players are HomeStop, Home Centre, Home Town, @Home and Bombay Dyeing; and online retailers like Fabfurnish, Pepperfry and Urbanladder. (Source: Images Retail Report, 2015)

### Electronics retailers

Riding the wave of strong macro-economic conditions, India's electronics & appliances retail market is growing at 19-21%. The category generally sees the customers weighing many options before making a high-ticket purchase decision and is thereby called a 'planned purchase' category. As it requires customer guidance and education electronics has seen a rapid increase in the penetration of organized retailers – to 23%, according to data from Images Retail Report, 2015. (Source: Images Retail Report, 2015)

The strong growth, increasing demand and increasing penetration of organized retail in this category have led to many players entering the market and resulting in price competition. Players like Future Group (Ezone), Tata (Croma), Reliance (Reliance Digital) are relatively new entrants. At the same time, there are well established regional chains such as Girias, Viveks and Vasanth in southern India; Vijay Sales and Kohinoor in western India; and Sargam in northern India. Also, pulling a serious departure from their practices in other developed countries, most manufacturers like Samsung, Sony, Nokia, LG have their own exclusive store networks. Since brands sold by most retailers are the same, differentiation is limited and price competition is therefore high. (Source: Images Retail Report, 2015)

Furthermore, the emergence of online retailers like Flipkart, Snapdeal and Amazon is adding all the more pressure on profitability and sustainability as they offer significant deep discounts as compared to store-based retailers. This has led to increased upsetting trend in India, whereby the customer take the look and feel from the physical retailers and place their order through the online retailers. (Source: Images Retail Report, 2015)

It has become increasingly crucial for electronics retailers to differentiate from each other. Taking cues from their global counterparts' experience, we believe electronics retailers that will survive and thrive in the long run will need to (1) guarantee superior customer service by assisting consumers in the purchase decision, providing detailed product demos and after-sales service, (2) invest in training employees on electronics products, (3) design and implement an omni-channel framework, (4) create a differentiation through exclusive tie-ups with premium brands and (5) establish a differentiated private label in certain categories and accessories. Among existing players, we believe Croma, the Tata group's retail chain, is actively trying to differentiate itself on the above parameters. Future Group, through its electronics arm Ezone, has come up very strongly in his space with its focus on the long-term strategy. (Source: Images Retail Report, 2015)

## INDUSTRY CHALLENGES

### Highly Fragmented with unorganised players:

The Indian retail market is dominated by unorganised retailers (mom-and-pop or kirana stores). However, the large domestic players have achieved supply-side economies through their large volume and extensive market presence. Organised retailers continue to face stiff competition from the unorganised sector. The latter have a low cost structure, are mostly owner-operated, with negligible real estate and labour costs and pay little or no taxes. Consumer familiarity that runs from generation to generation and easy access are big advantages for the traditional retailing sector. Most modern retailers find it hard to replicate this level of intimacy. Traditional retailers have also risen to the competition from organised retailers. The adoption of IT systems, surveillance systems, tracking the customer database, loyalty management, SMS marketing, credit purchase, and free home delivery have helped unorganised players retain customers. (Source: PWC Retail-Report: The Indian Kaleidoscope, September 2012)

## **Infrastructure, supply chain and logistics network**

Availability of the right merchandise at the right place, in the right condition, within the right timeframe and at a minimum cost is the primary objective of retail supply chain management. Goods in store but not on shelves could mean loss of sales and an undesirable customer experience. It is also important to vary the assortment and merchandise form one store to another, even in a single state, to cater to market sensitivities. Investments in specialised supply chain management (SCM) IT solutions help retailers manage the store as well as warehouse replenishment and lower inventory holding cost. An economy of scale for the procurement of goods is also another challenge faced by retailers. Few large retailers have been able to consolidate requirements and enjoy economies of scale. Poor infrastructure and the availability of only a few organised supply chain and logistics players further increases the problem for retailers leading to a delayed availability of stock and huge costs. With the government investing heavily in infrastructure, and with global logistics giants investing in India, we shall soon witness the consolidation in the supply chain and logistics sector. This will help retailers and consumers significantly. (Source: PWC Retail-Report: The Indian Kaleidoscope, September 2012)

## **High cost of real estate**

Lack of readily available quality real estate as well as high rentals in India are major challenges for the retailers. Property rentals in the country are among the highest in the world and add considerably to operational cost. The Indian real estate cost accounts for 5 to 9% of the net revenue of the retailer as compared to 3 to 4% of global retailers. At the same time, real estate sector is undermined with high stamp duty cost on transfer of property. Availability of quality retail space at the right price has been holding the expansion plans of retailers. In recent times, retailers have moved out from prominent malls of Tier I cities and even renegotiated the rental agreements with landlords to reduce costs. Retailers have also started expanding their presence in the Tier II and Tier III cities. (Source: PWC Retail-Report: The Indian Kaleidoscope, September 2012)

## **Slower inventory turns**

Retailers need to maintain high levels of inventory in order to meet the demand of the consumers. Due to the lengthy manufacturing and transportation time, goods cannot be replenished quickly leading to high stock-out costs. On the other hand, carrying inventory can be expensive in several ways. Retailers must pay capital costs in terms of money tied up in inventory, storage costs and overstock costs. Hence, retailers need to accurately forecast demand, frequency of orders, lead time and cost of replenishment. (Source: PWC Retail-Report: The Indian Kaleidoscope, September 2012)

## **Retail frauds**

Retail frauds have been a concern for the Indian sector. According to the Global Retail Theft Barometer (GRTB) 2011 covering 45 nations, the shrinkage in India stood at 2.38%, the highest in the world. The average global shrinkage was estimated at 1.45%. The good news is that as per the GRTB, the retail shrinkage loss for India in 2011 is less than 2010. As per the GRTB, the key reasons for the retail shrinkage or pilferage in India include the following:

- Shoplifting (accounting for more than 50% of total shrinkage value)
- Internal administrative errors
- Employee theft
- Vendor frauds

Retailers have started investing in loss prevention and security measures such as CCTV, surveillance cameras, RFID, etc. This will help them in scaling down the shrinkages but the investment in these areas is still at a nascent stage.

(Source: PWC Retail-Report: The Indian Kaleidoscope, September 2012)

## **Diverse customer needs**

India is characterised by varying consumer tastes, preferences and buying habits. Customer needs, tastes and preferences differ in every state, town and village. This puts a lot of pressure on the retailer in planning the assortments of stores to cater to the diverse customer profile. Easily available information via the Internet or mobile, global lifestyle of consumers, increasing income, aspiration for global brands, overseas travel, etc. are making Indian customers more knowledgeable than before. They are demanding premium products in health, food and beverage, dietary supplements, skincare, etc. The changing customer needs and desires require retailers to continuously innovate with the product mix as well as offers and promotions. Customer loyalty programmes play an important role in helping retailers understand the customer behaviour and plan the right product mix. (Source: PWC Retail-Report: The Indian Kaleidoscope, September 2012)

### **Long gestation period**

Margins for the retailers are very thin and it takes a few years for a store to break even after it starts operating in the Indian subcontinent. Retailers believe that patience, deep pockets, continuous innovation and localisation of products and services for the consumers is the key to long-term success. (Source: PWC Retail-Report: *The Indian Kaleidoscope*, September 2012)

### **Skilled workforce**

Availability of trained manpower both at the store and managerial level has been a major concern for the Indian retail sector. The problem is escalating with the rise in organised retail and large global players entering the country. The attrition rate in the industry stands at 25 to 35 %. While the paucity of skilled manpower is a challenge, it is important to ensure continuous learning for the existing staff. Large retailers have setup dedicated teams to conduct training workshops and coach the retail workforce both fresh as well as experienced on topics such as product information, customer service, customer complaint management, etc. Some of the large corporates have partnered with premium management institutes and designed retail-specific courses. (Source: PWC Retail-Report: *The Indian Kaleidoscope*, September 2012)

### **Looking beyond price**

Economic factors such as the increasing choice in products and shopping formats and unparalleled access to information are fuelling today's empowered shoppers, who expect more from their retail experience. Today's customers are flooded with diverse options for products and services. Today, the price of a commodity is not the only differentiator for the retailers. The discerning consumers are expecting more from retailers in terms of products that deliver its brand promise, quality, services and store ambiance, etc. Retailers in mature markets have used customer service as a tool to generate footfall and create a positive brand image. (Source: PWC Retail-Report: *The Indian Kaleidoscope*, September 2012)

### **Regulatory framework**

Foreign direct investment (FDI) in retail trading business is currently not permitted, except in single-brand retail trading, which now allows up to 100% FDI subject to conditions. In addition, several FIIs and NRIs have invested in several large Indian retail companies under the portfolio investment route. In September 2012, the government had announced a policy permitting up to 51% FDI in multi-brand retail trading. Foreign direct investment has now permitted upto 100% under automatic route is permitted in Business to Business (B2B) e-commerce in 2015. No FDI is permitted in Business to Consumer (B2C) e-commerce.

### **COMPETITIVE LANDSCAPE**

The Retail industry can be broadly segmented as department stores, supermarkets, hypermarkets; and the specialty retail sectors of furnishings and furniture. The Indian retail market is dominated by unorganized retailers. While the Retail Market is highly fragmented with the share of organised retail significantly lower. Organised retailers continue to face stiff competition from the unorganised sector. The unorganised retailers have a low cost structure, are mostly owner-operated, with negligible real estate and labour costs and pay little or no taxes. However, the large domestic players have achieved supply-side economics through their large volume and extensive market presence. Healthy economic growth, changing demographic profile, increasing disposable incomes, changing consumer tastes and preferences are driving growth in the organised retail market in India. The emergence of online retailers has further intensified competition in a category already operating on razor-thin margins.

The Retail industry in India has players focusing on of specific categories with a high margin increasing the presence in high growth rural market, providing more assortments for private label brands, strong distribution network, gaining benefit of scale through focusing on efficiency and productivity.

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section entitled “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.*

*Unless otherwise stated, our financial information in this section has been derived from the Financial Statements included in the section entitled “Financial Information of our Company” on page 112.*

### Overview

Our Company was incorporated in 2011 as the wholly own subsidiary of GRN. Our Company was not carrying on any business until the effectiveness of the Scheme of Arrangement. Pursuant to the Scheme of Arrangement, the home retail business undertaking of FRL and e-commerce home retail business undertaking of BSPL was transferred and vested into our Company.

Our Company shall now be conducting the consolidated brick and mortar and online home retail business as under:

#### ***Brick and Mortar home retail segment***

Our Company will now be operating stores of home furniture and home fashion in the brand name of HomeTown. This retail format is a one stop shop that brings together under one roof a wide range of furniture, home furnishing goods, design and build, other home related products and high quality services including complete home design, modular kitchen, flooring, tiles, plumbing, wallpaper among others, along with great in-store experience. Our stores provide attractive offers and prices on a wide range of kitchenware, furniture (including office and home furniture), and furnishing (including bedsheets, cushions and towels). 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. Currently, HomeTown has a pan India presence with 37 stores, across 21 cities across 11 states majorly in Maharashtra, West Bengal, Karnataka, Uttar Pradesh, Telangana and NCR. As of September 30, 2017, these stores have a total retail space of approximately 8.5 lakh sq. ft.

#### ***Online home retail segment***

Our Company will also be operating a web portal for online sale of furniture and furnishing products through websites ([www.fabfurnish.com](http://www.fabfurnish.com) and [www.hometown.in](http://www.hometown.in)). FabFurnish and Hometown will operate as an e-commerce consumer portal under the market place model. Through these portals, we will directly sell a wide range of products particularly focused on fast moving product categories.

From the date of the Scheme becoming effective, our Company’s promoters will be Kishore Biyani and Suhani Trading & Investment Consultants Private Limited. With 37 years of experience of in the field of manufacturing, marketing of ready made garments and retail, Kishore Biyani has been rightly known as pioneer of modern retail in India and has been instrumental in the growth of retail business of Future Group. Future group focuses *inter alia* on consumption-led businesses and operates, through group companies’ retail stores in various formats across food, fashion apparels, accessories and footwear, general merchandise, home improvement, consumer durables and electronics in India.

Continuing the legacy of Future group, our Company intends to cater to home retail segment in India by providing consumers with varied goods and services at competitive prices.

### Our Strengths

We believe that the following are our principal business strengths:

#### ***Strong Sourcing Capabilities and differentiated business value***

Driven by the wide scale of operation and an experienced management team, the business reflects market-leading sourcing capabilities across categories. In addition, Home Town maintains a rigorous vendor network, both in local and foreign markets. With a strong vendor network, ensures best quality products for entire product portfolio. Home Town works with different renowned vendors across India. Vendors work primarily on an open costing model. In addition, the business has put in place strong quality control measures, by a centralized quality control team. Furniture/SKUs are approved post a comprehensive quality screening process wherein sample for each SKU is sent to quality control team pre-dispatch.

With about 10 years of experience in the retail business, we have developed an understanding of the retailing of furniture and furnishing business in India. We believe that our insights into consumer behavior have contributed to the development of a distinguished retail format. This insight has also enabled us to strategize, develop and promote new services to cater to the evolving needs of an Indian consumer.

### ***Our early mover advantage***

HomeTown launched its first store in April, 2007 at Great India Place, Noida, while the second store opened in June, 2007 at Acropolis Mall, Ahmedabad. Within a short span of five years, in 2012, HomeTown became the first Indian retailer to bag Global Innovation Award for the year 2012-2013. HomeTown also won International Home and House wares Retail Excellence/Global Innovation's for the year 2012-2013. HomeTown won Excellence under category of "Importer and Distribution" at MATRADE, Government of Malaysia; "Gold Award" in ACEF - Asian Customer Engagement Forum for Gurukul App and "Rockstar Award" at Pepperfry Partners Meet in 2016.

Kishore Biyani, the Promoter of our Company started retail format business in 1997 in Kolkata and as of September 30, 2017, Future group operates 37 Hometown stores in more than 21 cities in India. We believe that this early mover advantage has helped us develop a wide network of stores across India in various formats and establish brand equity for our Company. This has also enabled us to lock in prime locations for our stores at competitive rentals in various cities in India and create efficient processes to cater the Indian consumers.

### ***Identification of strategic locations for the stores***

We have dedicated teams which enables us to evaluate the requirement of new stores and identify strategic locations for our stores. Various factors including the demand for a particular product in that region, competition, brands already operating, number of stores of the brand proposed to be established, population, purchasing power, demographics, growth potential, local laws, and others are considered while deciding the requirement of a store and the location. After analysis of these factors, our teams finalise the location, obtain necessary approvals, complete fit out activities and commence operations. Through such an expansion, we believe that we have developed our domain knowledge and expertise that enable us to execute our projects in multiple locations at competitive costs and in minimal time. HomeTown's wide presence covering the key locations, close to major consumption centers in the country, allows it effectively to tap the target customer segment in a focused manner.

### ***Strong supplier network enabling procurement at predictable and competitive pricing***

We sell a wide range of goods and merchandise across our product categories. We focus on using our deep knowledge of the markets which we operate to customise our product assortment in each store keeping in mind local demands and preferences. We also continuously focus on enhancing the goods and merchandise we carry.

Our procurement team conducts detailed research on an ongoing basis to locate the best product sources, in relation to both quality and price. We have an extensive network of suppliers and we endeavour to source our products from regions where they are widely available or manufactured to minimise our procurement costs. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices. We have a wide network of vendors and suppliers across the country. Our sustained efforts to improve our strong supplier network have led to an efficient supply and sale cycle.

Over the years, Home Town's business model has remained responsive to supply and demands disruptions. The differentiated combination of integrated sourcing, distribution and demand fulfillment, sets Home Town with unique business position. The business maintains sourcing ties with manufacturers both in India and in foreign markets to obtain the most compelling product offering for aspirational Indian consumers. The interconnectivity of the distribution centers and the central warehouse ensure that the products reach the consumers, safely and timely. The business reaches the target customer base through a wide retail base. A mix of strong back-end processes and persuasive in-store communication deliver a unique customer experience. Due to the scale that we have achieved over the past 10 years, we have been able to understand and implement the relevant processes to make our front end and back end functions and execution capabilities efficient. We have been able to increase the scope of our operations at a consistent pace and provide efficient and convenient offerings to our consumers. Further, due to our scale and presence across India, we have been able to develop efficient category management processes that enable us to offer competitive deals to our consumers.

### ***Strong promoter background, experienced management team and motivated workforce***

Our business is consumer driven. Our promoter Kishore Biyani, brings to our Company his vision and leadership which has been instrumental in our success. Our experienced professional management team led by Viraj Didwania, the Chairman and Managing Director of our Company, have helped us to offer high standards of customer service and a pleasant shopping experience. Our management team consists of a team of professionals with relevant domain expertise and retail oriented functional specializations. Further, our management team has been able to complement our expansion with the ability to create adequate systems and processes. Our management team is complemented by a committed work force that enables us to operate, synergies and integrate our front-end and back-end operations efficiently. Our human resources policies aim to create an engaged and motivated work force, which is essential for our success. We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity.

### ***High operating efficiency and lean cost structures through stringent inventory management using IT systems***

We have benefitted from our in-depth understanding of local needs and our ability to respond quickly to changing consumer preferences. This has been achieved in part due to our advanced IT systems. We use our IT systems for procurement, sales and inventory management which enables us to identify and quickly react to changes in customer preferences by adjusting our products available, brands carried, stock levels and pricing in each of our stores and effectively monitor and manage the performance of each of our stores.

Our IT systems are built with a wide range of data management tools specific to our business needs and support key aspects of our business, including procurement, sales and inventory control on a daily basis. Our IT systems also support our cash management, in-store systems, logistics systems, human resources and other administrative functions. Our IT systems run on ERP applications and are robust and scalable.

Together with our supply chain management systems and our internal controls to minimise product shortage and the occurrence of out-of-stock situations and pilferage, we are able to operate efficiently and productively with minimal disruptions to our day to day operations.

### **Our Strategy**

We intend to maintain and enhance our position as a leading home retail entity through continued focus on the Indian market and investing further in our competitive strengths to grow our business. The key elements of our business strategy include:

#### ***Strengthen our market position by expanding our store network***

As of September 30, 2017, we operated 37 stores in 21 cities across 11 states majorly in Maharashtra, West Bengal, Karnataka, Uttar Pradesh, Telangana and Delhi NCR. These stores have a total retail space of approximately 8.5 lakh sq. ft.

<b>State</b>	<b>Number of stores</b>
Maharashtra	11
West Bengal	6
Karnataka	5
National Capital Region (NCR)	5
Telangana	3
Gujarat	2
Andhra Pradesh	1
Chhattisgarh	1
Jharkhand	1
Kerala	1
Uttar Pradesh	1
<b>Total</b>	<b>37</b>

We intend to further enhance our position in the home retail business by increasing our market penetration and expanding our store network in these states. We also intend to strengthen our store network in National Capital Region (NCR), Gujarat, Maharashtra, Karnataka, West Bengal, Telangana and Uttar Pradesh.

With over a decade of experience and successful growth, we believe that we are well-positioned to take advantage of the growth potential and opportunities offered by many states in western, southern, central and northern India.

Increasing our penetration in existing cities with a greater number of stores will enable us to penetrate into new catchment areas within these cities and optimize our infrastructure. Enhancing our reach to cover additional cities will enable us to reach out to a larger population and become a preferred shopping destination for their daily needs.

We believe that selection of suitable locations for our stores has been critical to our expansion plans. We aim to be an early mover in our target markets to take advantage of the opportunities offered by these under-served regions and actively search for suitable locations.

#### ***Increasing our share in the consumer spend through increase in our consumer base, consumer loyalty and expansion of our operations***

We intend to enhance our consumer base through increasing our presence in various cities in India and drive spending across various product segments. We are specifically focusing to achieve a larger share of consumption spending in our existing markets. We intend to increase our share in the consumer spending in India by adding categories to our existing product range to cater to consumers across Indian society in various home consumption spaces. We are also in the initial phases of developing omni channel retailing which will enable us to sell our products on every platform including physical stores and online portals.



To expand our operations, we intend to continue to identify properties that we believe may be viable retail property spaces at strategic locations and enter into arrangements to lock such properties for our format to be launched in the future. We are at various stages of negotiations to enter into arrangements for locking such retail property for our future requirements to open stores and expand our format.

### ***Continue improving our operating efficiency and supply chain management***

Our business model and pricing strategy require us to maintain high levels of operational efficiency on a consistent basis. Further, we believe that supply chain management is critical to our business. Our supply chain management involves planning, merchandising, sourcing, standardization, vendor management, logistics, quality control, pilferage control, replacement and replenishment. We are, and will continue to consolidate our supply chain network to improve the stock turn by improving stock movement, replenishment and fill rates.

We plan to further improve our operating efficiency and ensure efficient supply chain management by:

- continuing to refine our store operating systems based on the performance of our stores and feedback from our customers and local management teams;
- investing further in our IT and data management systems to improve productivity and time savings thereby increasing our operating efficiency;
- continuing to strengthen our relationships with our suppliers through cooperation and closer coordination;
- expanding and upgrading our existing distribution centres to improve the efficiency of our inventory and supply management. We will continue to open new distribution centres in strategic locations to serve our existing and new stores when it is cost effective and efficient to do so; and
- continuing to absorb best industry practices.

We intend to scale up and increase our existing distribution centre capability as we expand our store network. Our distribution and logistics set-up will allow us to continue to deliver goods and merchandise to the relevant stores based on orders placed, helping us optimise in-store availability of products.

### ***Expand our product portfolio and prioritize customer satisfaction through optimal product assortment***

Our format offers wide range of products for home furniture and furnishing segment in India. With our product offerings, our format has reached a critical mass and is being accepted amongst consumers. Our operations are closely connected with the consumer preferences and changing choices and accordingly, it is imperative for us to forecast and continuously identify the changing demands of our consumers. Towards this end, we have, and intend to continue to identify and evaluate consumer demand across regions and expand our product portfolio in terms of new brands and new products, in home retail business.

We will also focus on increasing the products with higher margin in our product portfolio. This will enable us to improve the stock turn by changing the product mix, changing assortment and increasing average selling price.

### ***Enhance focus on efficiency, cost and return by leveraging our retail space***

We intend to leverage the space occupied by our existing retail format to generate higher return on investment. In order to improve the retail sales per square feet, we have made various efforts including rationalization and operation of our format stores in optimum space, exiting from the underperforming stores and product categories with lower returns.

### ***To develop talent and skilled workforce and inculcate good business practices***

We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We have been successful in building such a team and intend to continue placing special emphasis on managing attrition and attracting, training and retaining our employees. We intend to recruit best available talent across various industries, train them as per our value system and provide them opportunities to learn, experiment and innovate.

We intend to continue to encourage our employees to be enterprising and contribute constructively to our business through effective training and management. Pursuant to our focus on effective training of our employees, we undertake various internal training programmes like 'Avatar', 'Stride- Store Karta Identification and Development Program', 'Store Guru', Store Product Training.

### ***Advanced and scalable technology for online retail segment***

Our advanced technology enables us to support a diverse range of products and services and provide complex, modular and customizable e-commerce solutions on a scalable platform capable of implementing large transaction volumes with minimal

downtime. Our technology enables us to effectively offer our services across multiple media, channels and customer interfaces including digital downloading and streaming services, and providing application framework solutions for supply chain and inventory management. Our hosting and technology platform incorporates , digital product catalogue, content management, promotions handling, access to payment gateways, as well as inventory and logistics management, and is capable of being integrated into the customer's IT infrastructure and third party configurable software.

We directly sell a wide range of products on online portal, particularly focused on fast moving product categories. We have strategically followed an asset light inventory model.

Our online portal includes the following features:

- Browsing. We provide our customers with a range of information relating to the various products, including product description, images, and product reviews and ratings.
- Search. Our platform provides a range of search tools based on various criteria including product category, sub-category, price, brand, size and colour and search options based on certain product specific features which are key specifications for the relevant product. These products may be categorised and sorted for the customer based on popularity, price and other specific criteria.
- Reviews and ratings. Customers may submit their reviews of products and services on our website. These reviews are regularly monitored and uploaded on the site for the benefit of other customers to enhance their search experience and enable them to make suitable choices.
- Personalized services. We offer a personalized e-commerce experience by enabling our customers to build online shopper profiles reflecting their tastes and interests and by delivering targeted product recommendations based on the relevant customer's browsing and purchase histories and their "wish lists". In order to facilitate the checkout process, we generate customers' preferred delivery address, shipping method and payment option. We also analyze each customer's purchase patterns and send personalized e-mails periodically, updating them on new product launches and promotional and marketing events.

### **Intellectual Property**

As we leverage our brand equity for our growth and development of our format, we have undertaken registrations of trademarks and associated logos for our format. FICL, a Future group company, owns the trademark in the brand and logo of 'Future' and 'Future Group' (the "**Trademarks**"). Pursuant to the Master License Agreement dated November 20, 2017 (the "**Agreement**") with FICL and subsequent amendments and assignment FICL has granted a non-exclusive and non-transferable licence to use the Trademarks in, *inter alia*, marketing and advertisements of our products and services during the term of the Agreement and, with the written consent of FICL, for business activities outside India. The Agreement requires us to make payment of royalty to FICL on a quarterly basis. The Agreement also allows the use of Trademarks by our Subsidiaries. The Agreement is valid with effect from November 20, 2017 unless terminated earlier by the parties in accordance with the Agreement.

### **Competition**

The Indian retail market has become increasingly competitive in recent years. We face competition from various other retailers that operate stores in formats similar to ours as well as those retailers who sell retail products similar to the ones sold by us through small retail stores. These include standalone stores in the organized and unorganized sector, as well as other chains of stores including department stores. We face significant competition from the online retailers across home retail categories which led to a fragmented and highly competitive ecommerce market in India. However, we believe that our position as one of the leading home retailers in India with a nation-wide network of stores provide us a competitive edge.

### **Information Technology**

Information Technology and its management is one of the key elements of our corporate functions as the same has an impact on the scalability, connectivity, security and real-time availability of information for our formats.

We have a fully integrated transaction processing system which accumulates real time data with respect to key functions such as merchandise management, procurement, warehousing, logistics, inventory management, store operations and financial management.

### **Human Resources**

Human Resource is one of the critical support functions and forms another key element of the corporate backbone. As of November 30, 2017, we employ approximately 1,600 employees located at head office, zonal offices, retail stores across the Country.

Our Company has a dedicated human resource team which takes care of acquisition, development and retention of skills and talent in a way that supports the accomplishment of our Company's goals and objectives. Our Company believes in creating a culture and environment that allows it people resources to utilize their skills, knowledge and leadership abilities and collectively in serving the consumers.

### **Insurance**

We have insured all our stores, distribution centres, warehouses, offices and other assets against fire and allied risks. We have also insured our stocks against housebreaking, burglary and theft risks. We review the adequacy of the insurance cover at periodic intervals. Further, we also have an adequate coverage for loss of money while in transit, or loss from safe or cash counter caused by robbery, theft or other fortuitous event.

We are insured for the directors and officers' liability covering the loss suffered for any wrongful act done by a director or officer of our Company in such capacity. We are also covered by fidelity policy, which protects us against internal employee frauds. We are also covered by commercial general liability policy, which covers our customers for accidents arising in our premises and group personal accident policy for death or bodily injury suffered by the customers. Apart from employee's compensation policy, we also cover our employees with group mediclaim policy, which also includes hospitalization benefits and group life insurance policy to all our employees.

### **Properties**

Our Company has taken on sub – lease/ license basis, premises of its registered office for a period of five years with effect from January, 2017 from FRL who in turn has leased it from the owner of the premises.

As of September 30, 2017, we operate our business through 37 stores spanning across 21 cities. We do not own any of the property from which we operate our stores and the same is taken on lease through various arrangements that include lease, leave and license, business conducting agreements. For further details, please see the section entitled, "*Risk Factors – Competition may impede our ability to renew leases or licences entered into by us.*" on page 9.

### **Infrastructure for operating the Retail Business**

FEL builds the infrastructure required for operating our Retail formats and incurs the necessary capital expenditure before the Retail store goes into commercial operation.

Our Company has taken the infrastructure for operating our retail business on a long term operating lease from FEL. The lease has been made effective with effect from the First Appointed Date. Initially, the Agreement would be valid for a period of seven years with initial lock in of five year period. As per the arrangement, the Company has the option to continue to avail the infrastructure for new stores to be opened by the Company in future.

## REGULATIONS AND POLICIES

### Key Industry Regulations and Policies

*The following description is a summary of the relevant laws, regulations and policies as prescribed by the Government of India that are applicable to our business. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*For details of government approvals obtained by our Company, please see the section entitled the chapter entitled “Government Approvals and Licenses” on page 158.*

### Laws Regulating Labour and Workmen

#### *The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952*

The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 (the “**EPF Act**”) was introduced with the object to establish provident funds, pension funds and deposit-linked insurance funds for the benefit of employees in factories and other establishments. The EPF Act is applicable to all establishments which employ more than 20 persons, and to factories specified in Schedule I of the EPF Act which employ more than 20 persons. The funds constituted under the EPF Act consist of contributions from both the employer and the employees, in the manner specified in the EPF Act. The central or state government, as the case may be, may by a notification in the official gazette grant exemption to establishments or factories from the application of all or any of the provision of the EPF Act, if it is of the opinion that the employees in such establishments or factories receive benefits which are not less favourable than the benefits provided under the EPF Act.

#### *The Employees’ State Insurance Act, 1948*

The Employees’ State Insurance Act, 1948 (the “**ESI Act**”) was enacted with the object to setup the employees’ state insurance fund, funds of which shall be used to provide benefits to employees in case of sickness, maternity and employment injury. Both the employer and the employees are required to make contributions to the employees’ state insurance fund, in the manner provided under the ESI Act. The ESI Act applies to all establishments and factories including governmental factories (other than seasonal factories), which employ 10 or more employees and carry on a manufacturing process.

#### *The Minimum Wages Act, 1948*

The Minimum Wages Act, 1948 (the “**Minimum Wages Act**”), has been enacted to secure the welfare of the workers in a competitive market by providing for a minimum limit of wages in certain employments. The central or state government(s) are authorised to fix minimum wages for employments mentioned in the schedule of the Minimum Wages Act. An employer is under an obligation to pay the minimum wages as fixed by the appropriate authorities and under no circumstance can an employer be exempted from its obligation to pay minimum wages as fixed under the Minimum Wages Act.

#### *Payment of Wages Act, 1936*

The Payment of Wages Act, 1936 (the “**Payment of Wages Act**”) has been enacted to regulate the period and payment of wages, overtime wages and deductions from wages and also to regulate the working hours, overtime, weekly holidays of certain classes of employed persons. The Payment of Wages Act contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

#### *Payment of Gratuity Act, 1972*

The Payment of Gratuity Act, 1972 (the “**Payment of Gratuity Act**”), provides for a scheme for the payment of gratuity to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, and shops and other establishments wherein 10 or more persons are employed, or were employed in the preceding 12 months. The Payment of Gratuity Act enforces the payment of gratuity, being a reward for long service, as a statutory benefit on the termination of employment of any employee who has rendered continuous service for not less than five years. The central or state government may exempt any employer from the application of the provisions of the Payment of Gratuity Act, if the gratuity or pensionary benefits paid or payable by such employer are more favourable than the benefits provided under the Payment of Gratuity Act. The Payment of Gratuity Act was amended in 2010 through the Payment of Gratuity (Amendment) Act, 2010, to increase the amount of maximum gratuity payable from Rs. 0.35 million to Rs. 1 million.

### ***The Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 (the “**Payment of Bonus Act**”), provides for the payment of bonus (linked with profits or productivity) to the employees of certain establishments. The Payment of Bonus Act applies to every factory, every other establishment employing 20 or more persons (including part time employees) on any day during an accounting year and any establishment specified by the Central Government, which employs less than 20 persons but more than 10 persons. The Payment of Bonus Act covers all employees doing any skilled or unskilled manual, supervisory, managerial, administrative, technical and clerical work for hire or reward and whose salary does not exceed Rs. 10,000 per month. The minimum bonus to be paid to each employee is either 8.33% of the salary or wage or Rs. 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus or profits.

### ***The Employees’ Compensation Act, 1923***

The Employee’s Compensation Act, 1923 (the “**Employees’ Compensation Act**”), was framed with a view to provide compensation to workmen (or their dependants as the case may be), including those employed by a contractor, due to such workmen, for disablement, either partially or fully, or death, caused by an injury from an accident arising out of and in the course of employment. However, no compensation shall be payable if the injury does not result in the disablement of the workman for a period of more than three days or if such workman was, at the time of such injury, under the influence of drugs or alcohol, or if such workman willfully disobeyed and disregarded the safety rules prescribed by the employer.

### ***The Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1951 (the “**Maternity Benefit Act**”), was enacted to regulate the employment of women in certain establishments for certain periods before and after child birth and to provide for maternity benefit and certain other benefits. The Maternity Benefit Act is applicable to every factory, mine or plantation, and to every shop and establishment wherein 10 or more workers are employed. Any woman who has worked for at least 80 days in the 12 months immediately preceding her expected date of delivery is entitled to receive maternity benefits under the Maternity Benefit Act. The maximum period for which a woman shall be entitled to maternity benefit is 12 weeks, of which not more than 6 weeks shall precede the date of her expected delivery. For this period of absence, a woman must be paid maternity benefit at the rate of the average daily wage.

### ***Shops and Establishments Legislations***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our stores, distribution and packing centres have to be registered under the shops and establishments legislations of the states where they are located.

### **Laws Regulating Intellectual Property**

#### ***The Trade Marks Act, 1999***

The Trade Marks Act, 1999 (the “**Trademarks Act**”), was enacted to provide for better protection of trademarks for goods and services and for the prevention of the use of fraudulent marks. The Trademarks Act provides statutory protection to the trademarks registered in India. In India, trademarks enjoy protection under both statutory and common law. The registrar of trademarks, as appointed under the Trademarks Act, is the authority responsible for registration of the trademarks, settling opposition proceedings and rectification of the register of trademarks.

An application for registration of trademarks is made to the registrar of trademarks in the class as per the classification of goods and services mentioned in the Trade Marks Rules, 2002. Such application for registration can be made either on the basis of current use or intention to use the trademark in the future. Once a trademark is registered, such registration is valid for a period of 10 years, unless cancelled earlier. The Trademarks Act confers upon the proprietor of the trademark an exclusive right to use of the trademark in relation to the goods or services in respect of which the trademark is obtained.

## HISTORY OF OUR COMPANY AND CERTAIN CORPORATE MATTERS

### Incorporation

Our Company was originally incorporated as GRN Energy Private Limited on January 31, 2011 at Mumbai, Maharashtra. Further, the name of our Company was changed to GRN Retail Private Limited through a special resolution dated November 28, 2016 and a fresh certificate of incorporation was obtained on December 21, 2016. Thereafter, our Company's name was changed to Praxis Home Retail Private Limited pursuant to a special resolution dated December 26, 2016 and fresh certificate of incorporation was obtained on January 5, 2017. Further, the name of our Company was changed from Praxis Home Private Limited to its present name i.e. Praxis Home Retail Limited pursuant to its conversion from a private company to a public company through a special resolution dated May 30, 2017 and fresh certificate of incorporation upon conversion into a public company was obtained on June 21, 2017 from the RoC.

The corporate identity number of our Company is U52100MH2011PLC212866.

For details of our Company's corporate profile, business, marketing, the description of our activities, services, market segment, growth of our Company, management of our Company and its managerial competence, please see the section entitled "Our Business", "Management's Discussion and Analysis" and "Our Management" on pages 68, 146 and 81 respectively.

### History of our Company

Our Company was established in 2011. Our Company was the subsidiary of GRN. Prior to the Scheme becoming effective, our Company did not undertake any business.

Pursuant to the Scheme of Arrangement becoming effective, the Home Retail Business Undertaking of FRL and e-Commerce Home Retail Business of BSPL was transferred and vested into our Company. Our Company will now be operating stores under the brand name of HomeTown, which are one stop shops that cater to home furnishing, home accessories and furniture needs. This retail format brings together a wide range of furniture, home furnishing goods and other home related products and services of high quality along with great in-store experience and service – all under one roof. The stores provide attractive offers and prices on a wide range of kitchenware, furniture (including office and home furniture), and furnishing (including bedsheets, cushions, and towels). In addition to furniture and furnishing, the stores have an exciting range of accessories, such as clocks, wall hangings and decor etc. making it a complete one stop shop for all home needs. Currently, there are more than 37 stores under HomeTown across more than 21 cities, with strong presence in key markets like Delhi NCR, Gujarat, Maharashtra, Karnataka, West Bengal, Chattisgarh and Uttar Pradesh states. We intend to cater to various segments of the consumer spending space in India by providing consumers with options and quality at competitive prices.

Our Company is now a part of the Future group, promoted by Kishore Biyani. Future group focuses *inter alia* on consumption-led businesses in India and operates, through group companies' retail stores in various formats across food, fashion apparels, accessories and footwear, general merchandise, home improvement, consumer durables and electronics. The early mover advantage has not only helped Future group develop a wide network of stores across India in various formats but also establish brand equity for our Company as well as for our various formats. Further, our retail format business is supported by various other businesses operated by group companies and through group companies' investments in various ventures including branded fashion, food and fast moving consumer goods, insurance, warehousing and logistics, media and textiles.

### Certifications, Awards and Recognitions

Year	Certification/Award
2016	(a) Excellence under category of "Importer and Distribution" at MATRADE, Government of Malaysia; (b) "Gold Award" in ACEF - Asian Customer Engagement Forum for Gurukul App; (c) "Rockstar Award" at Pepperfry Partners Meet in August, 2016.
2013	(a) Home Town became the first Indian retailer to bag Global Innovation Award for the year 2012- 2013. (b) Won International Home + House wares Retail Excellence /Global Innovation' for the year 2012-2013.

The main objects contained in the Memorandum of Association are as follows:

"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.

1A. 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."

#### Changes in the Registered Office address

Sr. No.	Date of resolution	Address of the registered office prior to the change	Address of the registered office after the change	Reason for the change
1.	June 2, 2011	21-22, Parekh Vora Chambers, 66, Nagindas Master Road, Fort, Mumbai 400 001	32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai 400 004	Administrative convenience
2.	May 30, 2017	32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai 400 004	iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjumarg (East), Mumbai 400 042.	Due to change in management and administrative convenience

#### Major events and milestones of our Company

For details, please see the section entitled "History of our Company and Certain Corporate Matters" on page 76.

#### Amendments to the Memorandum of Association

Since Incorporation, the following amendments have been made to the Memorandum of Association of our Company:

Sr. No.	Date of passing resolution	Reason for such change
1.	November 28, 2016	The name of our Company was changed from "GRN Energy Private Limited" to "GRN Retail Private Limited", for which the certificate of incorporation pursuant to change of name was received on December 21, 2016 from RoC.
2.	December 26, 2016	The name of our Company was changed from "GRN Retail Private Limited" to "Praxis Home Retail Private Limited", for which the certificate of incorporation pursuant to change of name was received on January 5, 2017 from RoC.
3.	May 30, 2017	The name of our Company was changed from "Praxis Home Retail Private Limited" to "Praxis Home Retail Limited", for which the certificate of incorporation pursuant to change of name was received on June 21, 2017 from RoC.
4.	May 30, 2017	Addition in Object Clause of the Company

Sr. No.	Date of passing resolution	Reason for such change
5.	May 30, 2017	Clause 33 under Clause III (B) inserted under Objects incidental or ancillary to the attainment of the main objects are - To lease, exchange or otherwise deal with or dispose of the undertaking and all or any of the properties, assets, rights and effects of the Company or any part thereof for such consideration as the Company may think fit, subject to the provisions of the Companies Act, 1956 or any other law for the time being in force.
6.	October 12, 2017	Increase in authorized share capital
7.	November 20, 2017	Change in Face value of Equity Shares

### **Corporate Profile of our Company**

For details of our Company's corporate profile, business, marketing, the description of our activities, services, products, the growth of our Company, standing of our Company in relation to prominent competitors with reference to our products and services, environmental issues, technology, major suppliers, major customers, geographical segment and management of our Company and its managerial competence, please see the section entitled "*Our Business*", "*Management's Discussion and Analysis*" and "*Our Management*" on pages 68, 146 and 81 respectively.

### **Injunctions or restraining order against our Company**

There are no injunctions or restraining orders against our Company

Our Company has 37,929 shareholders, as on date of this Memorandum. For details, please see the section entitled "*Capital Structure*" on page 45.

Our Company has not revalued its assets during the last five financial years.

### **Acquisition of Business**

#### **Collaborations**

Our Company has not entered into any collaboration with any third party as per paragraph (VIII) (B) (1) (c) of Part A, Schedule VIII of the SEBI Regulations.

### **Strategic/Financial Partners and Other Material Contracts**

Our Company does not have any strategic/financial partners or has not entered any material contracts other than in ordinary course of business. However, pursuant to the Scheme, our Company is in the process of completing necessary documentation including required agreements to give effect to the Scheme.

### **Holding Company of our Company**

There is no holding company of our Company as on the date of this Information Memorandum.

### **Subsidiaries of our Company**

There is no subsidiary of our Company as on the date of this Information Memorandum.

### **Reorganisations and Divestments**

We have given effect to the following scheme:

#### **Scheme of Arrangement between FRL, BSPL, PHRL and their respective Shareholders (Under Sections 230 to 232 read with Section 66 of the Companies Act, 2013)**

This Scheme of Arrangement is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and for demerger of the Home Retail Business Undertaking of FRL and eCommerce Home Retail Business Undertaking of BSPL into PHRL. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith. The salient features of the Scheme are as under:



**A. *Appointed Date***

For the purposes of the Scheme of Arrangement, First Appointed Date means date on which Home Retail Business Undertaking of FRL shall be transferred to PHRL being August 1, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority as may be applicable; and

Second Appointed Date means the date on which the eCommerce Home Retail Business Undertaking of BSPL shall be transferred to PHRL being April 15, 2016 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority as may be applicable.

**B. *Cancellation and reduction of share capital of PHRL***

- (i) Upon the Composite Scheme of Arrangement becoming effective and upon the allotment of equity shares and Preference Shares by PHRL in accordance with provisions of Clause 5.1 and Clause 16.1 of the Scheme of Arrangement, the existing paid up equity share capital of PHRL amounting to ₹500,000/- shall stand cancelled and reduced without any consideration and accordingly, the paid up share capital of PHRL shall stand reduced to the extent of face value of such equity shares cancelled.
- (ii) The amount of paid up equity share capital of PHRL cancelled as per Clause 26.1 above, shall be credited to the Capital Reserve Account in the books of PHRL.
- (iii) The cancellation and reduction in paid up share capital of PHRL shall be effected as an integral part of the Scheme of Arrangement in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Act and any other applicable provisions of the Act and the order of the NCLT sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution in liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 66 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of PHRL, PHRL shall not be required to add “And Reduced” as suffix to its name.

**C. *Consideration for Scheme of Arrangement***

- (i) Upon coming into effect of the Scheme of Arrangement and in consideration for the transfer and vesting of the Home Retail Business Undertaking in PHRL, PHRL shall, without any further application or deed, issue and allot equity shares, credited as fully paid up, to all the shareholders of FRL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date to be fixed in that behalf by the Board of Directors / Committee of Directors of FRL for the purpose of reckoning names of the shareholders of FRL in the ratio of 1 (one) fully paid up equity share of ₹5/- each of PHRL to be issued for every 20 (twenty) fully paid up equity shares of ₹2/- each of FRL to the equity shareholders of FRL as on the Record Date.
- (ii) Upon coming into effect of the Scheme of Arrangement and in consideration for the transfer and vesting of the e-Commerce Home Retail Business Undertaking in PHRL, PHRL shall, without any further application or deed, issue and allot 9% Redeemable Preference Shares, credited as fully paid up, to all the shareholders of BSPL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date to be fixed in that behalf by the Board of Directors of BSPL for the purpose of reckoning names of the shareholders of BSPL in the ratio of 6,30,000 (Six Lacs Thirty Thousand) Preference Shares of the face value of ₹100/- (Rupees One Hundred only), each fully paid-up, of PHRL to be issued on a proportionate basis to members or his / her / their respective heirs, executors, administrators or, as the case may be, successors holding fully paid-up equity shares in BSPL on the Record Date.

**D. *Listing of shares of PHRL***

Equity shares to be issued by PHRL to the members of FRL pursuant to Clause 5.1 of this Scheme of Arrangement will be listed and/or admitted to trading on the BSE and NSE, where the shares of FRL are listed and/or admitted to trading. PHRL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange.

### ***E. Conditionality of the Scheme of Arrangement***

This Scheme of Arrangement is and shall be conditional upon and subject to:

- (i) The requisite consent, approval or permission of the Central Government including Stock Exchange, Securities and Exchange Board of India or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- (ii) The Scheme of Arrangement being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of FRL, BSPL and PHRL as may be directed by the NCLT or any other competent authority, as may be applicable;
- (iii) The Scheme of Arrangement being sanctioned by the NCLT or any other authority under Sections 230 to 232 read with Section 66 of the Companies Act, 2013; and
- (iv) Certified copy of the Order of the NCLT sanctioning the Scheme of Arrangement being filed with the concerned Registrar of Companies by FRL, BSPL and PHRL.

The material provisions set out above are only the salient features of the Scheme of Arrangement, the shareholders are requested to read the entire text of the Scheme of Arrangement forming part of Annexures to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme of Arrangement.

### **Objects and Rationale of the Scheme**

The Scheme of Arrangement provides for *inter alia*, demerger of the Home Retail Business Undertaking of FRL and demerger of the e-Commerce Home Retail Business Undertaking of BSPL into PHRL pursuant to the relevant provisions of the Companies Act, 2013 and the rules made thereunder, thereby unlocking the shareholders value and at the same time to enable growth of these companies as separate businesses.

1. FRL currently operates multiple retail formats in the Indian consumer market under different brand names including: Big Bazaar; fbb; Food Bazaar; easyday, Foodhall; Home Town and eZone. Home Retail Business of FRL is carried on through HomeTown stores operated by FRL.
2. BSPL is *inter alia* engaged in the business of operating a web portal for online sale of furniture & furnishing products through www.fabfurnish.com and providing services for operation & maintenance of IT enabled platforms.
3. Demerger of the Home Retail Business Undertaking from FRL and demerger of the e-Commerce Home Retail Business Undertaking from BSPL into PHRL shall have the following benefits:
  - (a) spin off specialty retail business and focusing on large format and small format pure retail businesses from FRL;
  - (b) consolidation of offline and online Home Retail Business under a single entity;
  - (c) attribution of appropriate risk and valuation to the respective businesses based on risk-return profile and cash flows;
  - (d) more focused leadership and dedicated management; and
  - (e) greater visibility on the performance of Home Retail Business and e-Commerce Home Retail Business.

### **Other agreements**

#### **Lease Agreement between FEL and our Company**

Our Company has entered into a lease agreement with Future Enterprise Limited (“**Lessor**”) for taking the retail infrastructure assets and fixed assets at offices and warehouses situated across the country on lease from the Lessor. The agreement is initially valid for a period of seven years, which may be renewed by the parties. The agreement may be mutually terminated by any party, after giving six months’ notice after expiry of initial lockin period of five years. Pursuant to the agreement, it is our Company’s responsibility to repair and maintain the assets which have been granted to us on lease. It is Lessor’s responsibility to replace the assets and obtain and maintain adequate insurance for the same. During the subsistence of this agreement, we have the right to purchase assets at fair value of the Assets to be purchased at any time during the tenure of the agreement.

The agreement provides for counter indemnity due to any action or inaction by the other party. In case of breach of any terms and conditions of the agreement, the same may be cured within a period of 30 days. All the disputes will be resolved through mediation or arbitration in accordance with the applicable laws

## OUR MANAGEMENT

In terms of our Articles of Association, our Company is required to have not less than three and not more than 15 directors. As on the date of this Information Memorandum, our Board comprises of six directors.

The following table sets forth details of our Board:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p><b>Viraj Didwania</b>  <i>Designation:</i> Chairman and Managing Director  <i>Address:</i> 102 A Grand Paradi, Kemp's Corner, Mumbai – 400 036  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> Appointed for a period of five years from October 12, 2017 to October 11, 2022  <i>DIN:</i> 02412474</p>	35	<ul style="list-style-type: none"> <li>• Foresight Bullion India Private Limited</li> <li>• Foresight Commodities India LLP</li> <li>• Viraj Land Developers Private Limited.</li> </ul>
<p><b>Shrirang Sarda</b>  <i>Designation:</i> Non Executive Non Independent Director  <i>Address:</i> Sarda House, Godavari River Bank, Old Gangapur Naka, Nashik – 422 013  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> Appointed for a period of five years from December 12, 2017 to December 11, 2022  <i>DIN:</i> 00576667</p>	45	<ul style="list-style-type: none"> <li>• City Centre Mall Nashik Private Limited</li> <li>• Green Canopy Energies LLP</li> <li>• Kisanlalji Sarda Education and Research Foundation</li> <li>• Nashik Natural Products Private Limited</li> <li>• Rasbihari Properties Private Limited</li> <li>• Sarda Fresh Fruits Private Limited</li> <li>• Seeds of Awareness LLP</li> <li>• Seeds of Awareness and Research Foundation</li> <li>• S.K. Sarda Developers Private Limited</li> <li>• Slice Marketing Private Limited</li> <li>• SLS Software Private Limited</li> <li>• Sungrace Traders LLP</li> <li>• TLC Relationship Management Private Limited</li> <li>• Yogi Ayurvedic Products Private Limited</li> </ul>
<p><b>Pankaj Bhargava</b>  <i>Designation:</i> Independent Director  <i>Address:</i> F-6/1, Sector 7, Vashi, Navi Mumbai – 400 703  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> Appointed for a period of five years from December 12, 2017 to December 11, 2022  <i>DIN:</i> 02685275</p>	51	<ul style="list-style-type: none"> <li>• COE Creators International Private Limited</li> <li>• People Builders Private Limited</li> <li>• Ral Consumer Products Limited.</li> </ul>

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<b>Shantanu Shah</b> <i>Designation:</i> Independent Director <i>Address:</i> 207 Brigade Paramounty Apts, Old Madras Road, Bangalore- 560 093 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Appointed for a period of five years from December 12, 2017 to December 11, 2022 <i>DIN:</i> 07012322	35	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
<b>S. Subramanian</b> <i>Designation:</i> Independent Director <i>Address:</i> New No.5, Bharathi Nagar, Second Street, T.Nagar, Chennai – 600 017 <i>Occupation:</i> Consultant <i>Nationality:</i> Indian <i>Term:</i> Appointed for a period of five years from December 12, 2017 to December 11, 2022 <i>DIN:</i> 00092215	67	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
<b>Sridevi Badiga</b> <i>Designation:</i> Independent Director <i>Address:</i> D.No. 5-10-173, Vasantha Chambers Fateh Maidan Road, Basheerbagh, Hyderabad, Telengana, 500 004 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Appointed for a period of five years from December 12, 2017 to December 11, 2022 <i>DIN:</i> 02362997	46	<ul style="list-style-type: none"> <li>• Future Retail Limited</li> </ul>

#### ***Relationship between our Directors***

None of our Directors are related to each other.

#### ***Arrangements or understandings with major shareholders, customers, suppliers or others***

Other than Shirang Sarada, who is a director of City Centre Mall Nashik Private Limited, with which our Company has a lease agreement to take space on lease for one of our HomeTown store in City Centre Mall Nashik, none of our Directors have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

#### ***Brief Biographies of Directors***

**Viraj Didwania**, aged 35, is a Chairman and Managing Director of our Company. He holds a graduate degree in commerce from the Business School and graduate degree in economics from the University of Virginia. He has been associated with our Company since October, 2017. He has experience in investment banking, merger and acquisition transactions, capital raising activities. Previously, he worked with Morgan Stanley as Investment Banker from September 2005 to August 2008 and prior to that, he worked with Ernst and Young as a Consultant from August 2004 to September 2005.

**Shrirang Sarada**, aged 45, is a non-independent non-executive director of our Company. He holds a graduate degree in commerce from the BYK College of Commerce and masters in business administration from the Simon Business School, University of Rochester. He has been associated with our Company since December 12, 2017. He has experience in establishing world class dairy farm and setting up last mile distribution of chilled milk.

**Pankaj Bhargava**, aged 51, is an independent director of our Company. He holds a bachelors' degree in chemical engineering from the Indian Institute of Technology, Mumbai and masters degree in human resource management from the Indian Institute

of Management, Kolkata. He has been associated with our Company since December 12, 2017. He has experience in human resources. Previously, he worked with Marico Limited from 1991 to 2007 as Chief of human resources.

**Shantanu Shah**, aged 35, is an independent director of our Company. He holds a bachelors' degree in computer engineering from University of Pune and masters degree in computer engineering from University of Cornell, New York. He has been associated with our Company since December 12, 2017. He has experience in artificial intelligence technology. Previously, he worked with Google Inc. from 2006 to 2015 as Senior Software Engineer.

**S. Subramanian**, aged 67, is an independent director of our Company. He holds a post graduation in naval architect from University of London. He has been associated with our Company since December 12, 2017. He has experience in building and designing indigenous warships. Previously, he worked with Indian Navy as a Naval Architect till 1994.

**Sridevi Badiga**, aged 46, is an independent director of our Company. She holds a masters in business administration with majors in accounting from Kellogg School of Management. She has been associated with our Company since December 12, 2017. She currently runs a cross-border advisory practice, working closely with a network of family offices and Institutional Investors in the Middle East. In past, she had worked in Kuwait, Bahrain, Qatar and Dubai primarily in Investment Banking. Prior to this, she was a part of Gap Inc.'s corporate finance team based in San Francisco, getting retail insight. Earlier, she was an investment banker with JP Morgan in New York City and Hong Kong focusing on the Power and Infrastructure sector.

### ***Confirmations***

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Information Memorandum, whose shares have been or were suspended from being traded on any stock exchanges.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchanges during the term of their directorship in such companies.

None of our Directors have been declared as Wilful Defaulters.

### **Payment and Benefits to our Directors**

#### ***Remuneration paid to our Chairman and Managing Director***

Our Company has not paid any remuneration to our Chairman and Managing Director for Financial Years 2017, 2016 and 2015. As per recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board Meeting held on December 12, 2017 has approved the remuneration of Rs. 1.88 crore per annum and other perquisites as permitted under Income Tax Act in relation to reimbursement of medical expenses and provision of other facilities.

#### ***Remuneration of Non Executive Directors***

Our Company has not paid any remuneration to the Non Executive Directors of our Company for the Financial Year 2017.

The Independent Directors of our Company are only entitled to the sitting fee for attending the Board / committee meetings of our Company.

As on the date of this Information Memorandum, our Company does not have any subsidiary and/or associate company within the meaning of Companies Act, 2013.

#### ***Shareholding of Directors in our Company***

As on the date of this Information Memorandum, our directors do not hold any shares in our Company.

Our Articles of Association do not require our Directors to hold any qualification shares.

#### ***Appointment of relatives of Directors to any office or place of profit***

None of the relatives of our Directors currently hold any office or place of profit in our Company.

#### ***Interests of Directors***

Our Chairman and Managing Director may be deemed to be interested to the extent of remuneration and other perquisites for which he may be entitled too as part of his services rendered to our Company as an officer or an employee of our Company.

Certain of our Non Executive Directors and/or Independent Directors may be deemed to be interested to the extent of remuneration and fees payable to them for attending meetings of our Board and committees thereof and reimbursement of other expenses payable to them for attending the meetings of our Board and committees thereof.

Our Directors have no interests in the promotion of our Company other than in the ordinary course of business.

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Further, other than Shrirang Sharda, who is a director of City Centre Mall Nashik Private Limited, with which our Company has a lease agreement to take space on lease for one of our HomeTown store in City Centre Mall Nashik, other Directors have no interests in any property acquired within two years from the date of this Information Memorandum or proposed to be acquired by our Company.

No loans have been availed by our Directors from our Company.

The Directors may also be regarded as interested in the shares held and subscribed by and allotted/transferred to the companies, firms and trusts, in which they are interested as directors, members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Except as otherwise disclosed above, our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person for services rendered by such Directors or by such firm or company in connection with the promotion or formation of our Company.

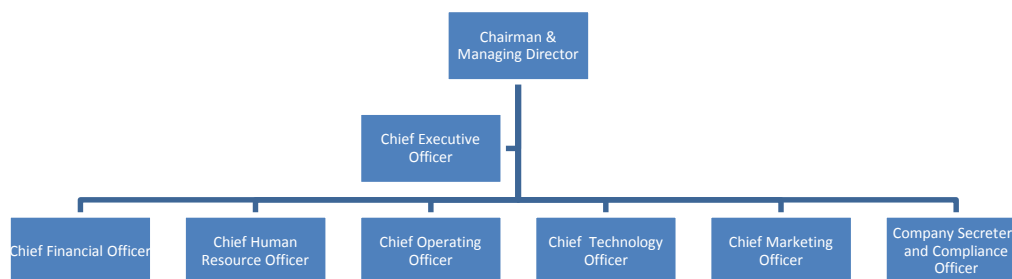
#### **Changes in our Board in the last three years**

S. No.	Name of Directors	Date of Appointment	Date of Cessation	Reason for resignation/appointment
1	Girdhar Pathak	January 31, 2011	April 20, 2017	Resigned
2	Rajendranath Chaturvedi	January 31, 2011	April 20, 2017	Resigned
3	Pawan Kumar Agarwal	April 18, 2017	December 12, 2017	Resigned
4	Mukesh Agarwal	April 18, 2017	December 12, 2017	Resigned
5	Krishan Kumar Biyani	April 18, 2017	December 12, 2017	Resigned
6	Viraj Didwania	October 12, 2017	-	Appointed as managing director
7	Pankaj Bhargava	December 12, 2017	-	Appointed as an independent director.
8	Shrirang Sarda	December 12, 2017	-	Appointed as non independent and non executive director.
9	Shantanu Shah	December 12, 2017	-	Appointed as an independent director.
10	S. Subramanian	December 12, 2017	-	Appointed as an independent director.
11	Sridevi Badiga	December 12, 2017	-	Appointed as an independent director.

#### **Borrowing powers of our Board**

Pursuant to the resolution adopted at the shareholders' meeting held on November 20, 2017, our Board has been authorized to borrow an amount up to ₹7500 million.

#### **Management Organisation Chart**



#### **Key Management Personnel**

For details in relation to biography of our Chairman and Managing Director, please see the section entitled “Our Management - Brief Biographies of Directors” on page 81.

**V Harish Parasuram**, aged 40, is the Chief Financial Officer of our Company. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. He holds a bachelor's degree in commerce from Mulund College of Commerce, University of Mumbai. He has been associated with our Company since July, 2017. He has experience in fast moving consumer goods and insurance broking industries handling different roles across areas of Finance domain including, corporate & management accounting, strategic business planning, internal audit & risk management, treasury and taxation. Before joining our Company, he was working as a Chief Financial Officer with UIB Insurance Brokers (India) Private Limited.

**Smita Chowdhury**, aged 41, is a Company Secretary and Compliance officer of our Company. She is a qualified company secretary from Institute of Company Secretaries of India. She holds a masters degree in Commerce from Indira Gandhi National Open University and bachelors degree in law from G.J. Advani Law College, University of Mumbai. She has been associated with our Company since August 2017. She has experience in company secretarial field and corporate law. Previously, she has worked with Wyeth Limited, Ipca Laboratories Limited, Watchtower Entertainment Private Limited and Rolta India Limited.

None of our Key Management Personnel are related to each other.

All our Key Management Personnel are permanent employees of our Company.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were selected as members of our senior management.

#### ***Shareholding of Key Management Personnel***

None of the key management personnel hold any shares in our Company.

#### ***Bonus or profit sharing plan of the Key Management Personnel***

Except for the annual performance bonus applicable to the Key Management Personnel, our Company does not have any bonus or profit sharing plan for the Key Management Personnel.

#### ***Interests of Key Management Personnel***

The Key Management Personnel do not have any interests in our Company other than to the extent of the remuneration or benefits, to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business, the annual performance bonus and the insurance policies of our Company.

Except the policy of our Company, our Company has not entered into any service contracts with our Key Management Personnel which provide for benefits upon termination of employment of our Key Management Personnel.

#### ***Changes in our Key Management Personnel***

There have been no changes in our Key Management Personnel in the last three years from the date of this Information Memorandum, except as disclosed herein

#### ***Payment or Benefit to officers of our Company***

Except for the payment of remuneration or commission for services rendered by our officers, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer and consideration for payment of giving of the benefit.

#### ***Corporate Governance***

In terms of the Listing Regulations, the disclosure requirements and corporate governance norms as specified for listed companies shall *mutatis mutandis* apply to our Company. Our Company is in compliance with the requirements of the Listing Regulations and the Companies Act in respect of corporate governance requirements including constitution of our Board and committees thereof. Our corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, and the Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board or its committee's detailed reports on its performance periodically.

Currently, our Board has six Directors comprising the Chairman and Managing Director, one Non Executive and Non Independent Director and four Independent Directors. Further, in compliance with the Listing Regulations and the Companies Act, our Company has at least one woman director on our Board.



### ***Committees of our Board in accordance with Listing Regulations***

In addition to the committees of our Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

#### **Audit Committee**

The members of the Audit Committee are:

1. Sridevi Badiga (Chairperson);
2. Viraj Didwania;
3. Pankaj Bhargava; and
4. S. Subramanian.

The Audit Committee was constituted by our Board on December 12, 2017. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the Listing Regulations and its terms of reference include the following:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) To recommend the appointment, remuneration and terms of appointment of auditors of the Company as may be applicable;
- (c) To approve of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) To review and monitor the auditors' independence and performance, and effectiveness of audit process;
- (e) To examine / review the financial statement and the Auditors' report thereon with the management, before submission to the board of directors for approval, with particular reference to:
  - (i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act;
  - (ii) changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) significant adjustments made in the financial statements arising out of audit findings;
  - (v) compliance with listing and other legal requirements relating to financial statements;
  - (vi) disclosure of any related party transactions; and
  - (vii) modified opinion(s) in the draft audit report.
- (f) Reviewing, with the management, the quarterly financial statements before submission to the board of directors for approval;
- (g) To grant approval for or any subsequent modification of transactions of the Company with related parties;
- (h) To scrutinize inter-corporate loans and investments;
- (i) To consider valuation of undertakings or assets of the Company, wherever it is necessary;
- (j) To evaluate internal financial controls and risk management systems;
- (k) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors to take up steps in this matter;
- (l) To monitor the end use of funds raised through public offers and related matters;

- (m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) Discussion with internal auditors of any significant findings and follow up there on;
- (p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board of directors;
- (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (s) To review the functioning of the whistle blower mechanism;
- (t) To approve of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (u) To investigate into any above matter or referred to it by the board of directors and for this purpose, it to have full access to information contained in the records of the Company and external professional advice, if necessary;
- (v) To mandatorily review the following information:
  - (i) management discussion and analysis of financial condition and results of operations;
  - (ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (iii) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (iv) internal audit reports relating to internal control weaknesses;
  - (v) the appointment, removal and terms of remuneration of the chief internal auditor; and
  - (vi) statements of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
    - (b) annual statement of funds utilized for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations.
- (w) To perform such other functions and duties as may be required to be performed by the Audit Committee under the applicable provisions of the Companies Act and/or the Rules made thereunder and/or the Listing Regulations, including any amendment(s) thereto as may be made from time to time.

#### **Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee are:

1. Pankaj Bhargava (Chairperson);
2. S. Subramanian;
3. Shrirang Sharda; and
4. Shantanu Shah.

The Nomination and Remuneration Committee was constituted by our Board on December 12, 2017. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19(4) of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

- (a) To formulate and recommend to the board of directors for its approval and also to review from time to time, a Nomination and Remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act.
- (b) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- (c) To identify persons who are qualified to become directors and persons who may be appointed in senior management position including key managerial personnel in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (d) Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- (e) To recommend to the board of directors, qualifications, appointment, remuneration and removal of directors, key managerial personnel and persons in senior management positions in accordance with the Nomination and Remuneration policy.
- (f) To devise a policy on diversity of board of directors.
- (g) To carry out performance evaluation of every Director in accordance with the Nomination and Remuneration policy.
- (h) To consider grant of stock options to eligible Directors, to formulate detailed terms and conditions of Employee Stock Option Scheme (ESOS) and to administer and exercise superintendence over ESOS.
- (i) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### **Stakeholders' Relationship Committee**

The members of the Stakeholders' Relationship Committee are:

1. Shirang Sarda, (Chairperson);
2. Viraj Didwania; and
3. Pankaj Bhargava.

The Stakeholders' Relationship Committee was constituted by our Board on December 12, 2017, 2017. This committee is responsible for the redressal of shareholder grievances.

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20(4) of the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

- (a) Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- (b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (c) Issue of duplicate certificates and new certificates on split/consolidation/renewal; and
- (d) Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, the Listing Regulations or by any other regulatory authority.

#### **Corporate Social Responsibility Committee**

The members of the Corporate Social Responsibility Committee are:

1. Viraj Didwania (Chairperson);
2. Pankaj Bhargava;
3. Shantanu Shah; and

4. S. Subramanian.

The Corporate Social Responsibility Committee was constituted by Our Board on December 12, 2017. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act.

The terms of reference of Corporate Social Responsibility Committee include:

- (a) To formulate and recommend to the Board of Directors, the Corporate Social Responsibility Policy, indicating the corporate social responsibility activities to be undertaken;
- (b) To recommend the amount of expenditure to be incurred on the corporate social responsibility activities;
- (c) To monitor the Corporate Social Responsibility Policy and its implementation by the Company from time to time;
- (d) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the rules framed thereunder.

## PROMOTERS AND PROMOTER GROUP

Kishore Biyani and Suhani Trading and Investment Consultants Private Limited are the Promoters of our Company.

### KISHORE BIYANI



Kishore Biyani is the Chief Executive Officer of Future Group. He holds a bachelor's degree in Commerce and a post graduate diploma in management from the University of Mumbai. He has led Future Entities' foray into organized retail and brands across food, fashion and home with the opening of the stores such as, Big Bazaar, Central, Home Town. He has over 37 years of experience in the field of manufacturing, marketing of readymade garments and retail.

His driving license number is MH01 20100091317 and his voter identification number is ISD4383584. His residential Address: 406, Jeevan Vihar, Manav Mandir Road, Malabar Hill, Mumbai, 400 006.

### SUHANI TRADING AND INVESTMENT CONSULTANTS PRIVATE LIMITED

#### 1. Incorporation & Registered Office

Suhani Trading and Investment Consultants Private Limited ("STICPL") was incorporated on November 5, 2007 under the Companies Act, 1956 at Mumbai as a private limited company. STICPL is involved in the business of providing consultancy/ advisory services in respect of trading in commodities, consumer products, other articles and goods of every description, providing financial, investment advisory and consultancy services, management and facilitation services. The CIN of STICPL is U74140MH2007PTC175603.

The registered office of STICPL is situated at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060.

#### 2. Brief History

Kishore Biyani is management trustee of Retail Trust holding 99.60% shares in STICPL. The beneficiaries of Retail Trust are eight discretionary family trust, whose beneficiaries are Biyani family members.

Equity Shareholding pattern as on December 7, 2017

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held(b)	No.	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group <sup>(##)</sup>	21	25,15,003	-	-	25,15,003	100	25,15,003	-	25,15,003	100	-	-	-	-	-	-	-
(B)	Public	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter - Non Public	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held By Employee Trust	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>21</b>	<b>25,15,003</b>	<b>-</b>	<b>-</b>	<b>25,15,003</b>	<b>100</b>	<b>25,15,003</b>	<b>-</b>	<b>25,15,003</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Preference Shareholding pattern as on December 7, 2017

Category	Category of shareholder	Number of shareholders	No. of fully paid up preference shares held	No. of Partly paid-up preference shares held	No. of shares underlying Depository Receipts	Total nos. preference shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of preference shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)As a % of (A+B+C2)	(IX)			(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)	(XIV)		
(A)	Promoter & Promoter Group <sup>(##)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter - Non Public	5	14,90,000	-	-	14,90,000	100	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares Underlying DRs	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares Held By Employee Trust	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>5</b>	<b>14,90,000</b>	<b>-</b>	<b>-</b>	<b>14,90,000</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### 3. Board of Directors

Name	Designation
Kishore Biyani	Additional Director
Vijay Biyani	Additional Director
Anil Biyani	Additional Director
Sangita Biyani	Additional Director
Vivek Biyani	Additional Director
Hemant Bothica	Additional Director
Ajay Dedhia	Additional Director
Anil Bagri	Additional Director

### 4. Financial Performance for the last three fiscal years

(₹ in crores except per share data)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital	4.01	0.01	0.01
Reserve (exc. Revaluation Reserve)	3,711.59	(0.20)	(0.15)
Income including Other Income	0.40	0.34	0.33
Profit/ Loss after tax	(1.26)	(0.04)	(0.09)
Basic EPS (in ₹)	(1,260.70)	(41.30)	(85.58)
Diluted EPS (in ₹.)	(1,260.70)	(41.30)	(85.58)

#### Payment or benefit to Promoters

No amount or benefit is paid or given since incorporation to the Promoter of our Company.

#### Interests of Promoters

Our Promoters are interested in our Company to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For details on shareholding of our Promoters in our Company, please see the section entitled “*Capital Structure*” on 45.

Our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in the Group entities with which our Company transacts during the course of its operations.

For details of related party transactions entered into by our Company during the last financial year the nature of transactions and the cumulative value of transactions, please see the section entitled “*Related Party Transactions*” on page 110.

#### Confirmations

Further, none of the Promoters have been declared as a Willful Defaulter by the RBI, or any other governmental authority or any bank / financial institution or a consortium thereof and there are no violations of securities laws committed by the Promoters in the past or are pending against them.

Except as disclosed in the Information Memorandum, our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Information Memorandum, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. None of our Promoters, Directors and Group entities are interested in any transaction in acquisition of land, construction of building and supply of machinery except in the ordinary course of business.

Except as stated otherwise in this Information Memorandum, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Information Memorandum or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Accounting Standard 18, please see the section entitled “*Related Party Transactions*” on page 110.

Our Promoters and Promoter Group entities have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not, and have never been, a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.



Except as otherwise disclosed in the Information Memorandum, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoters are not related to any sundry debtors of our Company.

### **Details of Promoter and Promoter Group**

The names of the persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations are set out below. In addition to the Promoters and the Group Companies, the following entities constitute the Promoter Group of our Company:

#### **Individuals:**

1. Anil Biyani
2. Ashni Biyani
3. Avni Biyani
4. Godavaridevi Biyani
5. Laxminarayan Biyani
6. Madanlal Rathi
7. Meena Bagree
8. Nilima Saboo
9. Rajesh Rathi
10. Sangita Biyani
11. Taradevi Rathi
12. Vijay Biyani

#### **Hindu Undivided Families (“HUF”):**

1. Anil Biyani HUF
2. Ashish Saboo HUF
3. Kishore Biyani HUF
4. Laxminarayan Biyani HUF
5. Madan Lal Rathi HUF
6. Vijay Biyani HUF

#### **Partnerships:**

1. BLB Trading & Investment Consultants
2. Jaybharat Udhog
3. Sita Ginneing Factory
4. SMS Enterprises
5. VLB Enterprises

#### **Limited Liability Partnerships:**

1. Anveshak Trade Enterprise LLP
2. Brahmabrata Trading LLP

3. Kavi Sales Agency LLP
4. KLB Capital Advisors LLP
5. Liquid Foot Infraprojects LLP
6. One India Capital Advisors LLP
7. Salarjung Multitrading LLP
8. Samreen Multitrading LLP
9. Silver Base Infrastructure LLP
10. Tanushri Infrastructure LLP
11. Taraka Infrastructure LLP
12. VLB Enterprise LLP

**Companies:**

1. Akar Estate Finance Private Limited
2. Aask Design and Consulting Pte. Ltd
3. Avanee and Ashni Securities Private Limited
4. Banshi Mall Management Co. Private Limited
5. Basuti Sales and Trading Private Limited
6. Birthright Games & Entertainment Private Limited
7. Creative Home Craft Network Private Limited
8. Dhanshree Fashions Private Limited
9. Digital Infocom Systems Private Limited
10. Eastern Petroleum Private Limited
11. Expandus Capital Limited
12. Future Brands Limited
13. Future Coupons Limited
14. Future Digital Payment System Ltd
15. Future Entertainment Private Limited
16. Future Hospitality Management Limited
17. Future Hospitality Private Limited
18. Future Human Development Limited
19. Future Ideas Company Limited
20. Future Lighting India Limited
21. Future Outdoor Media Solutions Limited
22. Future People Services Limited (fka Nufuture Haribhakti Business Services Limited)
23. Future Retail Limited

24. Future Sharp Skills Limited
25. Futurefone Limited
26. Idiom Design and Consulting Limited
27. Iskrupa Mall Management Company Private Limited
28. Jaybharat Lubricants India Private Limited
29. L10n Infopreneur Private Limited
30. Nimbi Jodha Trading & Finvest Private Limited
31. Nufuture Digital (India) Limited
32. R.K.P. Business Concepts Private Limited
33. Retail Lights Techniques (India) Limited
34. Rural Fairprice Wholesale Limited
35. Srishti Mall Management Company Private Limited
36. Surplus Finvest Private Limited
37. Unicorn Petroleum Industries Private Limited
38. Utsav Mall Management Company Private Limited
39. Vayuputra Realty Private Limited
40. Whole Wealth Limited (foreign company)

**Companies or firms with which our Promoters have disassociated in the last three years;**

**(1) Kishore Biyani**

Details pertaining to disassociation from the following companies:

1. Second Life Project Private Limited – sale of shares effected on June 20, 2015

**(2) Suhani Trading and Investment Consultants Private Limited**

Details pertaining to disassociation from the following companies:

1. nuFuture Digital (India) Limited - ceased to be subsidiary of Suhani Trading and Investment Consultants Private Limited from March 31, 2015;
2. Planet Traders Limited – ceased to be subsidiary of Suhani Trading and Investment Consultants Private Limited from December 2, 2015;
3. Future Hospitality Management Limited - ceased to be subsidiary of Suhani Trading and Investment Consultants Private Limited from December 21, 2015;
4. New Horizon Retails Private Limited – ceased to be subsidiary of Suhani Trading and Investment Consultants Private Limited from December 21, 2015;
5. Central Departmental Stores Private Limited - ceased to be subsidiary of Suhani Trading and Investment Consultants Private Limited from March 31, 2017;
6. Future Capital Investment Private Limited - ceased to be subsidiary of Suhani Trading and Investment Consultants Private Limited from March 31, 2017; and
7. Ryka Commercial Ventures Private Limited - ceased to be subsidiary of Suhani Trading and Investment Consultants Private Limited from March 31, 2017.

## **GROUP COMPANIES**

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, the following companies are our Group Companies:

1. Avanee and Ashni Securities Private Limited
2. Expandus Capital Limited
3. Future Brands Limited
4. Future Consumer Limited
5. Future Digital Payment System Limited
6. Future Enterprises Limited
7. Future Entertainment Private Limited
8. Future Ideas Company Limited
9. Future Lifestyle Fashions Limited
10. Future Lighting India Limited
11. Future People Services Limited (fka Nufuture Haribhakti Business Services Limited)
12. Future Retail Limited
13. Future Sharp Skills Limited
14. Future Supply Chain Solutions Limited
15. Idiom Design and Consulting Limited
16. Retail Lights Techniques (India) Limited
17. Surplus Finvest Private Limited

## Details of the top five Group Companies:

The top five Group Companies on the basis of turnover are as follows:

### 1. FUTURE RETAIL LIMITED

#### Corporate Information

FRL was incorporated on February 7, 2007 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, at New Delhi. The name of FRL was changed to Bharti Retail Limited pursuant to a fresh certificate of incorporation dated May 21, 2009 and subsequently to Future Retail Limited pursuant to a fresh certificate of incorporation dated May 25, 2016 issued by the RoC. FRL is involved in the business of operating multiple retail formats in the Indian consumer market under different retail formats including Big Bazaar, FBB, eadyday Foodhall and eZone.

#### Interest of our Promoter

Suhani Trading and Investment Consultants Private Limited holds 47.426 % of the total paid up equity share capital of FRL.

Kishore Biyani holds 0.00% of the total paid up equity share capital of FRL.

#### Financial Information

(₹ in crore except per share data)

Particulars	For the Year Ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Equity Capital	94.36	8.70	1398.66
Reserve (exc. Revaluation Reserve)	2449.78	1779.7	-1820.26
Sales/ Turnover	17075.09	6845.13	1779.42
Profit/ Loss after tax	368.28	15.09	-379.211
Basic - Equity Share (in ₹)	7.81	0.69	-107.24
Diluted - Equity Share (in ₹)	7.81	0.69	-107.24
Net asset value per share	52.15	39.76	-0.21

\*The financial statements for Fiscals 2017 and 2016 are prepared in accordance with Ind AS and the financial statement for Fiscal 2015 is prepared in accordance with IGAAP.

#### Share price information

The equity shares of FRL having a face value of ₹2 each are listed on BSE and NSE.

The monthly high and low of the closing market price of the equity shares of FRL during the preceding six months are provided below:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
December, 2017	545.80	517.00	544.75	517.30
November, 2017	643.25	468.45	644.85	467.80
October, 2017	539.65	512.05	539.70	512.70
September, 2017	578.75	507.35	580.15	508.05
August, 2017	533.90	398.30	535.15	399.60
July, 2017	436.40	368.25	436.80	367.80

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The closing market price of the equity shares of FRL as on January 25, 2018 on NSE and BSE was ₹ 558.00 and ₹555.70 per equity share, respectively.

The market capitalisation of FRL as of January 25, 2018 was ₹ 27,894.76 crores.

Other than as disclosed below, there has been no change in the capital structure of FRL in the last six months:

- FRL has allotted 625,804 equity shares of ₹ 2 each on January 19, 2017, March 21, 2017 and July 13, 2017 pursuant to its employee stock option scheme.

- (ii) Further, pursuant to a scheme of arrangement, FRL allotted 17,847,420 equity shares of ₹ 2 each to Heritage Foods Limited on July 27, 2017. Upon allotment, the issued equity share capital of FRL was ₹ 979,832,304 and paid up equity share capital was 979,623,562.
- (iii) FRL allotted 28,52,386 equity shares of ₹ 2 each at a premium of ₹ 538.60 per equity share to Cedar Support Services Limited (“Cedar”) on October 31, 2017 amounting to ₹ 1542 million, upon the conversion of 1,542 optionally convertible debentures (“OCDs”) of ₹ 1 million each allotted to Cedar pursuant to a scheme of arrangement. Upon allotment, the issued equity share capital of FRL was ₹ 985,328,334 and paid up equity share capital of FRL was ₹ 985,328,334.

***Previous public issues or rights issues in the last three years***

FRL has not undertaken any public issue or rights issue in the last three years.

***Shortfall in performance vis-à-vis the objects of the issue***

There is no shortfall in performance vis-à-vis objects of any public or rights issue undertaken by FRL.

**2. FUTURE ENTERPRISES LIMITED (“FEL”)**

***Corporate Information***

FEL was incorporated on October 12, 1987 as Manz Wear Private Limited at Mumbai as a private limited company under the Companies Act, 1956. The name of FEL was changed to Manz Wear Limited, pursuant to the conversion from a private limited company to a public company and a fresh certificate of incorporation was issued dated September 20, 1991. Subsequently, the name of FEL was changed to Pantaloon Fashions (India) Limited and a fresh certificate of incorporation was issued dated September 25, 1991.

Consequently, the name of FEL was changed to Pantaloon Retail (India) Limited and a fresh certificate of incorporation was issued dated July 7, 1999. Further, the name of FEL was changed to Future Retail Limited and a fresh certificate of incorporation was issued dated May 16, 2013. The name of FEL was changed to Future Enterprises Limited and a fresh certificate of incorporation was issued dated May 4, 2016.

FEL is currently engaged in the business of retail infrastructure, mainly providing the infrastructure assets and support to various retail formats of FRL.

***Interest of our Promoter***

Kishore Biyani holds 0.01% of the Class B (Series 1) shares of the total paid up share capital of FEL.

Suhani Trading and Investment Consultants Private Limited holds 6.13 % of the total paid up equity share capital of FEL and 7.31% (Class B-Series 1) of the total paid up equity capital of FEL.

***Financial Performance***

The financial information derived from the audited financial results of FEL for Fiscals 2017, 2016 and 2015 are provided below:

*((₹ in crore except per share data))*

Particulars	For the Year Ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Equity Capital	94.57	85.57	131.64
Reserve (exc. Revaluation Reserve)	3687.96	3302.42	5236.20
Sales/ Turnover	4485.45	8415.46	11057.24
Profit/ Loss after tax	54.83	44.45	152.98
Basic - Equity Share (in Rs.)	0.74	0.80	5.69
Basic - Class B (Series-1) Share (in Rs.)	0.78	0.84	5.73
Diluted - Equity Share (in Rs.)	0.74	0.80	5.69
Diluted - Class B (Series-1) Share (in Rs.)	0.78	0.84	5.73
Net asset value per share	80.81	81.06	135.37

*\*The financial statements for Fiscals 2017 and 2016 are prepared in accordance with Ind AS and the financial statement for Fiscal 2015 is prepared in accordance with IGAAP.*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

### **Share price information**

The equity shares of FEL having a face value of ₹ 2 each are listed on BSE and NSE.

The monthly high and low of the closing market price of the equity shares of FEL during the preceding six months are provided below:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
December, 2017	54.65	48.30	54.85	48.30
November, 2017	55.10	46.55	55.15	46.60
October, 2017	53.10	46.85	53.10	47.00
September, 2017	56.40	43.85	56.55	43.90
August, 2017	46.50	35.70	46.40	35.50
July, 2017	40.05	33.30	40.00	33.35

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The closing market price of the equity shares of FEL as on January 25, 2018 on NSE and BSE was ₹43.40 and ₹43.25 per equity share, respectively.

The Equity Shares market capitalisation of FEL as of January 25, 2018 is Rs 1,963.54 crores.

Except as disclosed below, there has been no change in the capital structure in the last six months.

1. On December 20, 2017, FEL issued and allotted 1500, 9.25% secured redeemable non-convertible debentures of ₹ 10,00,000 each on a private placement basis.
2. On October 31, 2017, FEL issued and allotted 18,440,808 equity shares to Cedar Support Services Limited (“Cedar”), subsequent to the exercise of 958 optionally convertible debentures of ₹ 1 million each, allotted to Cedar on May 1, 2016; and
3. Pursuant to the Employee Stock Options Scheme 2012 and Employee Stock Option Scheme 2015, FEL allotted 93,428 equity shares and 2,002,996 equity shares, respectively, of ₹ 2 each on November 13, 2017 and accordingly, the paid-up capital of FEL increased to ₹ 986,743,494.

### **Previous public issues or rights issues in the last three years**

Pursuant to rights issue closed on January 29, 2015 FEL has allotted 14,93,02,369 equity shares having a face value of Rs 2 at a premium of Rs 101 to the shareholders i.e. at Rs 103 per share.

Pursuant to rights issue closed on January 29, 2015, FEL has allotted 99,47,227 Class B (DVR) series 1 shares having a face value of Rs 2 at a premium of Rs 48.25 to the shareholders i.e. Rs 50.25 per share.

### **Shortfall in performance vis-à-vis the objects of the issue**

There is no shortfall in performance vis-à-vis objects of any public or rights issue undertaken by FLFL.

## **3. FUTURE LIFESTYLE FASHIONS LIMITED (“FLFL”)**

### **Corporate Information**

FLFL was originally incorporated as Future Value Fashion Retail Limited on May 13, 2012 as a public company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the RoC. Subsequently, the name was changed to Future Lifestyle Fashions Limited and a fresh certificate of incorporation was issued by the RoC dated December 4, 2012. FLFL is involved in the business of fashion retail trade.

### **Interest of our Promoter**

Suhani Trading and Investment Consultants Private Limited holds 3.36 % of the total paid up equity share capital of FLFL.

## Financial Performance

The financial information derived from the audited financial results of FLFL for Fiscals 2017, 2016 and 2015 are provided below:

(₹ in crore except per share data)

Particulars	For the Year Ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Equity Capital	38.09	37.92	37.24
Reserve (exc. Revaluation Reserve)	1,884.28	1,585.32	1,532.48
Sales/ Turnover	3,877.07	3,300.19	3,134.09
Profit/ Loss after tax	45.00	29.47	18.56
Basic - Equity Share (in ₹)	2.37	1.55	1.07
Diluted - Equity Share (in ₹)	2.37	1.55	1.05
Net asset value per share	101.17	85.61	84.30

\*The financial statements for Fiscals 2017, 2016 and 2015 are prepared in accordance with IGAAP.

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

## Share Price Information

The equity shares of FLFL having a face value of ₹ 2 each are listed on BSE and NSE.

The monthly high and low of the closing market price of the equity shares of FLFL during the preceding six months are provided below:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
December, 2017	354.95	336.25	354.45	337.30
November, 2017	388.65	338.60	387.95	337.70
October, 2017	362.30	335.05	361.85	334.55
September, 2017	396.65	319.75	396.60	320.15
August, 2017	371.90	313.60	371.80	311.90
July, 2017	321.25	301.15	320.75	302.90

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

The closing market price of the equity shares of FLFL as on January 25, 2018 on NSE and BSE was ₹ 384.00 and ₹ 385.00 per equity share, respectively.

The market capitalisation of FLFL as of January 25, 2018 was Rs 7,330.93 crores.

Other than as disclosed below, there has been no change in the capital structure of FLFL in the last six months:

- (i) Pursuant to the FLFL Employee Stock Options Scheme, 2013, FLFL issued 32,787 fully paid-up equity shares of ₹ 2 each on September 12, 2017 and accordingly, the paid-up capital of FLFL increased to ₹ 380,323,530.
- (ii) Pursuant to the FLFL Employee Stock Options Scheme, 2013 and FLFL Employee Stock Options Plan, 2015, FLFL allotted 232,358 fully paid-up equity shares of ₹ 2 each on November 23, 2017, at an exercise price of ₹ 10 each (including a share premium of ₹ 8 each) and accordingly, the paid-up capital of FLFL increased to ₹ 380,788,246.

## Previous public issues or rights issues in the last three years

FLFL has not undertaken any public issue or rights issue in the last three years.

## Shortfall in performance vis-à-vis the objects of the issue

There is no shortfall in performance vis-à-vis objects of any public or rights issue undertaken by FLFL.



#### 4. FUTURE CONSUMER LIMITED (“FCL”)

##### *Corporate Information*

FCL was originally incorporated as a public company under the name of Subhikshith Finance and Investments Limited on July 10, 1996 under the Companies Act, 1956. FCL received the certificate of commencement of business dated August 2, 1996 by the RoC. Subsequently, the name of FCL was changed to Subhikshith Finance and Investments Private Limited, pursuant to conversion to a private company. A fresh certificate of incorporation was issued by the RoC dated September 17, 2001. Further, the name of FCL was changed to Future Ventures India Private Limited and a fresh certificate of incorporation was issued by the RoC dated August 9, 2007. Thereafter, the name of FCL was changed from Future Ventures India Private Limited to Future Ventures India Limited and a fresh certificate of incorporation was issued by the RoC dated September 7, 2007. The name of FCL was subsequently changed to Future Consumer Enterprise Limited and a fresh certificate of incorporation was issued by the RoC dated September 30, 2013. The name was further changed to Future Consumer Limited and a fresh certificate of incorporation was issued by the RoC dated October 13, 2016.

FCL, an integrated food and FMCG company, that is involved in the business of sourcing, processing, manufacturing, branding and distribution of food products.

##### *Interest of our Promoter*

Suhani Trading and Investment Consultants Private Limited holds 0.78 % of the total paid up equity share capital of FCL.

##### *Financial Performance*

The financial information derived from the audited financial results of FCL for Fiscals 2017, 2016 and 2015 are provided below:

*(₹ in crore except per share data)*

Particulars	For the Year Ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Equity Capital	988.36	987.55	994.29
Reserve (exc. Revaluation Reserve)	(496.82)	(449.83)	224.71
Sales/ Turnover	2,115.84	1,702.07	1,312.26
Profit/ Loss after tax	(61.01)	(107.68)	(102.76)
Basic - Equity Share (in Rs.)	(0.34)	(0.65)	(0.64)
Diluted - Equity Share (in Rs.)	(0.34)	(0.65)	(0.64)
Net asset value per share	4.88	3.44	4.85

*\*The financial statements for Fiscals 2017 and 2016 are prepared in accordance with Ind AS and the financial statement for Fiscal 2015 is prepared in accordance with IGAAP.*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

##### *Share price information*

The equity shares of FCL having a face value of ₹ 6 each are listed on BSE and NSE.

The monthly high and low of the closing market price of the equity shares of FCL during the preceding six months are provided below:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
December, 2017	78.05	57.75	78.15	57.80
November, 2017	63.05	57.90	63.05	57.90
October, 2017	66.90	56.75	66.95	56.65
September, 2017	66.85	48.90	67.00	48.80
August, 2017	50.80	38.60	50.70	38.75
July, 2017	44.80	31.30	45.20	31.20

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

The closing market price of the equity shares of FCL as on January 25, 2018 on NSE and BSE was ₹ 65.40 and ₹65.60 per equity share, respectively.

The market capitalisation of FCL as of January 25, 2018 was Rs 12,551.14 crores.

Except as stated below, there has been no change in the capital structure of FCL in the last six months:

- (i) Pursuant to the issue and allotment of 124,983 equity shares of ₹ 6 each by FCL on November 13, 2017, consequent to the exercise of options, at the exercise price as determined under the ESOP Schemes of FCL, the paid-up share capital of FCL increased to ₹ 11,057,164,092;
- (ii) Pursuant to the conversion of compulsorily convertible debentures and the coupons on October 26, 2017, FCL allotted 149,656,999 equity shares of ₹ 6 each to Black River Food 2 Pte. Limited on October 26, 2017, and the paid-up capital of FCL increased to ₹ 11,056,414,194;
- (iii) Pursuant to the allotment of 110,000 equity shares of ₹ 6 each by FCL on September 28, 2017 consequent to the exercise of options, at the exercise price as determined under the ESOP Schemes of FCL, the paid-up capital of the FCL increased to ₹ 10,158,472,200;
- (iv) Pursuant to the allotment of 1,000,000 equity shares of ₹ 6 each by FCL on September 4, 2017 consequent to the exercise of options, at the exercise price as determined under the ESOP Schemes of FCL, the paid-up capital of the FCL increased to ₹ 10,157,812,200; and
- (v) Pursuant to conversion of warrants on July 31, 2017, FCL allotted 29,476,462 equity shares of ₹ 6 each to its promoter group entity, and consequently the paid-up capital of the FCL increased to ₹ 10,151,812,200.

***Previous public issues or rights issues in the last three years***

FCL has not undertaken any public issue or rights issue in the last three years.

***Shortfall in performance vis-à-vis the objects of the issue***

There is no shortfall in performance vis-à-vis objects of any public or rights issue undertaken by FCL.

**5. FUTURE SUPPLY CHAIN SOLUTIONS LIMITED (“FSCSL”)**

***Corporate Information***

FSCSL was incorporated as Future Logistic Solutions Limited on March 8, 2006, at Mumbai, Maharashtra as a public limited company, under the Companies Act, 1956 and received a certificate of commencement of business dated March 31, 2006. Subsequently, the name of our Company was changed to Future Supply Chain Solutions Limited, and a fresh certificate of incorporation consequent to the change of name was issued by the RoC dated October 23, 2009. FSCSL is an organised third-party logistics service operators. It offers automated and IT-enabled warehousing, distribution and other logistics solutions.

***Interest of our Promoter***

Kishore Biyani through his relative holds 0.001% of the total paid up equity share capital of FSCSL.

Suhani Trading and Investment Consultants Private Limited holds 1.25 % of the total paid up equity share capital of FSCSL.

***Financial Information***

*(₹ in crore except per share data)*

Particulars	For the Year Ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Equity Capital	39.14	39.14	39.14
Reserve (exc. Revaluation Reserve)	253.67	208.10	178.64
Sales/ Turnover	561.18	519.87	407.96
Profit/ Loss after tax	45.75	29.43	24.66
Basic - Equity Share (in ₹)	11.69	7.52	6.3
Diluted - Equity Share (in ₹.)	11.24	7.34	6.3

Net asset value per share	74.81	63.17	55.64
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\*The financial statements for Fiscals 2017, 2016 and 2015 are prepared in accordance with IND AS.

### **Share price information**

The equity shares of FSCSL were listed on the stock exchanges on December 18, 2017 and accordingly share price information is not available for the past six months.

The closing market price of the equity shares of FSCSL as on January 25, 2018 on NSE and BSE was ₹ 688.25 and ₹ 688.00 per equity share, respectively.

The market capitalisation of FSCSL as of January 25, 2018 was Rs 2,755.87 crores.

Except as stated below, there has been no change in the capital structure of FSCSL in the last six months:

On November 14, 2017, FSCSL issued and allotted 917,955 Equity Shares to GTI Capital Gamma Pvt. Ltd (“GTI”) equity shares to, subsequent to the exercise of 55,000 compulsorily convertible debentures of ₹10,000 each, allotted to GTI on July 7, 2015.

### **Previous public issues or rights issues in the last three years**

FSCSL undertook an initial public offering of 9,784,570 Equity Shares of Rs 10 aggregating up to Rs 649.70 crores, pursuant to which it was listed on stock exchanges on December 18, 2017.

### **Shortfall in performance vis-à-vis the objects of the issue**

There is no shortfall in performance vis-à-vis objects of any public or rights issue undertaken by FSCSL.

## **Details of the Group Companies with negative net worth**

The details of the Group Companies with the negative net worth are as follows:

### **1. FUTURE SHARP SKILLS LIMITED**

#### **Corporate Information**

Future Sharp Skills Limited (“FSSL”) was incorporated on September 30, 2011 and obtained Certificate of Commencement of Business on December 14, 2011. The Company is joint venture Company between Future Human Development Limited (73%) and National Skill Development Corporation (27%). FSSL is engaged in the business of providing Training and Development, Skill Development, as Knowledge Trainers and Disseminators, Advisors, Consultants, Idea Generators, and Service Provider in all types of activities, fields, professions, products, industries, markets and areas including new projects and ventures of all types whether private or public and descriptions and to conceptualise the ideas, projects, concepts and advise, consult, train the people for completion of such idea, project or concept for specific assignment from the idea to implementation stage and to carry on the business of education, higher education, recruitment, training, skill development and placement of all kind of personnel including managers, professionals, executives, skilled, semi-skilled, un-skilled workers, labourers & other technical personnel in India and abroad.

#### **Interest of our Promoter**

Suhani Trading and Investment Consultants Private Limited through its wholly owned subsidiary Future Human Development Limited, holds 73% of the total paid up equity share capital of FSSL.

#### **Financial Information**

(Rs. in crore except per share data)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital	20.00	20.00	20.00
Reserve (exc. Revaluation Reserve)	(29.98)	(25.53)	(22.87)
Income including Other Income	10.52	8.53	15.48
Profit/ Loss after tax	(4.45)	(2.67)	(4.21)
Basic EPS (in Rs.)	(2.22)	(1.33)	(2.10)
Diluted EPS (in Rs.)	(2.22)	(1.33)	(2.10)

## 2. FUTURE PEOPLE SERVICES LIMITED

### *Corporate Information*

Future People Services Limited (“FPSL”) was originally incorporated on June 7, 2010 under the Companies Act, 1956 as Haribhakti SME Transformation and Support Solutions Private Limited at Mumbai. Further, it was converted into public limited company as Haribhakti SME Transformation and Support Solutions Limited and obtained certificate on April 04, 2012. The name was then changed to Future Haribhakti Business Services Limited and obtained fresh certificate on April 13, 2012. Further, the name was changed to current name Future People Services Limited and certificate was obtained on February 15, 2016. FPSL is involved in the business to act as consultants, trainer, give advice, to engage in dissemination of information in all aspects of business, organisation, and industry in India and abroad and to advise upon the means and methods for extending and developing systems or processes relating to various areas of providing professional services (including legal services) to the industry in India and abroad.

### *Interest of our Promoter*

Suhani Trading & Investment Consultants Private Limited holds 100% of the total paid up equity share capital of FPSL.

### *Financial Information*

(Rs. in crore except per share data)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital	4.29	4.29	4.29
Reserve (exc. Revaluation Reserve)	(4.84)	(3.73)	(2.33)
Income including Other Income	-	0.03	-
Profit/ Loss after tax	(1.10)	(1.40)	(0.80)
Basic EPS (in Rs.)	(2.57)	(3.26)	(1.86)
Diluted EPS (in Rs.)	(2.57)	(3.26)	(1.86)

## 3. IDIOM DESIGN AND CONSULTING LIMITED

### *Corporate Information*

**Idiom Design and Consulting Limited** was originally incorporated on February 7, 2005 and obtained Certificate of Commencement of business on March 4, 2005 from Registrar of Companies, Maharashtra. Third I Design Limited is the Subsidiary of the Company. Idiom Design and Consulting Limited is involved in the business to provide multi-disciplinary design solutions, design ideas and solutions for business to carry on in India or elsewhere, either alone or jointly with one or more person, government, local or other bodies, and also provide various services including consulting, advising, administration, management, consultancy service for design, architectural, vashtu consultancy, designing of spaces.

### *Interest of our Promoter*

Mr. Kishore Biyani alongwith his relatives holds 62% of the total paid up equity share capital of Idiom Design and Consulting Limited.

### *Financial Information*

(Rs. in crore except per share data)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital	0.41	0.41	0.41
Reserve (exc. Revaluation Reserve)	(6.21)	(3.48)	(0.46)
Income including Other Income	2.89	5.01	6.90
Profit/ Loss after tax	(2.73)	(3.02)	(0.29)
Basic EPS (in Rs.)	(67.00)	(74.00)	(7.00)
Diluted EPS (in Rs.)	(67.00)	(74.00)	(7.00)

## Other Group Companies

The details of other Group Companies are provided below:

### 1. AVANEE AND ASHNI SECURITIES PRIVATE LIMITED

#### *Corporate Information*

Avanee and Ashni Securities Private Limited (“**AASPL**”) was incorporated on April 15, 2005 under the Companies Act, 1956 at New Delhi as a private limited company. AASPL is involved in the business of investment as a Core Investment Company.

#### *Interest of our Promoter*

Kishore Biyani through his relative holds 50% of the total paid up equity share capital of AASPL.

### 2. EXPANDUS CAPITAL LIMITED

#### *Corporate Information*

Expandus Capital Limited (“**ECL**”) was incorporated on May 02, 2017 under the Companies Act, 2013 at Mumbai as a public limited company. ECL is involved in the business of Investment / finance Company. ECL is in the process of getting itself registered as a non-banking finance company with the Reserve Bank of India.

#### *Interest of our Promoter*

Kishore Biyani along with other Biyani family partners of BLB Trading and Investment Consultants which holds Kenal Business Ventures Private Limited (“**Kenal**”), which in turn holds 100% of the paid up equity share capital of ECL.

### 3. FUTURE BRANDS LIMITED

#### *Corporate Information*

**Future Brands Limited** (“**FBL**”) was incorporated on November 22, 2006. FBL is a wholly owned subsidiary of FICL and D & H Blurb Communication Private Limited and DMA Yellow Works Limited are the Subsidiaries of FBL. FBL is the brand intellectual property rights Company and specializes in branding services. FBL has created and will continue to create, develop, grow and protect the brand asset value of its trademarks across apparels, fast moving consumer goods, household durables and general merchandise categories across Future group formats.

#### *Interest of our Promoter*

Kishore Biyani through his relative holds 98.06% of the total paid up equity share capital of Future Brands Limited.

Suhani Trading and Investment Consultants Private Limited holds 1.14% of the total paid up equity share capital of Future Brands Limited.

### 4. FUTURE DIGITAL PAYMENT SYSTEMS LIMITED

#### *Corporate Information*

Future Digital Payment Systems Limited (“**FDPSL**”) was incorporated as a public limited company on November 03, 2015 under the Companies Act, 2013 at Mumbai. FDPSL registered with an objective to operate in payment system, issue and operation of multi purpose / semi-closed prepaid instrument, e-payment, m-wallet, payment processing, payment collection and related services facilitating payment processing, payment collection and related services facilitating payment Gateway to customers for various business application in e-commerce.

#### *Interest of our Promoter*

Kishore Biyani through his relative holds 99.99% of the total paid up equity share capital of FDPSL.

### 5. FUTURE ENTERTAINMENT PRIVATE LIMITED

#### *Corporate Information*

Future Entertainment Private Limited (“**FEPL**”) was incorporated on December 19, 2006 under the Companies Act, 1956 at Mumbai as a private limited company. FEPL is involved in the business of entertainment, media, hubs,

multiplexes, organising shows and events of all types, providing sponsoring show events, managing food courts or shops or restaurants or hotels.

***Interest of our Promoter***

Suhani Trading and Investment Consultants Private Limited through its wholly owned subsidiary Future Outdoor Media Solutions Limited, holds 100% of the total paid up equity share capital of FEPL

**6. FUTURE IDEAS COMPANY LIMITED**

***Corporate Information***

Future Ideas Company Limited (“**FICL**”) was incorporated as a public limited company on February 6, 2006 under the Companies Act, 1956 at Mumbai. FICL is involved in the business of knowledge trainers and disseminators, advisors, consultants, idea generators for new projects, consumer research, marketing research, economic research, market behaviour and other types of market etc.

***Interest of our Promoter***

Kishore Biyani through his relatives holds 99.99% of the total paid up equity share capital of FICL.

Suhani Trading and Investment Consultants Private holds 100% of Preference Share Capital of FICL.

**7. FUTURE LIGHTING INDIA LIMITED**

***Corporate Information***

Future Lighting India Limited (“**FLIL**”) was originally incorporated on February 18, 2008 under the Companies Act, 1956 as SW Lighting Private Limited at Mumbai. The name was changed to Future Lighting India Private Limited and obtained fresh certificate on July 17, 2010. Further, it was converted into public limited company and obtained certificate in the current name Future Lighting India Limited on October 18, 2010. FLIL is involved in the business of trading of light fitting & fixtures.

***Interest of our Promoter***

Suhani Trading & Investment Consultants Private Limited holds 100% of the total paid up equity share capital of FLIL.

**8. RETAIL LIGHT TECHNIQUES (INDIA) LIMITED**

***Corporate Information***

Retail Light Techniques (India) Limited (“**RLTIL**”) was incorporated as a public limited company on January 10, 2007 under the Companies Act, 1956 at Mumbai. RLTIL is involved in the business of trading of light fitting & fixtures.

***Interest of our Promoter***

Suhani Trading and Investment Consultants Private Limited holds 100% of the total paid up equity share capital of RLTIL.

**9. SURPLUS FINVEST PRIVATE LIMITED**

***Corporate Information***

Surplus Finvest Private Limited (“**SFPL**”) was incorporated on August 23, 1995 under the Companies Act, 1956 at Mumbai as a private limited company. Surplus Finvest Private Limited is involved in the business of capitalists, leasing, hire – purchasing, execution of financial and monetary business operation.

***Interest of our Promoter***

Kishore Biyani alongwith his relative holds 100% of the total paid up equity share capital of SFPL.

## Nature and Extent of Interest of Group Companies

- ***In the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company.

- ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus***

None of our Group Companies is interested in the properties acquired by our Company in the two years preceding the filing of the Information Memorandum, or proposed to be acquired.

- ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery involving our Company.

## Common Pursuits between our Group Companies and our Company

There are no common pursuits among any of our Group Companies and our Company.

## Related Business Transactions within our Group Companies and significance on the financial performance of our Company

There are no related business transactions between our Company and our Group Companies as on the date of this Information Memorandum.

## Significant Sale / Purchase with our Group Companies

Our Company is not involved in any sales or purchases with any of our Group Companies where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

## Business Interest of Group Companies

Our Group Companies do not have any business interest in our Company.

## Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the relevant registrar of companies for striking off the name of any of our Group Companies, during the five years preceding the date of the Information Memorandum.

## Loss making Group Companies

	<i>(Rs. in crore)</i>		
<b>Loss Making Companies</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Future Brands Limited	1.27	2.14	-14.70
Future Digital Payment System Limited	0.32	-0.13	Company started in November, 2015
Future Entertainment Private Limited	6.87	-4.95	-2.44
Future Ideas Company Limited	1.38	-12.80	-0.46
Future Lighting India Limited	-0.10	-0.01	-0.06
Future People Services Limited	-1.10	-1.40	-0.80
Future Sharp Skills Limited	-4.45	-2.67	-4.21
Idiom Design and Consulting Limited	-2.73	-3.02	-0.29
Future Consumer Limited	7.78	-63.55	-93.75
Future Retail Limited	368.28	15.09	-379.21

## Other Confirmations

None of our Group Companies fall under the definition of sick companies under erstwhile SICA and none of them is under winding up.

None of our Group Companies have been identified as Wilful Defaulters.

## RELATED PARTY TRANSACTIONS

For details of related party transactions during the last five fiscal years ended March 31, 2017, as per the requirements under accounting standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India on a standalone basis, please see the sections entitled “*Financial Information of our Company*” on page 112.

### **Summary of Policy of dealing with Related Party Transaction**

All related party transactions are referred to the Audit Committee for approval in accordance with the policy on related party transactions of our Company. The list of related parties and transactions are in accordance with relevant provisions of the Companies Act, 2013 the applicable accounting standards from time to time, and the SEBI Listing Regulations.

Each of the Director, the Key Managerial Personnels and the head of accounts are responsible for providing notice to the Company Secretary of any potential related party transaction, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board.

Every related party transaction is subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by way of circulation. In determining whether to approve a related party transaction, the Audit Committee / Board considers (among other aspects it deems relevant), if there is clearly demonstrable reasons from our Company’s business point of view, for the transaction to be entered into with a related party.

The Audit Committee / Board is provided with all the relevant information of the related party transactions, including the terms of the transaction, the business purpose of the transaction, the benefits to our Company and to the Related Party, and any other relevant matters including information required under relevant provisions of the Companies Act, 2013, the applicable accounting standards, and the SEBI Listing Regulations. The Audit Committee / Board in respect of the related party transactions referred to it for approval, considers the materials placed before them and judge if the transaction is in the ordinary course of business and on an arm’s length basis.

The Audit Committee is authorised to grant omnibus approval for recurring transactions with related parties. The Audit Committee would review on a quarterly basis the related party transactions entered into by our Company pursuant to each of the omnibus approval given. Fresh approval is to be obtained on a financial year basis.





## **DIVIDEND POLICY**

Our Company has not declared or paid any cash dividend on our equity shares in the past. The declaration and payment of dividends if any, will be recommended by our Board of Directors and approved by our shareholders in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. This is not indicative of our dividend policy or dividend amount, if any, in the future.

**SECTION V – FINANCIAL INFORMATION**  
**FINANCIAL INFORMATION OF OUR COMPANY**

**PRAXIS HOME RETAIL PRIVATE LIMITED**  
(Formerly known as GRN Energy Private Limited)  
**Balance Sheet as at 31st March, 2017**

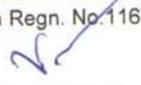



(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	1	5,00,000	1,00,000
(b) Reserves and Surplus	2	(2,53,498)	(2,19,309)
		2,46,502	(1,19,309)
<b>Current Liabilities</b>			
(a) Short term borrowings	3	-	1,08,211
(b) Other current liabilities	4	5,750	17,068
		5,750	1,25,279
<b>TOTAL</b>		2,52,252	5,970
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and Cash Equivalents	5	2,52,252	5,970
		2,52,252	5,970
<b>TOTAL</b>		2,52,252	5,970
<b>Significant Accounting Policies</b>	<b>A TO G</b>		
<b>Notes on Accounts</b>	<b>1 to 14</b>		
As per our report of even date <b>For RAJEN DAMANI &amp; ASSOCIATES</b> Chartered Accountants (Firm Regn. No. 116762W)		For and on behalf of the Board of Directors  Girdhar Pathak Director	
CA Vikas N. Mehta Partner M No. 043754		 Rajendranath Chaturvedi Director	
Place : Mumbai Date : 10th April , 2017			



**PRAXIS HOME RETAIL PRIVATE LIMITED**  
(Formerly known as GRN Energy Private Limited)  
**Statement of Profit and Loss for the year Ended 31st March, 2017**

(Amount in Rs.)

Particulars	Note No.	2016-17	2015-16
<b>Income</b>			
Revenue from operations (gross)		-	-
Other income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses</b>			
(a) Finance costs	6	2,529	-
(b) Other expenses	7	31,660	7,550
<b>Total Expenses</b>		<b>34,189</b>	7,550
<b>Profit / (Loss) before tax</b>		<b>(34,189)</b>	(7,550)
<b>Tax expense:</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
<b>Profit / (Loss) for the year</b>		<b>(34,189)</b>	(7,550)
<b>Earnings per equity share of face value of Rs. 10/- each : Basic and Diluted</b>	8	<b>(1.11)</b>	(0.76)
<b>Significant Accounting Policies</b>	A TO G		
<b>Notes on Accounts</b>	1 to 14		
As per our report of even date For <b>RAJEN DAMANI &amp; ASSOCIATES</b> Chartered Accountants (Firm Regn. No. 116762W)		For and on behalf of the Board of Directors	
 CA Vikas N. Mehta Partner M No. 043754		 Girdhar Pathak Director	
		 Rajendranath Chaturvedi Director	
Place : Mumbai Date : 10th April , 2017			

**PRAXIS HOME RETAIL PRIVATE LIMITED**  
(Formerly known as GRN Energy Private Limited)

Cash Flow Statement for the Year ended 31st March, 2017

(Amount in Rs.)

Particulars	2016-17	2015-16
<b>A Cash flow from operating Activities</b>		
Net Profit before tax, Extraordinary and prior period items	(34,189)	(7,550)
Adjustment for :		
Non cash items	-	-
Operating profit before working capital changes	(34,189)	(7,550)
Adjustment for:		
Sundry Payable	(11,318)	5,750
	<u>(11,318)</u>	<u>5,750</u>
Cash (used) in/ generated from operations	(45,507)	(1,800)
Direct Taxes paid	-	-
Cash inflow/( outflow ) before extraordinary and prior period items	<u>(45,507)</u>	<u>(1,800)</u>
extraordinary and prior period items	-	-
Net Cash from/(Used) in operation activities	<u>(45,507)</u>	<u>(1,800)</u>
<b>B Cash flow from investment activities</b>		
Net Cash (used) in investment activities	-	-
<b>C Cash flow from financial activities</b>		
Repayment of Short Term Borrowings	(1,08,211)	-
Proceeds from Issue of Equity Shares	4,00,000	-
Net cash from /(used ) in financial activities	<u>2,91,789</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>2,46,282</u>	<u>(1,800)</u>
Cash and cash equivalents as at 1st April 2016	5,970	7,770
Cash and cash equivalents as at 31st March 2017 (Refer Note No. 5)	<u>2,52,252</u>	<u>5,970</u>

As per our report of even date  
For **RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 116762W)

CA Vikas N. Mehta  
Partner  
M No. 043754

Place : Mumbai  
Date : 10th April , 2017



For and on behalf of the Board of Directors

*Girdhar Pathak*  
Girdhar Pathak  
Director

*R. Chaturvedi*  
Rajendranath Chaturvedi  
Director

**PRAXIS HOME RETAIL PRIVATE LIMITED**  
(Formerly known as GRN Energy Private Limited)  
Notes forming part of the Financial Statements

**Note 1 - Share Capital**

(Amount in Rs.)

	Particulars	As at 31st March, 2017		As at 31st March, 2016	
(A)	<b>SHARE CAPITAL:</b>				
	<u>AUTHORISED SHARE CAPITAL</u> 10,00,000 Equity Shares of Rs. 10 each		1,00,00,000		1,00,00,000
			<b>1,00,00,000</b>		<b>1,00,00,000</b>
	<u>ISSUED, SUBSCRIBED &amp; PAID UP</u> 50,000 Equity Shares of Rs. 10 each, fully paid (previous year 10,000)		5,00,000		1,00,000
			<b>5,00,000</b>		<b>1,00,000</b>
(B)	The reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting year				
		<b>2016-17</b>		<b>2015-16</b>	
	<b>Particulars</b>				
	No. of Shares outstanding at the beginning of the year		10,000		10,000
	No. of Shares issued during the year		40,000		Nil
	No. of Shares outstanding at the end of the year		50,000		10,000
(C)	<b>Par value per share:</b> The par value of Equity Share is Rs.10/-.				
(D)	<b>The details of Shareholders holding more than 5% shares :</b>				
Sr. No.	Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	GRN Finsec Pvt Ltd (Alongwith Nominee)	50,000	100	10,000	100

**PRAXIS HOME RETAIL PRIVATE LIMITED**  
(Formerly known as GRN Energy Private Limited)  
Notes forming part of the Financial Statements

**Note 2 - Reserves & Surplus**

(Amount in Rs.)

Particulars		As at 31st March,2017	As at 31st March,2016
(a)	<b>Surplus / (Deficit) in the statement of profit and loss Account</b>		
	Balance as per the last financial statement	(2,19,309)	(2,11,759)
	Add : Profit/(Loss) for the year	(34,189)	(7,550)
	Amount available for Appropriations	(2,53,498)	(2,19,309)
	<b>Total</b>	<u>(2,53,498)</u>	<u>(2,19,309)</u>

**Note 3 - Short Term Borrowings**

(Amount in Rs.)

Particulars		As at 31st March,2017	As at 31st March,2016
a)	Advance from Holding Co.	-	1,08,211
	<b>Total</b>	<u>-</u>	<u>1,08,211</u>

**Note 4 - Other Current Liabilities**

(Amount in Rs.)

Particulars		As at 31st March,2017	As at 31st March,2016
a)	Sundry Payable	5,750	17,068
	<b>Total</b>	<u>5,750</u>	<u>17,068</u>

**Note 5 - Cash and Cash Equivalents**

(Amount in Rs.)

Particulars		As at 31st March,2017	As at 31st March,2016
(a)	Cash on Hand	-	10
(b)	Balances with Banks		5,960
	- in Current account	2,52,252	5,960
	<b>Total</b>	<u>2,52,252</u>	<u>5,970</u>

**Note 5.1**

**Disclosure for Specified Bank Notes (SBNs) held and transacted during the period:**

(Amount in Rs.)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11. 2016	-	10	10
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12. 2016	-	10	10

**PRAXIS HOME RETAIL PRIVATE LIMITED**  
(Formerly known as GRN Energy Private Limited)  
Notes forming part of the Financial Statements

**Note 6 Finance Cost**

(Amount in Rs.)

Particulars		2016-17	2015-16
(a)	Bank Charges	2,529	-
	<b>TOTAL</b>	<b>2,529</b>	<b>-</b>

**Note 7 Other Expenses**

(Amount in Rs.)

Particulars		2016-17	2015-16
(A)	<b>Payment to Auditors (including Service tax)</b>		
(a)	Audit Fees	5,750	5,750
(B)	<b>Operating / Administrative and General Expenses</b>		
(a)	Fees & Subscription	25,500	1,800
(b)	Miscellaneous Expenses	410	-
	<b>Total</b>	<b>31,660</b>	<b>7,550</b>

**Note 8 Earnings Per Equity share**

Particulars		2016-17	2015-16
(A)	Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Amount in Rs.)	(34,189)	(7,550)
(B)	Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	30,932	10,000
(C)	Basic and Diluted Earning/(Loss) per share of Rs. 10 each (in Rs.)	(1.11)	(0.76)



**PRAXIS HOME RETAIL PRIVATE LIMITED**  
(Formerly known as GRN Energy Private Limited)  
Notes forming part of the Financial Statements

**Note 9**

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or nor short of the amounts reasonably necessary.

**Note 10** As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
GRN Finsec Pvt. Ltd.	Holding Company

(ii) Transactions during the year with related parties (excluding reimbursements):

Sr. No.	Nature of Transactions	(Amount in Rs.)
1	<b>Repayment of Short Term Borrowings</b> GRN Finsec Pvt. Ltd.	1,08,211
2	<b>Issue of Equity Share Capital</b> GRN Finsec Pvt. Ltd.	4,00,000
<b>Balance as at 31st March, 2017</b>		
3	<b>Short term borrowings</b> GRN Finsec Pvt. Ltd.	-
		(1,08,211)
4	<b>Share capital</b> GRN Finsec Pvt. Ltd.	5,00,000
		(1,00,000)

Figures in bracket represents previous year's amount.

**Note 11**

In the opinion of the management, the Company is mainly engaged in the Retail sector business and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segment as per Accounting Standard (AS) 17 on "Segment Reporting".

**Note 12**

There is no contingent liability for the year ended on 31st March 2017

**Note 13**

There is no dues to Micro, Small & Medium Enterprises for the year under review.

**Note 14**

The Previous year figures have been re-grouped/re-classified wherever necessary to conform to the current year presentation.

As per our report of even date  
For **RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 116762W)

CA Vikas N. Mehta  
Partner  
M No. 043754

Place : Mumbai  
Date : 10th April , 2017



For and on behalf of the Board of Directors

Girdhar Pathak  
Girdhar Pathak  
Director

Rajendranath Chaturvedi  
Rajendranath Chaturvedi  
Director

# G R N ENERGY PVT LTD

Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	(2,19,309)	(2,11,759)
		(1,19,309)	(1,11,759)
<b>Current Liabilities</b>			
(a) Short term borrowings	3	1,08,211	1,08,211
(b) Other current liabilities	4	17,068	11,318
		1,25,279	1,19,529
<b>TOTAL</b>		<b>5,970</b>	<b>7,770</b>
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and Cash Equivalents	5	5,970	7,770
		5,970	7,770
<b>TOTAL</b>		<b>5,970</b>	<b>7,770</b>
Significant Accounting Policies Notes on Accounts	A TO G 1 to 12		

As per our report of even date  
For **RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 116762W)

CA Vikas N. Mehta  
Partner  
M No. 043754

Place : Mumbai  
Date : 30th June, 2016

For and on behalf of the Board of Directors



Girdhar Pathak  
Director

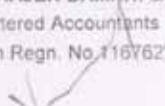

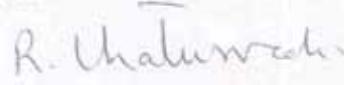


Rajendranath Chaturvedi  
Director

# G R N ENERGY PVT LTD

Statement of Profit and Loss for the year Ended 31st March, 2016

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Income</b>			
Revenue from operations (gross)		-	-
Other income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses</b>			
(a) Other expenses	6	7,550	8,700
<b>Total Expenses</b>		7,550	8,700
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		(7,550)	(8,700)
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		(7,550)	(8,700)
Extraordinary items		-	-
<b>Profit / (Loss) before tax</b>		(7,550)	(8,700)
<b>Tax expense:</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
		-	-
<b>Profit / (Loss) for the year</b>		(7,550)	(8,700)
<b>Earnings per equity share of face value of Rs. 10/- each :</b>	7		
(a) Basic		(0.76)	(0.87)
(b) Diluted		(0.76)	(0.87)
<b>Significant Accounting Policies</b>	<b>A TO G</b>		
<b>Notes on Accounts</b>	<b>1 to 12</b>		
As per our report of even date <b>For RAJEN DAMANI &amp; ASSOCIATES</b> Chartered Accountants (Firm Regn. No. 116762W)		For and on behalf of the Board of Directors	
 <b>CA Vikas N. Mehita</b> Partner M No. 043754  Place Mumbai Date - 30th June, 2016		 <b>Girdhar Pathak</b> Director	
		 <b>Rajendranath Chaturvedi</b> Director	

**GRN ENERGY PVT. LTD.**  
Notes forming part of the Financial Statements

**Note 1 - Share Capital**

		(Amount in ₹)			
	Particulars	As at 31st March, 2016	As at 31st March, 2015		
(A)	<b>SHARE CAPITAL:</b>				
	<u>AUTHORISED SHARE CAPITAL</u> 10,00,000 Equity Shares of Rs. 10 each	1,00,00,000	1,00,00,000		
		1,00,00,000	1,00,00,000		
	<u>ISSUED, SUBSCRIBED &amp; PAID UP</u> 10,000 Equity Shares of Rs. 10 each	1,00,000	1,00,000		
		1,00,000	1,00,000		
(B)	The reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting year				
	<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>		
	No. of Shares outstanding at the beginning of the year	10,000	10,000		
	No. of Shares issued during the year	Nil	Nil		
	No. of Shares outstanding at the end of the year	10,000	10,000		
(C)	Par value per share: The par value of Equity Share is Rs. 10/-.				
(D)	The details of Shareholders holding more than 5% shares :				
<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>As at 31 March 2016</b>		<b>As at 31 March 2015</b>	
		<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
(i)	GRN Finsec Pvt Ltd(Alongwith Nominee)	10,000	100	10,000	100

**Note 2 - Reserves & Surplus**

Particulars		(Amount in ₹)	
		As at 31st March,2016	As at 31st March,2015
(a)	<b>Surplus / (Deficit) in the statement of profit and loss Account</b>		
	Balance as per the last financial statement	(2,11,759)	(2,03,059)
	Add : Profit/(Loss) for the year	(7,550)	(8,700)
	Amount available for Appropriations	(2,19,309)	(2,11,759)
	<b>Total</b>	<u>(2,19,309)</u>	<u>(2,11,759)</u>

**Note 3 - Short Term Borrowings**

Particulars		(Amount in ₹)	
		As at 31st March,2016	As at 31st March,2015
a)	Advance from Holding Co.	1,08,211	1,08,211
	<b>Total</b>	<u>1,08,211</u>	<u>1,08,211</u>

**Note 4 - Other Current Liabilities**

Particulars		(Amount in ₹)	
		As at 31st March,2016	As at 31st March,2015
a)	Sundry Payable	17,068	11,318
	<b>Total</b>	<u>17,068</u>	<u>11,318</u>

**Note 5 - Cash and Cash Equivalents**

Particulars		(Amount in ₹)	
		As at 31st March,2016	As at 31st March,2015
(a)	Cash on Hand	10	10
(b)	Balances with Banks - in Current account	5,960	7,760
	<b>Total</b>	<u>5,970</u>	<u>7,770</u>

**Note 6 Other Expenses**

		(Amount in ₹)	
	Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
(A)	<b>Payment to Auditors</b>		
(a)	Audit Fees	5,000	5,000
(B)	<b>Operating / Administrative and General Expenses</b>		
(a)	Fees & Subscription	1,800	3,000
(b)	Service Tax	750	700
	<b>Total</b>	<b>7,550</b>	<b>8,700</b>

**Note 7 Earnings Per Equity share**

	Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
(A)	Net Profit/(Loss) After Tax before extra-ordinary items (Net of Tax) Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs. )	(7,550)	(8,700)
	Add : Extra-ordinary Items (Net of Tax)	-	-
	Net Profit/(Loss) After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs.)	(7,550)	(8,700)
(B)	Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	10,000	10,000
(C)	Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
	Before Extra-ordinary items	(0.76)	(0.87)
	After Extra-ordinary items	(0.76)	(0.87)
(D)	Face Value per Equity Share (in Rs.)	10.00	10.00

Note 8

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or nor short of the amounts reasonably necessary.

Note 9

**Related Party Disclosures:**

List of related parties with whom transactions have taken place during the year:

- i) *Holding Company:*  
GRN Finsec Private Limited

The Closing credit balance of Rs. 1,08,211/- payable to holding company GRN Finsec Private Limited as on 31<sup>st</sup> March, 2016 (PY Rs. 108,211/-).

Note 10

In the opinion of the management, the Company is mainly engaged in the business of Energy Sector Activities and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

Note 11

**Contingent Liabilities:**


There is no contingent liability for the year ended on 31<sup>st</sup> March 2016.

Note 12

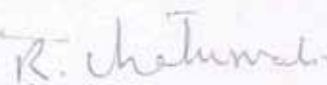
The Previous year figures have been re-grouped/re-classified wherever necessary to conform to the current year presentation.

As per our report of even date  
For RAJEN DAMANI & ASSOCIATES  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
CAVikas N Mehta  
Partner  
Membership No. 043754

  
Girdhar Pathak  
(Director)

  
Rajendrnath Chaturvedi  
(Director)

Place: Mumbai  
Dated 30<sup>th</sup> June, 2016

GRN ENERGY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	As at 31st March 2016	(Rs. In Lacs) As at 31st March 2015
<b>A Cash flow from operating Activities</b>		
Net Profit before tax, Extraordinary and prior period items	(7,550)	(8,700)
Adjustment for:		
Non cash items	-	-
Operating profit before working capital changes	(7,550)	(8,700)
Adjustment for:		
Sundry Payable	5,750	5,700
	<u>5,750</u>	<u>5,700</u>
Cash (used) in/ generated from operations	(1,800)	(3,000)
Direct Taxes paid	-	-
Cash inflow/( outflow ) before extraordinary and prior period items extraordinary and prior period items	(1,800)	(3,000)
Net Cash from/(Used) in operation activities	<u>(1,800)</u>	<u>(3,000)</u>
<b>B Cash flow from investment activities</b>		
Loan & Advances(Short Term)		3,000
Net Cash (used) in investment activities	<u>-</u>	<u>3,000</u>
<b>C Cash flow from financial activities</b>		
Net cash from/(used ) in financial activities	<u>-</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	(1,800)	-
Cash and cash equivalents as at 1st April 2015	7,770	7,770
Cash and cash equivalents as at 31st March 2016	<u>5,970</u>	<u>7,770</u>

As per our report of even date  
For RAJEN DAMANI & ASSOCIATES  
Chartered Accountants  
Firm Regn no.: 118762W

CA Vikas N. Mehta  
Partner  
M No. 043754  
Place : Mumbai  
Date : 30th June, 2016

For and on behalf of the Board of Directors

Girdhar Pathak  
Girdhar Pathak Director

R. Chaturvedi  
Rajendranath Chaturvedi Director



# G R N ENERGY PVT LTD

Balance Sheet as at 31st March, 2015

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	(2,11,759)	(2,03,059)
		(1,11,759)	(1,03,059)
<b>Current Liabilities</b>			
(a) Short term borrowings	3	1,08,211	1,05,211
(b) Other current liabilities	4	11,318	5,618
		1,19,529	1,10,829
<b>TOTAL</b>		<b>7,770</b>	<b>7,770</b>
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and Cash Equivalents	5	7,770	7,770
		7,770	7,770
<b>TOTAL</b>		<b>7,770</b>	<b>7,770</b>
<b>Significant Accounting Policies</b>	<b>A TO G</b>		
<b>Notes on Accounts</b>	<b>1 to 12</b>		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants  
(Firm Regn. No.116762W)

CA Vikas N. Mehta  
Partner  
M No. 043754

Place : Mumbai

Date : 29th June, 2015



For and on behalf of the Board of Directors

*Girdhar Pathak*

Girdhar Pathak  
Director

*R. Chaturvedi*  
Rajendranath Chaturvedi  
Director

# G R N ENERGY PVT LTD

Statement of Profit and Loss for the year Ended 31st March, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>Income</b>			
Revenue from operations (gross)		-	-
Other income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses</b>			
(a) Other expenses	6	8,700	6,702
<b>Total Expenses</b>		<b>8,700</b>	<b>6,702</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>(8,700)</b>	<b>(6,702)</b>
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(8,700)</b>	<b>(6,702)</b>
Extraordinary items		-	-
<b>Profit / (Loss) before tax</b>		<b>(8,700)</b>	<b>(6,702)</b>
<b>Tax expense:</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
		-	-
<b>Profit / (Loss) for the year</b>		<b>(8,700)</b>	<b>(6,702)</b>
<b>Earnings per equity share of face value of Rs. 10/- each :</b>			
(a) Basic	7	(0.87)	(0.67)
(b) Diluted		(0.87)	(0.67)
<b>Significant Accounting Policies</b>	<b>A TO G</b>		
<b>Notes on Accounts</b>	<b>1 to 12</b>		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants  
(Firm Regn. No.116762W)

**CA Vikas N. Mehta**

Partner

M No. 043754

Place : Mumbai

Date : 29th June, 2015



For and on behalf of the Board of Directors

*Girdhar Pathak*

**Girdhar Pathak**

Director

*R Chaturvedi*

**Rajendranath Chaturvedi**

Director

GRN ENERGY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	(Rs. In Lacs)	
	As at 31st March 2015	As at 31st March 2014
<b>A Cash flow from operating Activities</b>		
Net Profit before tax, Extraordinary and prior period items	(8,700)	(6,702)
Adjustment for :		
Non cash items		
Operating profit before working capital changes	(8,700)	(6,702)
Adjustment for:		
Trade Payable	5,700	(5,618)
	<u>5,700</u>	<u>(5,618)</u>
Cash (used) in/ generated from operations	<u>(3,000)</u>	<u>(12,320)</u>
Direct Taxes paid	-	-
Cash inflow/( outflow ) before extraordinary and prior period items	<u>(3,000)</u>	<u>(12,320)</u>
extraordinary and prior period items	-	-
Net Cash from/(Used) in operation activities	<u><u>(3,000)</u></u>	<u><u>(12,320)</u></u>
<b>B Cash flow from investment activities</b>		
Loan & Advances(Short Term)	3,000	15,500
Net Cash (used) in investment activities	<u><u>3,000</u></u>	<u><u>15,500</u></u>
<b>C Cash flow from financial activities</b>		
Net cash from /(used ) in financial activities	<u><u>-</u></u>	<u><u>-</u></u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	-	3,180
Cash and cash equivalents as at 1st April 2014	7,770	4,590
Cash and cash equivalents as at 31st March 2015	7,770	7,770

As per our report of even date  
For RAJEN DAMANI & ASSOCIATES  
Chartered Accountants  
Firm Regn no.:116762W

CA Vikas N. Mehta  
Partner  
M No. 043754  
Place : Mumbai  
Date : 29th June, 2015



For and on behalf of the Board of Directors

*Girdhar Pathak*

Girdhar Pathak

Director

*Rajendranath Chaturvedi*

Rajendranath Chaturvedi

Director

**GRN ENERGY PVT. LTD.**  
Notes forming part of the Financial Statement

Note 1 - Share Capital

		(Amount in ₹)			
	Particulars	As at 31st March, 2015	As at 31st March, 2014		
(A)	<b>SHARE CAPITAL:</b>				
	<u>AUTHORISED SHARE CAPITAL</u> 10,00,000 Equity Shares of Rs. 10 each	1,00,00,000	1,00,00,000		
		<b>1,00,00,000</b>	<b>1,00,00,000</b>		
	<u>ISSUED, SUBSCRIBED &amp; PAID UP</u> 10,000 Equity Shares of Rs. 10 each	1,00,000	1,00,000		
		<b>1,00,000</b>	<b>1,00,000</b>		
(B)	The reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year				
	<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>		
	No. of Shares outstanding at the beginning of the year	10,000	10,000		
	No. of Shares issued during the year	Nil	Nil		
	No. of Shares outstanding at the end of the year	10,000	10,000		
(C)	Par value per share: The par value of Equity Share is Rs. 10/-.				
(D)	The details of Shareholders holding more than 5% shares :				
Sr. No.	Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	GRN Finsec Pvt Ltd(Alongwith Nominee)	10,000	100	10,000	100

**Note 2 - Reserves & Surplus**

(Amount in ₹)

Particulars		As at 31st March,2015	As at 31st March,2014
(a)	<b>Surplus / (Deficit) in the statement of profit and loss Account</b>		
	Balance as per the last financial statement	(2,03,059)	(1,96,357)
	Add : Profi/(Loss) for the year	(8,700)	(6,702)
	Amount available for Appropriations	(2,11,759)	(2,03,059)
	<b>Total</b>	<b>(2,11,759)</b>	<b>(2,03,059)</b>

**Note 3 - Short Term Borrowings**

(Amount in ₹)

Particulars		As at 31st March,2015	As at 31st March,2014
a)	Advance from Holding Co.	1,08,211	1,05,211
	<b>Total</b>	<b>1,08,211</b>	<b>1,05,211</b>

**Note 4 - Other Current Liabilities**

(Amount in ₹)

Particulars		As at 31st March,2015	As at 31st March,2014
a)	Sundry Payable	11,318	5,618
	<b>Total</b>	<b>11,318</b>	<b>5,618</b>

**Note 5 - Cash and Cash Equivalents**

(Amount in ₹)

Particulars		As at 31st March,2015	As at 31st March,2014
(a)	Cash on Hand	10	10
(b)	Balances with Banks		
	- in Current account	7,760	7,760
	<b>Total</b>	<b>7,770</b>	<b>7,770</b>

**Note 6 Other Expenses**

(Amount in ₹)

	Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
(A)	<b>Payment to Auditors</b>		
(a)	Audit Fees	5,000	5,000
(b)	Service Tax	700	618
(B)	<b>Operating / Administrative and General Expenses</b>		
(a)	Printing & Stationary	-	84
(b)	Fees & Subscription	3,000	1,000
	<b>Total</b>	<b>8,700</b>	<b>6,702</b>

**Note 7 Earnings Per Equity share**

	Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
(A)	Net Profit/(Loss) After Tax before extra-ordinary items (Net of Tax) Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs. )	(8,700)	(6,702)
	Add : Extra-ordinary Items (Net of Tax)	-	-
	Net Profit/(Loss) After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs.)	(8,700)	(6,702)
(B)	Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	10,000	10,000
(C)	Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
	Before Extra-ordinary items	(0.87)	(0.67)
	After Extra-ordinary items	(0.87)	(0.67)
(D)	Face Value per Equity Share (in Rs.)	10.00	10.00

Note 8

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or nor short of the amounts reasonably necessary.

Note 9

**Related Party Disclosures:**

List of related parties with whom transactions have taken place during the year:

- i) *Holding Company :*  
GRN Finsec Private Limited

The Closing credit balance of Rs. 108,211/- payable to holding company GRN Finsec Private Limited as on 31<sup>st</sup> March, 2015 (PY Rs. 105,211/-).

Note 10

In the opinion of the management, the Company is mainly engaged in the business of Energy Sector Activities and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

Note 11

**Contingent Liabilities:**

There is no contingent liability for the year ended on 31<sup>st</sup> March 2015.

Note 12

The Previous year figures have been re-grouped/re-classified wherever necessary to conform to the current year presentation.

As per our report of even date

For RAJEN DAMANI & ASSOCIATES

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


  
C A Vikas N Mehta

Partner

Membership No. 043754



  
Girdhar Pathak  
(Director)

  
Rajendrnath Chaturvedi  
(Director)

Place: Mumbai

Dated 29<sup>th</sup> June, 2015

# G R N ENERGY PVT LTD

Balance Sheet as at 31st March, 2014

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	(2,03,059)	(1,96,357)
		(1,03,059)	(96,357)
<b>Current Liabilities</b>			
(a) Short term borrowings	3	1,05,211	89,711
(b) Other current liabilities	4	5,618	11,236
		1,10,829	1,00,947
<b>TOTAL</b>		<b>7,770</b>	<b>4,590</b>
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and Cash Equivalents	5	7,770	4,590
		7,770	4,590
<b>TOTAL</b>		<b>7,770</b>	<b>4,590</b>
<b>Significant Accounting Policies</b>	<b>A TO G</b>		
<b>Notes on Accounts</b>	<b>1 to 12</b>		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants



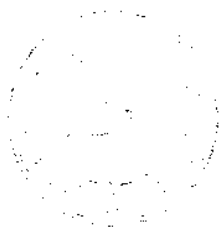
**CA Vikas N. Mehta**

Partner

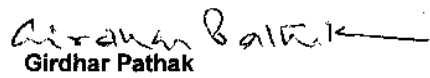
M No. 043754

Place : Mumbai

Date : 28th June, 2014



For and on behalf of the Board of Directors



**Girdhar Pathak**

Director



**Rajendranath Chaturvedi**

Director



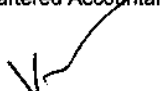
# G R N ENERGY PVT LTD

Statement of Profit and Loss for the year Ended 31st March, 2014

(Amount in ₹)


Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Income</b>			
Revenue from operations (gross)		-	-
Other income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses</b>			
(a) Other expenses	6	6,702	9,618
<b>Total Expenses</b>		<b>6,702</b>	<b>9,618</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>(6,702)</b>	<b>(9,618)</b>
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(6,702)</b>	<b>(9,618)</b>
Extraordinary items		-	-
<b>Profit / (Loss) before tax</b>		<b>(6,702)</b>	<b>(9,618)</b>
<b>Tax expense:</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
		-	-
<b>Profit / (Loss) for the year</b>		<b>(6,702)</b>	<b>(9,618)</b>
<b>Earnings per equity share of face value of Rs. 10/- each :</b>	7		
(a) Basic		(0.67)	(0.96)
(b) Diluted		(0.67)	(0.96)
<b>Significant Accounting Policies</b>	<b>A TO G</b>		
<b>Notes on Accounts</b>	<b>1 to 12</b>		

As per our report of even date  
**For RAJEN DAMANI & ASSOCIATES**  
 Chartered Accountants

  
**CA Vikas N. Mehta**  
 Partner  
 M No. 043754

Place : Mumbai  
 Date : 28th June, 2014

For and on behalf of the Board of Directors

  
**Girdhar Pathak**  
 Director

  
**Rajendranath Chaturvedi**  
 Director

**GRN ENERGY PVT. LTD.**  
Notes forming part of the Financial Statement

**Note 1 - Share Capital**

(Amount in ₹)

Particulars		As at 31st March, 2014	As at 31st March, 2013		
(A)	<b>SHARE CAPITAL:</b>				
	<b>AUTHORISED SHARE CAPITAL</b> 10,00,000 Equity Shares of Rs. 10 each	1,00,00,000	1,00,00,000		
		<b>1,00,00,000</b>	<b>1,00,00,000</b>		
	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b> 10,000 Equity Shares of Rs. 10 each	1,00,000	1,00,000		
		<b>1,00,000</b>	<b>1,00,000</b>		
(B)	<b>The reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year</b>				
	Particulars	2013-14	2012-13		
	No. of Shares outstanding at the beginning of the year	10,000	10,000		
	No. of Shares issued during the year	Nil	Nil		
	No. of Shares outstanding at the end of the year	10,000	10,000		
(C)	<b>Par value per share:</b> The par value of Equity Share is Rs.10/-.				
(D)	<b>The details of Shareholders holding more than 5% shares :</b>				
Sr. No.	Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	GRN Finsec Pvt Ltd(Alongwith Nominee)	10,000	100	10,000	100

**Note 2 - Reserves & Surplus**

(Amount in ₹)

Particulars		As at 31st March,2014	As at 31st March,2013
(a)	<b>Surplus / (Deficit) in the statement of profit and loss Account</b>		
	Balance as per the last financial statement	(1,96,357)	(1,86,739)
	Add : Profit/(Loss) for the year	(6,702)	(9,618)
	Amount available for Appropriations	(2,03,059)	(1,96,357)
	<b>Total</b>	<b>(2,03,059)</b>	<b>(1,96,357)</b>

**Note 3 - Short Term Borrowings**

(Amount in ₹)

Particulars		As at 31st March,2014	As at 31st March,2013
a)	Advance from Holding Co.	1,05,211	89,711
	<b>Total</b>	<b>1,05,211</b>	<b>89,711</b>

**Note 4 - Other Current Liabilities**

(Amount in ₹)

Particulars		As at 31st March,2014	As at 31st March,2013
a)	Sundry Payable	5,618	11,236
	<b>Total</b>	<b>5,618</b>	<b>11,236</b>

**Note 5 - Cash and Cash Equivalents**

(Amount in ₹)

Particulars		As at 31st March,2014	As at 31st March,2013
(a)	Cash on Hand	10	10
(b)	Balances with Banks		
	- in Current account	7,760	4,580
	<b>Total</b>	<b>7,770</b>	<b>4,590</b>

**Note 6 Other Expenses**

(Amount in ₹)

	Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
(A)	<b>Payment to Auditors</b>		
(a)	Audit Fees	5,000	5,000
(b)	Service Tax	618	618
(B)	<b>Operating / Administrative and General Expenses</b>		
(a)	Printing & Stationary	84	-
(b)	Fees & Subscription	1,000	4,000
	<b>TOTAL</b>	<b>6,702</b>	<b>9,618</b>

**Note 7 Earnings Per Equity share**

	Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
(A)	Net Profit/(Loss) After Tax before extra-ordinary items (Net of Tax) Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs. )	(6,702)	(9,618)
	Add : Extra-ordinary Items (Net of Tax)	-	
	Net Profit/(Loss) After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs.)	(6,702)	(9,618)
(B)	Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	10,000	10,000
(C)	Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
	Before Extra-ordinary items	(0.67)	(0.96)
	After Extra-ordinary items	(0.67)	(0.96)
(D)	Face Value per Equity Share (in Rs.)	10.00	10.00

Note 8

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or nor short of the amounts reasonably necessary.

Note 9

**Related Party Disclosures:**

List of related parties with whom transactions have taken place during the year:

- i) *Holding Company* :  
GRN Finsec Private Limited

The Closing credit balance of Rs. 105,211/- payable to holding company GRN Finsec Private Limited as on 31<sup>st</sup> March, 2014 (PY Rs. 89,711/-).

Note 10

In the opinion of the management, the Company is mainly engaged in the business of Energy Sector Activities and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

Note 11

**Contingent Liabilities:**

There is no contingent liability for the year ended on 31<sup>st</sup> March 2014.

Note 12


The Previous year figures have been re-grouped/re-classified wherever necessary to conform to the current year presentation.

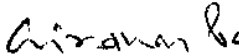
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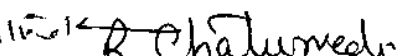
As per our report of even date

For RAJEN DAMANI & ASSOCIATES  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
**C A Vikas N Mehta**  
Partner  
Membership No. 043754

  
**Girdhar Pathak**  
(Director)

  
**Rajendrnath Chaturvedi**  
(Director)

Place: Mumbai  
Dated 28<sup>th</sup> June, 2014

# G R N ENERGY PVT LTD

Balance Sheet as at 31st March, 2013

Amounts in ₹

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	100,000	100,000
(b) Reserves and Surplus	2	(196,357)	(186,739)
		(96,357)	(86,739)
<b>2 Non-current liabilities</b>			
(a) Other long-term liabilities	3	89,711	89,711
		89,711	89,711
<b>3 Current Liabilities</b>			
(a) Other current liabilities	4	11,236	5,618
		11,236	5,618
<b>TOTAL</b>		<b>4,590</b>	<b>8,590</b>
<b>II ASSETS</b>			
<b>1 Current assets</b>			
(a) Cash and Cash Equivalents	5	4,590	8,590
<b>TOTAL</b>		<b>4,590</b>	<b>8,590</b>
Significant Accounting Policies Notes on Accounts	<b>A TO G 1 to 12</b>		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants

*Vikas N. Mehta*

**CA Vikas N. Mehta**

Partner

M No. 043754

Place Mumbai

Date 29th June 2013



For and on behalf of the Board of Directors

*Girdhar Pathak*  
**Girdhar Pathak**  
Director

*R. Chaturvedi*  
**Rajendranath Chaturvedi**  
Director

# G R N ENERGY PVT LTD

Statement of Profit and Loss for the year Ended 31st March, 2013

Amounts in ₹

	Particulars	Note No.	For the year ended 31st March, 2013	For the period ended 31st March, 2012
1	Revenue from operations (gross)		-	-
2	Other income		-	-
	<b>Total Revenue</b>		<b>-</b>	<b>-</b>
3	Expenses			
	(a) Other expenses	6	9,618	186,739
	<b>Total Expenses</b>		<b>9,618</b>	<b>186,739</b>
4	Profit / (Loss) before exceptional and extraordinary items and tax (1-2)		(9,618)	(186,739)
5	Exceptional items		-	-
6	Profit / (Loss) before extraordinary items and tax (3 ± 4)		(9,618)	(186,739)
7	Extraordinary items		-	-
8	Profit / (Loss) before tax (5 ± 6)		(9,618)	(186,739)
9	Tax expense:			
	(a) Current Tax		-	-
	(b) Deferred Tax		-	-
			-	-
10	Profit / (Loss) for the year (7 ± 8)		(9,618)	(186,739)
11	Earnings per equity share of face value of Rs. 10/- each :	7		
	(a) Basic		(0.96)	(18.67)
	(b) Diluted		(0.96)	(18.67)
	Significant Accounting Policies	A TO G		
	Notes on Accounts	1 to 12		

As per our report of even date  
For **RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

CA Vikas N. Mehta  
Partner  
M No. 043754

Place Mumbai  
Date 29th June 2013



For and on behalf of the Board of Directors

*Girdhar Pathak*  
Girdhar Pathak  
Director

*R. Chaturvedi*  
Rajendranath Chaturvedi  
Director

**GRN ENERGY PVT. LTD.**

Notes forming part of the Financial Statement

**Note 1 - Share Capital**

Amounts in ₹

	Particulars	As at 31st March, 2013	As at 31st March, 2012		
(A)	<b>SHARE CAPITAL:</b>				
	<u>AUTHORISED SHARE CAPITAL</u> 10,00,000 Equity Shares of Rs. 10 each	10,000,000	10,000,000		
		<b>10,000,000</b>	<b>10,000,000</b>		
	<u>ISSUED, SUBSCRIBED &amp; PAID UP</u> 10,000 Equity Shares of Rs. 10 each	100,000	100,000		
		<b>100,000</b>	<b>100,000</b>		
(B)	The reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year				
	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>		
	No. of Shares outstanding at the beginning of the year	10,000	Nil		
	No. of Shares issued during the year	Nil	10,000		
	No. of Shares outstanding at the end of the year	10,000	10,000		
(C)	Par value per share: The par value of Equity Shares is Rs.10/-.				
(D)	The rights, preferences and restrictions attaching to each class of shares including to restrictions on the distribution of dividends and repayment of capital:  Equity Shares- The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In case of winding up, if the assets available for distribution are less than the paid up share capital, then the shortfall will be borne by the members proportionately. Where there is an excess, the same shall be distributed proportionately among the members.				
(E)	The details of Shareholders holding more than 5% shares :				
<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
		<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
(i)	GRN Finsec Pvt Ltd	9,999	99.99	9,999	99.99



**Note 2 - Reserves & Surplus**

Amounts in ₹

Particulars		As at 31st March,2013	As at 31st March,2012
(a)	Surplus / (Deficit) in the statement of profit and loss Account		
	Balance as per the last financial statement	(186,739)	-
	Add : Profit/(Loss) for the year	(9,618)	(186,739)
	Amount available for Appropriations	(196,357)	(186,739)
	<b>Total</b>	<b>(196,357)</b>	<b>(186,739)</b>

**Note 3 - Other Long Term Liabilities**

Amounts in ₹

Particulars		As at 31st March,2013	As at 31st March,2012
a)	Advance from Holding Co.	89,711	89,711
	<b>Total</b>	<b>89,711</b>	<b>89,711</b>

**Note 4 - Other Current Liabilities**

Amounts in ₹

Particulars		As at 31st March,2013	As at 31st March,2012
a)	Sundry Payable	11,236	5,618
	<b>Total</b>	<b>11,236</b>	<b>5,618</b>

**Note 5 - Cash and Cash Equivalents**

Amounts in ₹

Particulars		As at 31st March,2013	As at 31st March,2012
(a)	Cash on Hand	10	10
(b)	Balances with Banks	4,580	8,580
	<b>Total</b>	<b>4,590</b>	<b>8,590</b>

**Note 6 Other Expenses**

Amounts in ₹

	Particulars	For the year Ended 31st March, 2013	For the Period Ended 31st March, 2012
(A)	<b>Payment to Auditors</b>		
(a)	Audit Fees	5,000	5,000
(b)	Service Tax	618	618
(B)	<b>Operating / Administrative and General Expenses</b>		
(a)	Printing & Stationary	-	1,181
(b)	Fees & Subscription	4,000	1,010
(c)	Miscellaneous Expenses	-	130
(d)	Preliminary Expenses Written Off	-	178,800
	<b>TOTAL</b>	<b>9,618</b>	<b>186,739</b>

**Note 7 Earnings Per Equity share**

	Particulars	For the year Ended 31st March, 2013	For the Period Ended 31st March, 2012
(A)	Net Profit/(Loss) After Tax before extra-ordinary items (Net of Tax) Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs. )	(9,618)	(186,739)
	Add : Extra-ordinary Items (Net of Tax)	-	
	Net Profit/(Loss) After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs.)	(9,618)	(186,739)
(B)	Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	10,000	10,000
(C)	Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
	Before Extra-ordinary items	(0.96)	(18.67)
	After Extra-ordinary items	(0.96)	(18.67)
(D)	Face Value per Equity Share (in Rs.)	10.00	10.00

Note 8

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or nor short of the amounts reasonably necessary.

Note 9

**Related Party Disclosures:**

List of related parties with whom transactions have taken place during the year:

- i) *Holding Company* :  
GRN Finsec Private Limited

The Closing credit balance of Rs. 89,711/- payable to holding company GRN Finsec Private Limited as on 31<sup>st</sup> March, 2013 (PY Rs. 89,711/-).

Note 10

In the opinion of the management, the Company is mainly engaged in the business of Energy Sector Activities and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

Note 11


**Contingent Liabilities:**

There is no contingent liability for the year ended on 31<sup>st</sup> March 2013.

Note 12

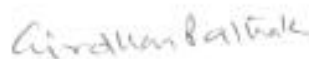
The Previous year figures have been re-grouped/re-classified wherever necessary to conform to the current year presentation. As this is second year of the Company, the previous period figures are not comparable with current year figures.


As per our report of even date  
For **RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

  
**C A Vikas N Mehta**  
Partner  
Membership No. 043754



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
**Girdhar Pathak**  
(Director)

  
**Rajendrnath Chaturvedi**  
(Director)

Place: Mumbai  
Dated 29th June, 2013

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with the sections entitled “Financial Information of our Company” and “Risk Factors” on pages 112 and 7, respectively. This discussion and analysis contains forward-looking statements and involves various risks and uncertainties and our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in this section and in the section entitled “Risk Factors” and “Forward-Looking Statements on pages 7 and 5 respectively. Unless otherwise stated, our financial information used in this section has been derived from Audited Financial Statements.*

The following discussion should be read in conjunction with our audited financial statements as of and for the financial year ended March 31, 2017, 2016, March 31, 2014, and March 31, 2013 and the schedules and notes thereto, which appear elsewhere in this Information Memorandum and are prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) to comply with the Accounting Standards notified under Companies Act.

For the purpose of this section, unless the context requires otherwise, references to “Fiscal Year 2017”, “Fiscal Year 2016”, “Fiscal Year 2015”, “Fiscal Year 2014”, and “Fiscal Year 2013”, are to the financial year ended March 31 of the relevant year and references to “year/period” are to the financial year /period of our Company. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, results of operations or financial condition.

### Overview

Our Company shall now be conducting the consolidated brick and mortar and online home retail business as under:

#### 1. *Brick and Mortar home retail segment*

Our Company will now be operating stores of home furniture and home fashion in the brand name of HomeTown. This retail format is a one stop shop that brings together under one roof a wide range of furniture, home furnishing goods, design and build, other home related products and high quality services, modular kitchen, flooring, tiles, plumbing, wallpaper among others, along with great in-store experience. Our stores provide attractive offers and prices on a wide range of kitchenware, furniture (including office and home furniture), and furnishing (including bedsheets, cushions and towels). 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. Currently, HomeTown has a pan India presence with 37 stores, across 21 cities in India in states of Andhra Pradesh, Chhattisgarh, Delhi, Haryana, Jharkhand, Karnataka, Kerala, Gujarat, Maharashtra, Karnataka, West Bengal, Telangana and Uttar Pradesh. As of March 31, 2017, these stores have a total retail space of approximately 8.3 lakh sq. ft. having annual footfall of about 30 lakh prospective customers.

#### 2. *Online home retail segment*

Our Company will also be operating a web portal for online sale of furniture and furnishing products through websites (www.fabfurnish.com and www.hometown.in). These portals will operate as an e-commerce consumer portal under the market place model. Through these portals, we will directly sell a wide range of products particularly focused on fast moving product categories.

Future group focuses *inter alia* on consumption-led businesses and operates, through group companies’ retail stores in various formats across food, fashion apparels, accessories and footwear, general merchandise, home improvement, consumer durables and electronics in India.

Continuing the legacy of Future group, our Company intends to cater to home retail and home fashion segment in India by providing consumers with varied goods and services at competitive prices.

### Material developments subsequent to last financial year

Other than the Scheme of Arrangement between our Company, FRL and BSPL, there are no material developments subsequent to the last financial year.

### Critical Accounting Policies

For details of the critical accounting policies followed by our Company, please see the section entitled, “Financial Information of our Company” on page 112.

### Factors Affecting our Results of Operations

A number of general factors affect our financial performance and our results of operations. These factors may affect our Company's financial performance in the future, and include:

- General political, social and economic conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the Indian Retail industry;
- Failure to continue business or undertake projects on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting the retail industry generally in India;
- Accidents and natural disasters; and
- Other factors beyond our control.

### Results of Operations

*(Amount in ₹)*

	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Revenue from Operations	-	-	-	-	-
Expenses	34,189	7,550	8,700	6,702	9,618
Profit Before Tax	(34,189)	(7,550)	(8,700)	(6,702)	(9,618)
Total Tax Expense	-	-	-	-	-
Profit After Tax	(34,189)	(7,550)	(8,700)	(6,702)	(9,618)

Prior to the Scheme becoming effective, our Company was not carrying on any business activity. Therefore, the comparatives for our results of operations have not been included in the Information Memorandum.

Our Company was not required to prepare statement of cash flows for the financial years ended on March 31, 2014 and March 31, 2013 in accordance with the applicable laws. Accordingly, the same has not been included in this Information Memorandum.

## SECTION VI - LEGAL AND OTHER INFORMATION

### OUTSANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed below there are no (i) litigation involving our Company, (ii) actions taken by regulatory or statutory authorities involving our Company, (iii) material frauds, and (iv) other matters involving our Company which are identified as material.

#### ***I. Litigation involving our Company***

##### **Litigation filed against our Company**

There are no pending legal proceedings involving our Company.

##### ***Regulatory Actions in the last five years against our Company***

No regulatory actions were taken against our Company in the last five years.

##### **Material Frauds against our Company**

There have been no material frauds committed against our Company in the five years preceding the date of this Information Memorandum.

##### **Small Scale Industries**

Our Company does not owe any small scale undertakings any amounts exceeding ₹ 0.01 crores which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

##### **Statutory Dues**

As of the date of this Information Memorandum, there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) overdues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

#### ***II. Litigation involving our Promoters***

##### **A. Kishore Biyani**

##### **Litigation filed against Kishore Biyani**

##### **Criminal Cases**

1. The Local Health Authority, Ahmedabad Municipal Corporation has filed a criminal case on May 27, 2009 before the 6th Court of the Metropolitan Magistrate, Ahmedabad against Pantaloon Retail (India) Limited (“PRIL”), Kishore Biyani and others in the capacity of Directors of the PRIL, in respect of a product supplied at PRIL’s retail outlet at Ahmedabad. The public analyst allegedly found the product to be misbranded as it did not conform to the standards and provisions of the rules 32 (b) and € of Prevention of Food Adulteration Rules, 1955 and it was misbranded as per section 2 (ix) (k) of the Prevention of Food Adulteration Act, 1954. The matter is currently pending.
2. The Local Health Authority, Municipal Corporation of Indore has filed a criminal case before the First Class Judicial Magistrate, Indore against all the Directors of FEL the including Kishore Biyani. The sample of the product namely “N-Joi”, seized by the Municipal Corporation of Indore, from the FEL store was found to contain a synthetic food colour “ponceau 4R”, on a test conducted by the public analyst. There was no declaration on the label of the sample pack to this effect and hence it has been alleged that there has been a violation of Rule 24 and proviso (b) of Rule 32 of the Prevention of Food Adulteration Rules, 1955. It is also alleged that the product was misbranded as per section 2(ix) (j) & (k) of the Prevention of Food Adulteration Act, 1954. FEL has filed a criminal miscellaneous petition before the High Court of Madhya Pradesh Indore Bench under section 482 of Criminal Procedure Code for quashing the Complaint and the High Court has granted exemption to all the directors of FEL till the final disposal of the case in the lower court. The matter is pending.
3. The Local Health Authority, Municipal Corporation of Indore has filed a criminal case before the First Class Judicial Magistrate, Indore against FEL, store manager and all the Directors including Kishore Biyani. The samples of the products “Fresh & Pure Toast Biscuits” seized by the Municipal Corporation of Indore, from the FEL’s store was found to be misbranded on a test conducted by the public analyst. It is also alleged that

the product was adulterated and misbranded and thus a Criminal Complaint is lodged under section 7(i) along with section 16 (1)(a)(i) of the Prevention of Food Adulteration Act, 1954. FEL had filed a criminal miscellaneous petition before the High Court of Madhya Pradesh Indore Bench under section 482 of Criminal Procedure Code for quashing the Complaint. And further the High Court has granted exemption to all the directors of FEL till the final disposal of the case in the lower court. Accordingly, the Accused filed discharge in the lower court, however the discharge application was rejected by the lower court and summoned to the accused to be present before the court. Against the said order, the directors appealed to the High Court for quashing the case. At present the high court has granted stay in favour of the directors and the matter is now pending in high court.

4. The Local Health Authority, Municipal Corporation of Kamrup, Guwahati has filed a criminal case before the Chief Judicial Magistrate, Kamrup, Guwahati against Kishore Biyani & others, in relation to adulteration of food products. The sample of “Kalazira” seized by the Municipal Corporation of Kamrup, Guwahati from Big Bazaar at City Square, G.S. Road, Guwahati was found to be polished with hydrocarbon oil which is not permitted as per Prevention of Food Adulteration Act, 1954. It was also found that the sample contained excessive numbers of living insects. Hence, violation of Rule 50 of the Prevention of Food Adulteration Rules, 1955 and offence under sections 7 and 16 of the Prevention of Food Adulteration Act, 1954 is found to be committed. The Directors have filed a writ petition before the High Court of Guwahati and a stay has been granted in favour of Directors pursuant to high court’s order dated November 24, 2010. By order dated November 18, 2013 the High Court of Guwahati has allowed the revision application setting aside the order of issuing process against the directors. It has been further ordered that the Chief Judicial Magistrate Kamrup shall be at liberty to hold appropriate enquiry in accordance with the amended provision of section 202 of the Criminal Procedure Code and thereafter, if satisfied, shall proceed further to issue process. The matter is currently pending.
5. The Local Health Authority, Municipal Corporation of Kamrup, Guwahati has filed a criminal case before the Chief Judicial Magistrate, Kamrup, Guwahati against Kishore Biyani & others in relation to adulteration of food products. The sample of “Pure Cow Ghee” collected by the Municipal Corporation of Kamrup, Guwahati from Food Bazaar at D. T. Tower, G.S. Road, Guwahati, was found to be artificially coloured using “Beta Carotene”. It was also found that the sample contained excessive numbers of living insects. It has been alleged that there has been a violation of Rules 5 and 26 of the Prevention of Food Adulteration Rules, 1955 and an offence under the Prevention of Food Adulteration Act, 1954 has been committed. The Directors have filed a writ petition before the High Court of Guwahati and a stay has been granted in favour of Directors pursuant to high court’s order dated November 24, 2010. By order dated November 18, 2013 the High Court of Guwahati has allowed the revision application setting aside the order of issuing process against the directors. It has been further ordered that the Chief Judicial Magistrate Kamrup shall be at liberty to hold appropriate enquiry in accordance with the amended provision of section 202 of the Criminal Procedure Code. and thereafter, if satisfied, shall proceed further to issue process. The Chief Judicial Magistrate Kamrup has conducted enquiry under Section 202 of Criminal Procedure Code and summoned the directors against which Writ Petition was filed and the matter is now stayed. The matter is currently pending.
6. The Food Inspector, Thane (“**Complainant**”) filed a criminal complaint before the Judicial Magistrate, First Class, Vashi, Navi Mumbai against Kishore Biyani and others (“**Accused**”). The Complainant alleged that the sample of ‘Power Horse’ energy drink collected from Food Bazaar, City Centre, Vashi was found to be not confirming to the standards and provisions of the Prevention of Food Adulteration Act, 1954. Hence, the Complainant filed the present complaint alleging violation of rule 39 and 42 of the Prevention of Food Adulteration Rules, 1955. The case is currently pending.
7. Inspector of legal Metrology has filed five cases before 2nd Additional First Class Judicial Magistrate against Kishore Biyani and others, at Mangalore, alleging that the REEBOK Shoes and other products had additional sticker with different maximum retail prices. An order dated June 23, 2012 was passed by the Judicial Magistrate First Class, summoning Kishore Biyani and others. The same was challenged before sessions Court to set aside impugned order. The Sessions Court had dismissed our application. Against this, criminal petition has been filed before the High Court at Bangalore for quashing the order in the said matter. Interim Stay has been granted & Notice has been issued to the department of Legal Metrology. The case is currently pending.
8. A Senior Labour Inspector has filed a criminal case under Section 20 (2) of the Minimum Wages Act before Labour Officer against Kishore Biyani, and others. The case is currently pending.
9. Assistant Labour Officer, Hyderabad has filed three criminal cases for violation of certain labour laws and state’s Shops and Establishments Act before the Chief Metropolitan Magistrate Court – XII against Kishore Biyani and Store Manager. A criminal petition has been filed by Kishore Biyani & Silas Paul against Labour Officer before High Court of Andhra Pradesh seeking relief of quashing the complaint filed by Labour officer before trial court. The matter is currently pending.

10. Additional Controller of Metrology and Director Consumer Affairs, Jaipur has filed 1 complaint before Additional District Collector, Kota (City), Kota Rajasthan, against Kishore Biyani, FRL, among others, under Section 39 (1) of Standard of Weight and Measure act 1957, Rule 4 read with rule 6 (1) of packaged commodity for deficiency in label declaration and charging Rs. 8/- more than printed price etc. The matter is pending.
11. The labour inspector, has filed criminal Complaint under Section 9 (6), 82(2), 24 OF contract Labour Abolishment Act against Pantaloon Retail India Limited, Kishore Biyani and others. The matter is for failure in compliance despite receiving notice from Labour officer. The Matter is currently pending.
12. A first information report has been filed against Sayan Bose, store manager of Jorhat Big Bazaar, FRL and its board of directors including Kishore Biyani under section 420 of Indian Penal Code read with section 7 of Essential Commodities Act for alleged contravention of provision of section 3 of the essential commodities act 1955 and for contravening the provisions of the Assam Trade Articles (Licensing & Control) Order, 1982 and a case has been registered. The FIR was lodged on the basis of prosecution order passed by Jorhat Deputy Commissioner subsequent to seizure of Pulses (25 Qntl.) from Jorhat Big Bazaar store, which was subsequently disposed of by sale by Food & Supply Department and against which a Criminal revisions for quashing of criminal proceedings has been filed before Guwahati High Court. The High Court has pass an order dated December 23, 2016 suspending the criminal proceedings.

### Consumer Cases

13. A consumer case has been filed before District Consumer Disputes Redressal Forum, KG Marg by Garg Techno Conveyors P. Ltd. against Big Bazaar CBD Sahadhara & Kishore Biyani. The complainant alleges that the two 'Okaya' air conditioners that he purchased from the store were defective as some parts were missing. Despite repeated requests the defects were not cured. The case is currently pending. (Consumer)
14. Punit Parikh (“**Complainant**”) filed a consumer complaint (“**Complaint**”) before the District Consumer Disputes Redressal Forum, Raipur, Chattisgarh against Kishore Biyani, Manager, Big Bazaar, Parle Agro Private Limited and Manager City Center Mall, Raipur. The complainant alleges that the two bottles of Saint Apple Juice that he had purchased from the Big bazaar store were sold after the expiry period printed on it. The Complainant further claims that in spite of repeated requests the bottles have not been replaced. The district forum had awarded a sum of approximately 70,000 to the Complainant, and against the said order, we have filed an appeal before the state commission. The state commission has sent back the matter to the district forum for additional evidence. The matter is pending.
15. Kanchan Jain has filed an appeal Kishore Biyani in his capacity of Chief Executive Officer and Managing Director of FRL, Home Town, Naman Central Mall, RNT Marg, Indore (M.P.). The instant appeal has been filed by the appellant challenging the Order dated February 1, 2016 passed by District Consumer Disputes Redressal Forum, Indore in a consumer case filed by the appellant for compensation. The contingent liability for this appeal is Rs. 2, 10, 000/-.
16. Pursuant to an order passed by the district forum, the execution petition has been filed by the Decree holder Anandan Unnikrishnan, Managing Director of PRIL, against the before the Consumer Forum Ernakulam against judgment debtors being Kishore Biyani, FRL, store manager, BB Nucleus Mall, and Food Safety Commissioner Trivandrum. The Food Safety Commissioner has filed an appeal before the CDRC, Thiruvananthapuram against Anand Unnikrishnan, Managing Director of PRIL, represented by Kishore Biyani, in his capacity as the Chief Executive Officer of Future group under Section 15 of Consumer Protection Act, 1986. Stay has been granted on the Order passed by the District Forum till Appeal is disposed off. Meanwhile based on the application filed by the Respondent, considering his inconvenience and ill health the matter has been transferred to Ernakulam Camp sitting. The matter is pending.
17. Anil Kumar had filed a complaint against Store Manager of Big Bazaar, Thrissur and Managing Director of FRL, before the District Consumer Forum alleging price mismatch on allied products seeking a compensation of Rs.35,500/-. Case is pending.
18. A consumer complaint has been filed before the II Additional District Consumer Forum, Bangalore by Suresh Jain, a customer who had bought certain articles from Central I, Residency Road, Bangalore against Kishore Biyani and others. The allegation is that the Complainant was billed a sum of Rs.2401/- excess by wrongly charging VAT for the second time over the maximum retail price of two articles. Complainant claims that this is unfair as the the maximum retail price is inclusive of VAT and refund request of the excess amount was denied. Further allegations include that the way the commercial bill being structured is improper, against law, deceiving and misleading the customers. The prayer includes apart from others, monetary demand for refund of excess VAT collected plus Rs.1Lakh as compensation. The matter is pending.



19. The Complainant Vijay Kumar Pandey has instituted a complaint before the District Consumer Redressal Forum, Kashmere Gate, Delhi against Kishore Biyani and others, wherein he has contended that he was working as an Assistant human resources for five and half years. The Complainant has further contended that during his services the provident fund Amount was also being deducted from his salary. The Complainant has further contended that he left the services of the Company on April 3, 2012 and at the time of leaving his provident fund account was not settled. The Complainant applied to the said opposite party for giving the full and final payment but the Opposite Party instead of making the payment, even did not give any reply and hence this Complaint. The matter was dismissed in default due to non appearance of the Complainant and an appeal was filed. The matter is pending.

#### **Civil/Labour Cases**

20. A Senior Labour Inspector 14th Circle has filed a case under Section 20 (2) of the Minimum Wages Act before Labour Officer against Kishore Biyani, and Store Manager. The case is currently pending.
21. A Labour Complaint has been filed before the Labour Court , Mumbai, by Jayprakash Thakkar against Kishore Biyani alleging that the Respondents is indulge in unfair labour practice and for to reinstatement of his Services. The matter is pending.
22. A complaint has been filed before the Industrial Court at Mumbai by Vinod Singh against Future Value Retail Limited and Kishore Biyani for indulging in Unfair Labour Practices covered under section 28(1) & 30 read with item 1(a) (b) of Schedule II and item 6,9 and 10 of Schedule IV of MRTU & PULP Act, 1971, with respect to alleged removal from the employment by taking the resignation. The Complainant is praying for all the back wages along with reinstatement in service. The matter is currently pending.
23. DTDC Courier and Cargo Limited has instituted a Suit against Future Axiom Telecom Limited, Kishore Biyani Anil Biyani, Rakesh Biyani, Sunil Biyani, and Vijay Biyani for recovery of Rs. 23,46,965.90 along with pendente lite and future interest that has remained outstanding and has been accrued over the Defendants on account of the services rendered by the Plaintiff to the Defendants. The matter is currently pending.
24. A labour complaint has been filed in Labour court, Ahmedabad, against FRL and Kishore Biyani alleging Workman was employee working as Store Manager at BB, Satellite. He alleged that he was being terminated by services illegally and without paid salary and compensation. Therefore, he has filed this complaint for Recovery of Back Salary in to the services. The matter is currently pending.
25. A complaint has been filed before the Industrial Court at Mumbai by Namrata Chandan Pandey against FRL, Big Bazaar Kalyan, Metro Junction Mall, Netivali Village, Kalyan East, Kishore Biyani and Poonam Ghosh for indulging in Unfair Labour Practices covered under item 1(a) (b) (d)(e)(f) and (g) of MRTU & PULP Act, 1971, with respect to alleged illegally, wrongfully and orally removal from the employment on June 12, 2017 The Complainant is praying for all the back wages along with reinstatement in service. The matter is currently pending.
26. Mehfuza Y Patrawala & Anr. (Partners of Modern Enterprises) Filed a Contempt Petition in Arbitration Petition matter against Kadir Y Patrawala & Ors. (Partners of Modern Enterprises), , Kishore Biyani, Sunil Biyani, Rahul Saraf, Rampal Laddha, Udita Janak Jhubjunwala, Rajesh Kalyani, Pawan Agarwal, Somayajulu Kodukula, Anil Cherian and Vijay Duggar before the High Court, Mumbai. The Contempt Petition alleged that FMNL failed to comply with order of the Court in making payments of rental under the lease deed with respect to premises aggregating to 7500 sq ft at OCC Mall, Mumbai. FMNL contends that the premises was vacated on July 31, 2016 and the rent up to that date was paid, and owing to intersea disputes between the partners of the Modern Enterprises, the contempt petition is filed. The matter is pending..
27. Ram Sevak filed a complaint before the Court, Under Minimum Wages Act, 1948 against Easyday, Kishore Biyani & Others, Model Town Delhi. The copy of the claim is awaited. The matter is pending.

#### **Litigation or legal action pending or taken by any ministry or government department or statutory authority against Kishore Biyani during the last five years**

There are no litigation or legal action pending or taken by any ministry or government department or statutory authority against Kishore Biyani during the last five years.

## B. STICPL

### Litigation filed against STICPL

#### *Civil cases*

There are no civil cases filed against STICPL.

#### *Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	22	501.89

### Litigation or legal action pending or taken by any ministry or government department or statutory authority against STICPL during the last five years

There are no litigation or legal action pending or taken by any ministry or government department or statutory authority against STICPL during the last five years.

## III. Litigation involving our Group Companies

### I. Litigation involving Future Supply Chain Solutions Limited

#### *Litigation filed against Future Supply Chain Solutions Limited*

##### *Criminal cases*

Hare Ram Singh, proprietor of Maharaja Carrier Private Limited, (the “**Complainant**”) has filed a case against Future Supply Chain Solutions Limited before the court of the Chief Judicial Magistrate, Howrah, for non-release of the payment due to the Complainant. Subsequently, Future Supply Chain Solutions Limited has released the payment due to the Complainant, and an application has been made by the Complainant to withdraw the matter. This matter is currently pending for dismissal.

##### *Civil cases*

Civil cases involving Future Supply Chain Solutions Limited relate to filing of recovery suits, demands for rate revision in relation to work orders and alleged unfair termination of employment. These matters are pending at various stages of adjudication. There are no civil cases against Future Supply Chain Solutions Limited, above the materiality threshold for Future Supply Chain Solutions Limited, which individually is equivalent to one per cent or exceed one per cent of the revenue of Future Supply Chain Solutions Limited for Fiscal 2017 have been considered as material. The revenue of Future Supply Chain Solutions Limited for Fiscal 2017 is ₹ 5,611.83 million and accordingly, all litigation involving Future Supply Chain Solutions Limited in which the amount involved exceeds ₹ 56.12 million have been considered as material.

##### *Taxation matters*

There is no pending litigation, in relation to taxation matters, involving Future Supply Chain Solutions Limited.

##### *Notices*

Future Supply Chain Solutions Limited has received notices from various third parties in relation to (i) alleged non-payment of outstanding amounts; (ii) alleged non-payment of commission; (iii) removal of goods stored in warehousing facilities availed of by Future Supply Chain Solutions Limited; and (iv) payment of compensatory amount for alleged harassment. The aggregate amount involved in these matters is ₹ 1.59 million. These notices are currently pending at various stages.

### II. Litigation involving Future Enterprises Limited

#### *Litigation filed against Future Enterprises Limited*

##### *Criminal cases*

1. 58 criminal cases have been filed by the local health authorities in various cities and Food Inspectors and Food Safety Officers, against Future Enterprises Limited, before various judicial authorities, for alleged violation of the provisions of the Prevention of Food Adulteration Act, 1954, the Prevention of Food Adulteration Rules, 1955, the Food Safety & Standards Act, 2006, the Food Safety and Standards (Food

Products Standard & Food Additives) Regulations, 2011 and the Food Safety & Standards (Packaging & Labelling) Regulations, 2011, relating to misbranding, improper labelling and packaging of food products, high content of chemicals in food products beyond permissible limits and food products containing insects. These matters are pending at various stages of adjudication.

2. Six criminal cases have been filed by inspectors of legal metrology, against Future Enterprises Limited, before various judicial authorities, for alleged violation of the provisions of the Legal Metrology Act, 2009 in relation to improper pricing of various products, deficiency in label declaration and misbranding. These matters are pending at various stages of adjudication.
3. D. M. Chitnis, labour inspector, has filed a criminal complaint against Future Enterprises Limited and others, before the Judicial Magistrate's court, Ahmedabad, under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 ("CLRAA") for alleged failure to comply with notice from Labour Officer, A.M. Modi, and non-compliance with registration requirements under the provisions of the CLRAA and failure to file relevant forms in the calendar year 2011. This matter is currently pending.
4. S.P. Singh, Regional Officer, Rajasthan State Pollution Control Board has filed a criminal case before the Chief Judicial Magistrate, Jaipur, against Future Enterprises Limited, Big Bazaar and another, for alleged violation of the provisions of the Environment Protection Act, 1986, in relation to the use of plastic bags, despite such use being prohibited. This matter is currently pending.

#### *Civil cases*

There are no civil cases against Future Enterprises Limited, above the materiality threshold for Future Enterprises Limited which individually is equivalent to 10% or exceed 10% of the revenue of Future Enterprises Limited for Fiscal 2017 based on the policy for determination of materiality of events, formulated by Future Enterprises Limited, in accordance with Regulation 30 of the SEBI Listing Regulations. The consolidated revenue of Future Enterprises Limited for Fiscal 2017 is ₹ 44,854.50 million and accordingly, all litigation in which the amount involved exceeds ₹ 4,485.45 million have been considered as material.

#### *Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	5	Nil

There are no indirect tax matters involving Future Enterprises Limited

#### *Regulatory Actions in the last five years against Future Enterprises Limited*

1. 16 regulatory actions have been taken against Future Enterprises Limited, by various stamp duty authorities, including the District Collector of Stamp, the Assistant Collector of Stamp, the Additional District Magistrate (Finance and Revenue) and the Sub-Divisional Magistrate, in relation to alleged deficiencies in payment of stamp duty in relation to various transactions undertaken by Future Enterprises Limited. These matters are at various stages of adjudication. The aggregate amount involved in the matters is ₹ 97.10 million. These matters are currently pending.
2. SEBI has passed an adjudication order dated October 13, 2011 against Future Enterprises Limited in relation to alleged failure to redress investor grievances and file reports in relation to such redressals (the "**Adjudication Order**"). Subsequently, Future Enterprises Limited filed an appeal with the Securities Appellate Tribunal (the "**SAT**") against the Adjudication Order (the "**SAT Appeal**"). In accordance with the SEBI Circular dated April 20, 2007, Future Enterprises Limited has filed an application dated March 12, 2012, for a consent order to be passed by SEBI (the "**Consent Application**"). Pursuant to the Consent Application, and the communication received from SEBI dated September 3, 2012, based on the recommendations of the High Powered Advisory Committee (the "**SEBI Communication**"), Future Enterprises Limited settled the proceedings by payment of ₹ 0.65 million in respect of settlement charges and ₹ 0.10 million towards legal expenses. The SAT, by its order dated September 10, 2012 read with its supplementary order dated November 9, 2012, permitted Future Enterprises Limited to withdraw the SAT Appeal as Future Enterprises Limited had complied with the SEBI Communication and settled the matter. Subsequently SEBI passed a consent order in this matter dated December 5, 2012.
3. Future Enterprises Limited and some of its directors have received show cause notices from the Registrar of Companies, in relation to (a) inadequate disclosures, (i) in the financial statements of Future Enterprises Limited about the amounts unpaid to suppliers of Future Enterprises Limited registered under the Micro, Small and Medium Enterprises Development Act, 2006; (ii) in the terms of issue of bonus shares made by Future Enterprises Limited; (iii) in the financial statements of Future Enterprises Limited regarding dividend

received from the subsidiaries and joint ventures of Future Enterprises Limited; and (iv) non-compliance with the applicable accounting standards, as well as the provisions of the Companies Act, 1956, (b) payment of remuneration to statutory auditors without approval of the board of directors of Future Enterprises Limited, and (c) grant of certain loans and issue of inter-corporate deposits without proper authorisation of the board of directors (collectively, the “Violations”). Future Enterprises Limited approached the Company Law Board on May 17, 2016 for compounding the Offences and as directed by the Company Law Board, Future Enterprises Limited has paid an amount of ₹ 1.60 million. In relation to the Violations, the National Company Law Tribunal has imposed a cumulative fee of ₹ 0.32 million on the executive directors and the company secretary of Future Enterprises Limited.

#### *Other matters*

Other matters involving Future Enterprises Limited are in relation to, amongst others, labour disputes, consumer case matters, alleged restrictive and unfair trade practices and eviction related disputes.

There are no other matters involving any other person, against Future Enterprises Limited, whose outcome could have a material adverse effect on Future Supply Chain Solutions Limited.

### **III. Litigation involving Future Lifestyle Fashions Limited (“FLFL”)**

#### *Criminal cases*

1. The Local Health Authority, Baroda has filed a criminal case before the court of Judicial Magistrate, First Class, Municipal Court, Baroda against Ashok Khurana, Mall Manager, Central Mall (a unit of FLFL) and Hariharan Motilal Agarwal in relation to alleged violation of the provisions of the Prevention of Food Adulteration Act, 1954 and the Prevention of Food Adulteration Rules, 1955 for food adulteration and misbranding of food product. This matter is currently pending
2. FLFL has filed an FIR with the Adarsh Nagar Police Station, Jaipur, against Candra Mohan Jain, a cashier employed with FLFL under Section 408 of the Indian Penal Code, 1860, in relation to criminal breach of trust and theft, by billing products at a lower price. This matter is currently pending.
3. Two criminal case has been filed by FLFL, under Section 138 of the Negotiable Instruments Act, 1881, in relation to recovery of outstanding amounts, pursuant to dishonour of cheques. This matter is currently pending.

#### *Civil cases*

There are no pending civil cases involving FLFL above the materiality threshold for FLFL which individually is equivalent to 10% or exceed 10% of the revenue of Future Lifestyle Fashions Limited for Fiscal 2017 have been considered as material based on the policy for determination of materiality of events, formulated by Future Lifestyle Fashions Limited, in accordance with Regulation 30 of the SEBI Listing Regulations. The consolidated revenue of Future Lifestyle Fashions Limited for Fiscal 2017 is ₹ 38,770.74 million and accordingly, all litigation in which the amount involved exceeds ₹ 3,877.07 million.

#### *Taxation matters*

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number of matters</b>	<b>Total amount involved (in ₹ million)</b>
1.	Indirect Tax	3	6.55

There are no pending direct tax matters involving FLFL.

#### *Regulatory Actions in the last five years against FLFL*

The Upper Collector, Ghaziabad (the “UC”), issued a notice to FLFL for alleged deficiency in payment of stamp duty in relation to a transaction of property situated at Sector 1, Vaishali, Ghaziabad (the “Premises”), which was replied to by FLFL. The UC passed an order dated November 4, 2008, directing that a notice be sent to the lessor of the Premises in relation to the alleged insufficient payment of stamp duty. Subsequently, the Assistant Collector, Ghaziabad passed an order dated April 24, 2009 (the “AC Order”) directing FLFL to pay ₹25.96 million towards stamp duty and ₹2.60 million towards penalty, totaling ₹28.56 million as well as interest at the rate of 1.5% on the stamp duty from the date of execution of the agreement for Premises, till date of payment of the amount as decreed in the AC Order. FLFL has filed an appeal against the AC Order before the Chief Controlling Revenue Authority, Allahabad (the “CCRA Appeal”) and deposited ₹13.03 million with the Chief Controlling Revenue Authority, Allahabad. The Chief Controlling Revenue Authority, Allahabad has not granted any relief in the form of a stay order and therefore a writ petition has been filed before the Allahabad High Court, Lucknow Bench, pursuant to which the

Allahabad High Court, Lucknow Bench, directed the Chief Controlling Revenue Authority, Allahabad to decide on the matter and also directed that no recovery shall be made against FLFL for any amount till the Chief Controlling Revenue Authority, Allahabad passes a decision. This matter is currently pending.

*Other matters*

Other matters involving FLFL are in relation to, amongst others, alleged unfair dismissal from employment, recovery of pending payment and consumer cases.

There are no other matters involving any other person, against FLFL, whose outcome could have a material adverse effect on our Company.

**IV. *Litigation involving Future Consumer Limited (“FCL”)***

*Criminal cases*

1. 14 criminal cases have been filed by the Prevention of Food Adulteration Department, Food Safety Officer, the Food Safety and Standards Authority of India and the Food and Drug Administration Authority, before various judicial authorities, against FCL, for alleged violation of the provisions of the Prevention of Food Adulteration Act, 1954, the Prevention of Food Adulteration Rules, 1955, the Food Safety & Standards Act, 2006, the Food Safety and Standards (Food Products Standard & Food Additives) Regulations, 2011, and the Food Safety & Standards (Packaging & Labelling) Regulations, 2011, relating to misbranding, improper labelling and packaging of food products and food products containing insects. These matters are pending at various stages of adjudication.
2. The Delhi Development Department (Insecticides) has filed a criminal complaint against, FCL and others before the Metropolitan Magistrate, Rohini, Delhi, for alleged violation of the provisions of the Insecticides Act, 1968, in relation to a sample of insect repellent collected from a store operated by FCL at Rohini, Delhi, being substandard and misbranded. This matter is currently pending.
3. Two criminal cases have been filed by FCL, under Section 138 of the Negotiable Instruments Act, 1881, in relation to recovery of outstanding amount pursuant to dishonour of cheques. These matters are currently pending.

*Civil cases*

There are no civil cases involving FCL above the materiality threshold for FCL which individually is equivalent to 10% or exceed 10% of the revenue of Future Consumer Limited for Fiscal 2017 based on the policy for determination of materiality of events, formulated by Future Consumer Limited, in accordance with Regulation 30 of the SEBI Listing Regulations. The consolidated revenue of Future Consumer Limited for Fiscal 2017 is ₹ 21,158.41 million and accordingly, all litigation in which the amount involved exceeds ₹ 2,115.84 million have been considered as material.

*Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	7	157.31
2.	Indirect Tax	13	66.94

*Notices*

1. Three notices have been received by FCL from the Inspector of Legal Metrology of Bhopal and Ferozpur for alleged violation of the provisions of the Legal Metrology Act, 2009 in relation to font size of printed declaration on packets. These matters are currently pending.
2. Three separate notices have been received by FCL from the Inspector of Legal Metrology of Uttar Pradesh and Mumbai for alleged violation of the provisions of the Legal Metrology Packaged Commodities Rules, 2011. The necessary documents /reply is being provided by FCL. The matters are currently pending.
3. 10 notices have been received by FCL from various authorities of the Food and Drug Administration Authority for alleged violation of the provisions of the Prevention of Food Adulteration Act, 1954, the Prevention of Food Adulteration Rules, 1955, the Food Safety & Standards Act, 2006, the Food Safety and Standards (Food Products Standard & Food Additives) Regulations, 2011, and the Food Safety & Standards (Packaging & Labelling) Regulations, 2011, in relation to misbranding and improper labelling of products, obtaining relevant license and substandard food products. These matters are currently pending.

### *Other matters*

Other matters involving FCL are in relation to labour disputes, recovery of rent, recovery of service tax and claim for refund of security deposit.

There are no other matters involving any other person, against FCL, whose outcome could have a material adverse effect on our Company.

## **V. Litigations involving Future Brands Limited**

### *Civil cases*

In accordance with the materiality threshold of Future Brands Limited, being 1% of the revenue for the Financial Year 2017 i.e. ₹2.15 crore, the litigation against Future Brands Limited is disclosed below:

Central Retail Corporation Limited, Central Department Store Limited and Harn Central Department Store Limited (the “**Plaintiff**”) have filed a case bearing case no. O.S. No. 1130 of 2008 before the High Court of Delhi, against Future Brands Limited and others seeking a permanent injunction to restrain from using the trademark “Central” and has sought damages of a sum of Rs. 100 million. The matter is currently pending.

## **VI. Litigation involving FRL**

### **Litigation filed against FRL**

#### *Criminal cases*

1. Mahanubhav Pant has filed a criminal complaint before the Chief Judicial Magistrate, Nagpur, against the Big Bazaar Store, operated by FRL, at Ramdaspet Nagar, for selling and displaying garments with prints of incantations of Mahanubhav Pant. This matter is currently pending.
2. A criminal case has been filed with the Jorhat Police Station, pursuant to filing of an FIR with the Jorhat Police Station, against FRL, Rakesh Biyani and others (the “**Accused**”) under the Indian Penal Code, 1860 and the Essential Commodities Act, 1955, for alleged contravention of provisions of Section 3 of the Essential Commodities Act, 1955 and the provisions of the Assam Trade Articles (Licensing & Control) Order, 1982. The FIR was lodged on the basis of prosecution order passed by Jorhat Deputy Commissioner (the “**Complainant**”) against the Accused, subsequent to seizure of 25 quintals of pulses from the Big Bazaar outlet in Jorhat on September 24, 2016 by the Inspector, Food Civil Supplies and Consumer Affairs Department, Jorhat, Assam, which was subsequently disposed of by sale by Food and Supply Department, and against which a criminal revision petition for quashing of criminal proceedings has been filed before High Court at Guwahati by the Accused. The High Court at Guwahati passed an order on December 23, 2016 suspending the criminal proceedings against the Accused, pursuant to the FIR, till the returnable date, that was fixed on January 31, 2017. This matter is currently pending.
3. 151 criminal cases have been filed by the Food Safety Officer, and various state authorities, through the Food Safety Officers against FRL, before various judicial forums, for alleged violation of the provisions of the Food Safety & Standards Act, 2006, the Food Safety and Standards (Food Products Standard & Food Additives) Regulations, 2011, and the Food Safety & Standards (Packaging & Labelling) Regulations, 2011, in relation to various matters such as misbranding of food products, high content of chemicals in food products above permissible levels, food products containing insects, misbranding and improper labelling and packaging. These matters are at various stages of adjudication.

#### *Civil cases*

There are no civil cases against FRL, above the materiality threshold for FRL which individually is equivalent to 10% or exceed 10% of the revenue of FRL for Fiscal 2017, being ₹ 17,075.09 million.

#### *Taxation matters*

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number of matters</b>	<b>Total amount involved (in ₹ million)</b>
1.	Direct Tax	7	Nil
2.	Indirect Tax	52	13.43

#### *Other matters*

Other matters involving FRL are in relation to, amongst others, labour disputes, consumer case matters and disputes involving recovery of rent.

There are no other matters involving any other person, against FRL, whose outcome could have a material adverse effect on our Company.

#### VII. Future Sharp Skills Limited

##### *Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	1	0.50 million

There are no indirect tax matters involving our Promoter

#### VIII. Future Ideas Company Limited

##### *Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	3	6.28

There are no indirect tax matters involving our Promoter

#### IX. Idiom Design and Consulting Limited

##### *Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	1	5.48

There are no indirect tax matters involving Idiom Design and Consulting Limited.

#### IV. Litigation involving our Directors

##### **Shrirang Sarda, Independent Director**

##### *Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	1	1.32 million

##### **Pankaj Bhargav**

##### *Taxation matters*

Sr. No.	Particulars	Number of matters	Total amount involved (in ₹ million)
1.	Direct Tax	1	0.7674 million

#### V. Material Developments

For details of material developments, please see the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 220.

## GOVERNMENT APPROVALS AND LICENSES

We are required to obtain approvals under the provisions of various laws and regulations and obtain registrations or approvals under them for conducting our business which include shops and establishment licenses, trade licenses, 365 days licenses and other applicable approvals. The requirement for such approvals for a particular store may vary based on factors such as the format of the store, legal requirement in the state in which the store is situated, the merchandise being sold at the store and whether a demand has been made by the relevant authority. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

We have set out below an indicative list of material approvals obtained by our Company. The indicative approvals set out below are obtained by our Company, as applicable, for the purposes of undertaking their business. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we shall apply for their renewal:

Licenses /Zone	East	North	South	West
<b>Home Town</b>				
365 Days License		✓	✓	✓
Store and Establishment License	✓	✓	✓	✓
Trade License	✓	✓	✓	✓
Contract Labour License	✓	✓	✓	✓

We have set out below, details of pending applications filed for renewal of certain expired approvals relating to our format stores which have expired:

### A. Home Town

Zone	Nature of license / approval	Applied	In Process of Application	Issuing Authority
<b>East</b>	Store and Establishment License		1	Labour Authority of State
	Trade License		1	Municipal Corporation
<b>North</b>	365 Days Permission License	1		Labour Authority of State
<b>South</b>	365 Days Permission License	1		Labour Department, Govt. of Karnataka
	Contract Labour License	1		Deputy Commissioner of Labour
<b>West</b>	365 Days Permission License	1		Labour Authority of State
	Trade License		1	Municipal Corporation
<b>Total</b>		<b>4</b>	<b>3</b>	



## SECTION VII – REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Scheme

The National Company Law Tribunal of Judicature at Mumbai, through its order dated November 10, 2017 has sanctioned the Scheme of Arrangement between FRL, BSPL and our Company and their respective creditors and shareholders.

For more details relating to the Scheme please refer to the chapter entitled “*History of our Company and Certain Corporate Matters*” on page 76 of this Information Memorandum. In accordance with this Scheme under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, Home Retail Business Undertaking of Future Retail Limited (‘FRL’) and e-Commerce Home Retail Business Undertaking of Bluerock eServices Private Limited (‘BSPL’) stands transferred and vested into the Company with effect from first appointment date August 1, 2017 and second appointment date April 15, 2016 respectively.

In accordance with the Scheme, the Equity Shares of the Company issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and is subject to fulfilment by the Company of listing criteria of BSE and NSE and also subject to such other terms and conditions as prescribed by BSE and NSE at the time of application by the Company seeking listing.

### Prohibition by SEBI

Our Company, its Promoters, its Directors, Promoter Group entities and other companies promoted by Promoters or Group Companies and natural persons behind our corporate Promoters and companies with which the directors of our Company are associated, as directors or promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

### Eligibility Criteria

There being no initial public offering or rights issue of securities, the eligibility criteria in terms of Chapter III and other provisions of SEBI Regulations are not applicable. SEBI has vide its circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the “**SEBI Circular**”) (the “**SEBI Circular**”) has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR.

Our Company has submitted this Information Memorandum, containing information to BSE and NSE and making disclosure of such information available in line with disclosure requirement to public through their websites i.e. www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its website i.e. www.praxisretail.in. Our Company will publish an advertisement in the newspapers containing details in accordance with applicable SEBI circular. The advertisement shall contain specific reference to the availability of this Information Memorandum on the Company’s website.

### Identification as wilful defaulter by RBI

Our Company, Promoters, Promoter Group, Group Companies, the relatives (as per Companies Act, 2013) of Promoters and other companies promoted by Promoters, Group Companies have not been identified as wilful defaulters by any bank, financial institution or a consortium thereof nor their names appear in the list of wilful defaulters published by the Reserve Bank of India.

None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any such entity.

### General Disclaimer from the Company

Our Company accepts no responsibility for statement made otherwise than in this Information Memorandum or in the advertisements to be published in terms of SEBI Circular SEBI circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017, or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner

### Jurisdiction

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Mumbai, India.

### In principle approval and Disclaimer Clause of BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has through its letter bearing no. DCS/AMAL/AJ/IP/1026/2017-18 dated January 11, 2018 has approved the said Scheme under Regulation 94 of SEBI Listing

Regulations and by virtue of that approval the BSE's name in this Information Memorandum has been incorporated on which our Company's securities are proposed to be listed.

**The BSE does not in any manner**

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that the Company's securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company;

It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**In principle approval and Disclaimer Clause of NSE**

As required, a copy of this Information Memorandum has been submitted to NSE. The NSE has through its letter no. NSE/LIST/34100 dated January 19,2018 approved the said Scheme under Regulation 94 of the SEBI Listing Regulations and by virtue of that approval the NSE's name in this Information Memorandum has been incorporated on which the Company's securities are proposed to be listed.

**The NSE does not in any manner**

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that the Company's securities will be listed or will continue to be listed on the NSE; or
- Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of this Company;

It is to be distinctly understood that the aforesaid permission given by NSE should not in any be deemed or construed that this Information Memorandum has been cleared or approved by NSE.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**Filing**

Copies of this Information Memorandum have been filed with the BSE and NSE.

**Listing**

Applications will be made to BSE and NSE for permission to deal in Equity Shares of our Company. Our Company has nominated BSE Limited as the Designated Stock Exchange for the aforesaid listing of the Equity shares. Our Company shall ensure that all steps are taken for the completion of necessary formalities for listing and commencement of trading at the BSE and NSE.

**Demat Credit**

Our Company has executed Tripartite Agreements with the Registrar and the Depositories i.e. NSDL dated October 12, 2017 and CDSL dated October 11, 2017 for admitting its securities in demat form and ISIN allotted to the Company's Equity Shares is INE546Y01014. Equity shares have been allotted to those shareholders who have provided necessary details to the Company and/or who were holding their shares in Future Retail Limited in demat form as on the Record Date i.e. November 30, 2017. The demat shares have been credited to the demat accounts of the shareholders by CDSL on December 8, 2017 and NSDL on December 8, 2017.

## Dispatch of share certificates

Pursuant to the Scheme, on November 30, 2017 our Company has issued and allotted its Equity Shares to eligible shareholders of FRL and BSPL on the Record Date.

## Expert Opinions

Save as stated elsewhere in this Information Memorandum, Our Company has not obtained any expert opinions.

## Particulars Regarding Previous Public or Rights Issues

Our Company has not made any previous public or rights issue of securities.

## Commission and brokerage on previous issues

Since our Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the equity shares since its inception.

## Performance vis-à-vis objects - Public/rights issue of our Company and/or listed Group Companies of our Company

Our Company has not undertaken any previous public or rights issue.

Except FCL, FSCSL and FEL none of our Group Companies have undertaken any public or rights issue in the last three years preceding the date of Information Memorandum. There is no shortfall in performance vis-a-vis objects of any public or rights issue undertaken by our Group Companies.

## Outstanding debentures or bonds and preference shares and other instruments issued by our Company

There are no outstanding debentures or bonds and convertible preference shares and other instruments issued by our Company.

## Stock Market Data for equity shares of the Company

Equity shares of our Company are not currently listed on any Stock Exchanges. Our Company is seeking approval for listing of its Equity Shares through this Information Memorandum.

## Mechanism for redressal of Investor grievance of our Company

Our Company has appointed Registrars & Transfer agents, M/s Link Intime India Private Limited (“RTA”) having their office at 247 HCC Park, Tower C, 1st Floor, L. B. S. Marg, Vikroli (West), Mumbai - 400 083 as RTA to redress investors’ grievances.

All share related matters, namely transfer, transmission, transposition, dividend, change of name, address, replacement, split, consolidation, dematerialization and rematerialisation of shares, issue of duplicate certificates etc. are handled by RTA.

The Company has an established mechanism for Investor service and grievance handling with its RTA and the compliance officer appointed by it. The board of directors of Company has constituted a “Stakeholders Relationship Committee” which, *inter alia*, consider Stakeholders/Shareholders and Investors complaints including transfer of shares, non-receipt of balance sheet, non-receipt of dividend warrant, etc. and to redress genuine grievances of Shareholders and Investors.

The RTA under the supervision of the secretarial department of our Company looks after the investor’s grievance. The Company Secretary of our Company has been appointed as Compliance Officer for this purpose. At each meeting of Stakeholders Relationship Committee all matters pertaining to investors including their grievances and redressal are being reported.

The Stakeholders’ Relationship Committee of our Company has four members, comprising of three independent directors and one non-executive director.

## Status of Complaints

Details of complaint pending

Sr. No.	Particulars of Complaints	Received	Redressed	Pending as on December 22, 2017
1	Non receipt of Share Certificates <ul style="list-style-type: none"><li>Direct from Shareholders</li><li>Received from SEBI</li></ul>	Nil	Nil	Nil
2	Non receipt of Dividend /Interest Warrants <ul style="list-style-type: none"><li>Direct from Shareholders</li></ul>	Nil	Nil	Nil

Sr. No.	Particulars of Complaints	Received	Redressed	Pending as on December 22, 2017
	• Received from SEBI			
3	Confirmation of Demat Credit	Nil	Nil	Nil
4	Non receipt of Debentures Redemption payment	Nil	Nil	Nil
5	Non receipt of letter of offer, allotment advice, Share Certificates etc. for Rights Issue & others	Nil	Nil	Nil
6	Others - Complaints received from SEBI, Stock Exchanges, NSDL, RoC, Company Law Board etc.	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil	Nil

### Mechanism for redressal of investor grievance of Promoter and Group Companies

Except for FEL, FRL, FCL, FLFL and FSCSL, there are no listed Group Companies.

Our listed Group Companies have each constituted a stakeholders' relationship committee in order for redressal of investor grievances. Our listed Group Companies have also appointed Link Intime India Private Limited for the same. Our listed Group Companies estimate that the average time required by it or its registrar, for the redressal of routine investor grievances is 10 to 15 days from the date of receipt of the complaint.

- FEL has received 131 investor complaints in the last three Fiscals and 131 investor complaints were disposed in that period.
- FRL has received 16 investor complaints in the last three Fiscals and 16 investor complaints were disposed in that period.
- FCL has received 15 investor complaints in the last three Fiscals and 15 investor complaints were disposed in that period.
- FLFL has received 53 investor complaints in the last three Fiscals and 53 investor complaints were disposed in that period.
- FSCSL has been listed on December 18, 2017 and there no investor grievances as on the date of this Information Memorandum.

### Disposal of Investors Grievances

Link Intime (India) Private Limited are the Registrar and Transfer Agents of our Company. All investor grievances would be redressed within an average period of 15 days from the date of its receipt by our Company or its Share Transfer Agent. Investors can contact our Company's Share Transfer Agent or the Compliance Officer or the Secretarial Department of our Company in case of any queries. The addresses and contact numbers are given elsewhere in this Information Memorandum. For quicker response, investors are requested to mention their contact numbers and email addresses while communicating their grievances.

Our Company has appointed Smita Chowdhury, as Company Secretary and Compliance Officer of our Company and he may be contacted in case of any queries at the following address:

iThink Techno Campus,  
Jolly Board Tower D, Ground Floor,  
Kanjumarg (East) - 400042  
Tel.: +91 22 7106 8031 ;  
Fax: +91 22 7106 8032  
Email: investorrelations@praxisretail.in

### Changes in auditors

Except as stated below, there have been no changes in the auditors of our Company during the three years preceding the date of this Information Memorandum:

Name	Date of Change	Nature of Change	Reason
M/s. Rajen Damani & Associates	August 1, 2017	Resignation	Resigned
M/s. Pathak H. D. & Associates	August, 2 2017	Appointment	To fill up the casual vacancy casused by resignation of Auditors

**Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years.

**Revaluation of Assets**

Our Company has not re-valued its assets at any time in the last five years.

## SECTION VIII: OTHER INFORMATION

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

*Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

#### SHARE CAPITAL AND VARIATION OF RIGHTS

- 3.(a) The Authorised Share Capital of the Company will be as that specified in Clause V(a) of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and power to divide the Share Capital into Equity Share Capital or Preference Share Capital and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions, and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.

PROVIDED HOWEVER that where any Government has made an order under sub-section (4) of Section 62 of the Companies Act, 2013 directing that any debenture issued by the company or loan taken by the Company or any part thereof shall be converted into shares of the Company and no appeal has been preferred to the Tribunal under sub-section (4) of Section 62 of the Companies Act, 2013 or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the Authorised Share Capital, stand altered and the Authorised Share Capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.

#### Reduction of Capital

9. The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions, if any, reduce its share capital in any manner and in particular may –
- (a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or
  - (b) either with or without extinguishing or reducing the liability on any of its shares,-
    - (i) cancel any paid up share capital which is lost or is unrepresented by available assets;
    - (ii) Pay off any paid up share capital which is in excess of the wants of the Company.

#### SHARES, DEBENTURES, OTHER SECURITIES AND CERTIFICATES

##### Restriction on Allotment and Return of Allotment

14. (9) The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Section 39 of the Companies Act, 2013, as well as any other applicable provisions of the Act, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013 and/or as may be prescribed under the Act.

##### Limitation of time for issue of certificates

23. (a) Every member shall be entitled, without payment, to receive one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every share certificate shall be under the Seal of the Company and shall specify the number and the distinctive number(s) of the shares in respect of which it was issued and the amount paid up thereon and shall be in such form as the directors may prescribe. Such certificate shall be issued only in pursuance of a Resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares.
- (b) PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence. The certificate shall be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment

thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within such time frame as may be prescribed in this regard after the allotment

In respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

## **CALLS**

### **Directors may make Calls**

34. Subject to the provisions of Section 49 of the Companies Act, 2013, the Board of Directors may, from time to time, by a Resolution passed at a meeting (and not by a Circular Resolution), make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium), and not by conditions of allotment thereof made payable at fixed time. Each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.

### **Notice of Calls**

36. At least fourteen days' notice in writing of any call shall be given by the Company specifying the time or times and place of payment, and the person or persons to whom such call shall be paid.

### **Amount payable at fixed time or by installments to be treated as calls**

39. If by the terms of issue of any share or otherwise any amount is or becomes payable at any fixed time or by installments at fixed times (whether on account of the nominal amount of the shares or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

### **When interest on call or installment payable**

40. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rates as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of actual payment but the Directors may, in their absolute discretion, waive payment of such interest wholly or in part.

### **Payment in anticipation of calls may carry interest**

43. The Board of Directors may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof from time to time as exceeds the amount of the calls then made upon shares in respect of which such advance has been made, the Company may pay interest, at such rate, not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may at any time repay the amount so advanced. The member paying any such sum in advance shall not be entitled to dividend or to participate in the profits of the Company or to voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company.

## **LIEN**

44. The Company shall have a first and paramount lien upon all shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares/debentures and no equitable interests in any such share shall be created except upon the footing and condition that this Article is to have full effect. Any such lien shall extend to all dividends payable and bonuses declared from time to time declared in respect of shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. Provided that the Board of Directors may, at any time, declare any share/debenture to be wholly or in part exempt from the provisions of this Article.

Fully paid-up share shall be free from all lien and in the case of partly paid-up shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

#### **As to enforcing lien by sale**

45. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same.

Provided that no sale shall be made:-

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen days after the notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise out of their members to execute a transfer thereof on behalf of and in the name of such members.

#### **Application of proceeds of sale**

47. (1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable; and
- (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

#### **FORFEITURE OF SHARES**

##### **If money payable on share not paid notice to be given to member.**

48. If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

##### **Form of notice**

50. The notice shall name a further day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

##### **If default of payment, shares to be forfeited**

51. If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a Resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.

##### **Notice of forfeiture to a member**

52. When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

##### **Forfeited share to be the property of the Company and may be sold etc.**

53. Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. The Board may decide to cancel such shares.



### **Member still liable to pay money owing at the time of forfeiture and interest**

54. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.

### **Effect of forfeiture**

55. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

### **Power to annul Forfeiture**

56. The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

### **Validity of forfeiture**

57. (1) A duly verified declaration in writing that the declarant is a Director, or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (3) The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the shares;
- (4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment;
- (5) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

### **Provision of these Articles as to forfeiture to apply in case of nonpayment of any sum**

58. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **Cancellation of share certificates in respect of forfeited shares**

59. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Instrument of Transfer**

- 61A. The instrument of transfer of any share shall be in writing and all the provisions of Section 56 of the Companies Act, 2013 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Every instrument of transfer registered shall remain in the custody of the Company until destroyed by the order of Board.

### **Transfer Not Registered**

64. (1) An application for the registration and transfer of the shares in the Company may be made either by the transferor or the transferee.
- (2) Whether the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purpose of sub-clause (2), above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

### **To be executed by transferor and transferee**

65. Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. A common form of transfer shall be used

### **Transfer books when closed**

67. Wherever required and applicable, the Board of Directors may, after giving not less than seven days previous notice by advertisement as required by Section 91 of the Companies Act, 2013 or such lesser period as may be specified by the Securities Exchange Board of India close the Transfer Books, the Register of Members or the Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.

### **Directors may refuse to register transfers**

68. (a) Subject to the provisions of Sections 58 and 59 of the Companies Act, 2013 and other applicable provisions of the Act or any other law for the time being in force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmissions by operation of law of the right to, any shares or debentures or interest of a Member in the Company. The Company shall within one month from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reasons for such refusal. PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except if a company has lien on such shares. Transfer of shares/debentures in whatever lot shall not be refused.
- (b) No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, unless represented by a guardian.
69. If the Company refuses to register the transfer of any shares or transmission of any right therein, the Company shall within thirty days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force shall apply.

### **Titles to shares of deceased member**

71. Except where a deceased member had made a nomination in respect of the shares held (in which case such shares shall be dealt with in the manner prescribed by the Act and the Rules there under), the executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the names of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or the legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or

Succession Certificate and register under Article 73 the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member, as a member.

#### **Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)**

72. Subject to the provisions of Articles 70 and 71 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by and lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favor of his nominee as instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".

#### **Refusal to register Nominee**

73. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### **Persons entitled may receive dividend without being registered as member**

75. A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.

#### **Conditions of registration of transfer**

76. Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred, and if no such certificate is in existence, the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly endorsed thereon.

#### **No fee on transfer or transmission**

77. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

#### **The Company not liable for disregard of a notice prohibiting registration of a transfer**

78. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book or the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

### **MEETINGS OF MEMBERS**

#### **86. Annual General meeting**

- (1) The Company shall in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections 96 and 129 of the Companies Act, 2013 and shall specify the meeting as such in the notice calling it, except in the case where the Registrar, has given an extension of time for holding any annual general meeting and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

PROVIDED THAT the Registrar may, for any special reason, extend the time within which any annual general meeting shall be held, by a period not exceeding three months.

- (2) Every annual general meeting shall be called for any time during business hours, that is, between 9 a.m. and 6 p.m., on any day that is not a National Holiday (as defined under the Companies Act, 2013) and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being.
- (3) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.

97. The number of members prescribed under Section 103 of the Companies Act, 2013 and entitled to vote and present in person shall be a quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State, if he is a member of the Company, shall be deemed to be personally present if he is represented in accordance with Section 112 of the Companies Act, 2013.

98. **Presence of quorum**

- (1) If within half an hour from the time appointed for holding a meeting of the Company the quorum is not present, (a) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine; or (b) the meeting, if called by requisitionists in accordance with Section 100 of the Companies Act, 2013, shall stand cancelled. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under sub clause (a), the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
- (2) If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum and may transact the business for which the meeting was called.

100. **Chairman of general meeting**

The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman.

If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.

102. **Chairman may adjourn Meeting**

- (1) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**VOTES OF MEMBERS**

114. Number of votes to which member entitled Subject to the provisions of Section 43 and sub-section (2) of Section 50 of the Companies Act, 2013, every member of the Company holding any equity share capital shall have a right to vote on every resolution placed before the Company; and his voting rights on a poll shall be in proportion to his share of the paid-up equity share capital of the Company. Every member holding any preference share capital of the Company, shall, in respect of such capital, have the right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting rights on a poll shall be in proportion to his share in the paid up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all there solutions placed before the Company.

115. **Vote of member of unsound mind** A member of unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll, vote by proxy.

116. **Votes of joint members**

If there be joint registered holders of any shares any one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holder shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators or a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

120. **Voting in person or by Proxy**

Subject to the provisions of these Articles vote may be given either personally or by proxy.

123. **Proxy either for specified meeting or for a period**

An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

125. **Deposit of instrument of appointment**

The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the office forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than twenty-four hours before the time appointed for taking poll; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

126. **Form of proxy**

Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in section 105 of the Act read with Companies (Management and Administration) Rules, 2014 (or any corresponding amendment or modification thereof that may be prescribed).

128. **Validity of votes given by proxy notwithstanding revocation of authority**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given:

Provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting, or adjourned meeting at which the proxy is used.

## **DIRECTORS**

132. **Number of Directors**

Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 and 151 of the Companies Act, 2013, the number of Directors shall not be less than 3 and not more than 15 and the manner of constituting the Board shall be as prescribed under the Act and as may be directed by the Securities and Exchange Board of India.

133. **Directors**

The first directors of the Company are:

- (1) MR. GIRDHAR PATHAK
- (2) MR. RAJENDRA CHATURVEDI

136. Special Directors In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such company, corporation, firm or person (hereinafter referred to as “Collaborator”) to appoint from time to time any person as a Director of the Company (hereinafter referred to as “Special Director”) and subject to the provisions of the Act, may agree that such Special Directors shall not be liable to retire by rotation so however that Special Director shall hold office so long as such collaboration arrangement remains in force. The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case of death or resignation of the person so appointed, at anytime nominate any other person as a Special Director in his place and such nomination or removal shall be made in writing signed by the collaborator, his authorised representative and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborator is so entitled there may be at any time as many Special Directors as the number of Collaborators eligible to make the appointment.

139. Appointment of Alternate Director The Board may appoint a person, not being a person holding any alternate directorship for any other Director in the Company (hereinafter called the Original Director) to act as an Alternate Director for the Original Director during his absence for a period of not less than three months from India . Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an independent director under the provisions of the Act. Every such Alternate Director, shall subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director is determined before he returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

140. **Additional Director**

The Directors shall also have power at any time and from time to time to appoint any other qualified person, other than a person who fails to get appointed as a director in a general meeting of the Company, to be an Additional Director who shall hold office only up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

142. **Remuneration of Directors**

The remuneration payable to a non-whole-time-Director for attending each meeting of the Board or a Committee thereof shall be such sum as may be fixed by the Board of Directors not exceeding the maximum as may be prescribed by the Act (and the rules made thereunder), SEBI, or by the Central Government. The Directors, subject to the sanction of the Central Government (if any required), may be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally.

143. **Extra remuneration to Directors for special Work**

Subject to the provisions of Sections 197 and 188 of the Companies Act, 2013 and other applicable provisions of the Act and the rules made thereunder, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided

145. **Directors may act notwithstanding vacancy**

The Continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the Continuing Directors

may act for the purpose of filling vacancies to increase the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company, but for no other purpose.

147. **Vacation of office by Directors**

- (1) Subject to the provisions of Section 167 of the Companies Act, 2013, the office of a Director shall become vacant if:
  - (a) he incurs any of the disqualifications specified in Section 164 of the Companies Act, 2013;
  - (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
  - (c) he acts in contravention of the provisions of Section 184 of the Companies Act, 2013, relating to entering into contracts or arrangements in which he is directly or indirectly interested;
  - (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Companies Act, 2013;
  - (e) he becomes disqualified by an order of a court or the Tribunal;
  - (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months: Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
  - (g) he is removed in pursuance of the provisions of the Act;
  - (h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

150. **Board resolution necessary for certain contracts**

- (1) Except with the consent of the Board of Directors of the Company (or the Audit Committee) given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Company, a Company shall not enter into any contract or arrangement with a related party with respect to,
  - (a) sale, purchase or supply of any goods or materials;
  - (b) selling or otherwise disposing of, or buying, property of any kind;
  - (c) leasing of property of any kind;
  - (d) availing or rendering of any services;
  - (e) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
  - (g) underwriting the subscription of any securities or derivatives thereof, of the company: Notwithstanding the provisions of this sub-clause (1) of this Article, where prescribed, the Company shall enter into such contracts and / or arrangements only with the prior approval of the members of the Company by a special resolution. However, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party: It is clarified that this sub-clause shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
- (2) Every contract or arrangement entered into under sub-clause (1) shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

Disclosure to the members of Director's interest in contract in appointing manager

151. **Board resolution necessary for certain contracts**

If the Company –

- (a) enters into a contract for the appointment of a manager or a Managing Director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested, or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Companies Act, 1956 or other applicable provisions of law shall be complied with.

**ROTATION & APPOINTMENT OF DIRECTORS**

156. **Rotation of Directors**

Not less than two-thirds of the total number of Directors shall

- (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and
- (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

157. **Retirement of Directors**

Subject to the provisions of Section 284(5) of the Companies Act, 1956 or Section 152(5) and 152(6) of the Companies Act, 2013, at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, or Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a “Retiring Director” means a Director retiring by rotation.

158. **Ascertainment of Directors retiring by rotation and filling of vacancies**

The Directors who retire by rotation under Article 158 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

159. **Eligibility for re-election**

A retiring Director shall be eligible for the re-appointment.

161. **Provisions in default of appointment**

- (a) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless –
  - (i) at the meeting or the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - (iii) he is not qualified or is disqualified for appointment; or
  - (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act,

162. **Company may increase or reduce the number of Directors or remove any Director**

Subject to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.



164. **Notice of candidature for office of Director except in certain cases**

- (1) Subject to the provisions of the Act, a person, not being a Retiring Director in terms of Section 152 of the Companies Act, 2013, shall be eligible for appointment to the office of Director at any general meeting if he or some other member intending to propose him has, at least fourteen days before the meeting, left at the registered office of the Company a special notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with the deposit of Rupees one lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be, to the member, if the person succeeds in getting elected as a Director or secures more than 25% of the total valid votes cast either by way of show of hands or on a poll on such resolution.
- (2) The Company shall inform its members of the candidature of the person for the office of Director in such manner as may be prescribed.
- (3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company, a notice under Section 160 of the Companies Act, 2013, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (4) A person other than:
  - (a) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
  - (b) An Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013, appointed as a Director or re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

**MANAGING DIRECTOR, WHOLE TIME DIRECTOR**

166. Board may appoint Managing Director or Managing Director(s) or Whole Time Directors Subject to the provisions of Section 196, 203 and other applicable provisions of the Companies Act, 2013, and these Articles, the Directors shall have power to appoint or re-appoint any person to be Managing Director, or Whole-Time Director for a term not exceeding five years.

Provided that no re-appointment shall be made earlier than one year before the expiry of his term

Provided further that Managing Director can also act as Chairperson of the Company.

168. **Remuneration of Managing or Whole Time Director(s)**

The remuneration of the Managing Director, Whole Time Director, or Manager shall (subject to Section 197 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by fee for such meeting of the Board or by and/or all these modes or any other mode not expressly prohibited by the Act.

169. **Powers and duties of Managing and Whole Time Director(s)**

Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) and/or Whole Time Director(s) appointed under Article 168 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole Time Director or Whole Time Directors such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **PROCEEDINGS OF THE BOARD OF DIRECTORS**

### **170. Meeting of Directors**

The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 173 of the Companies Act, 2013 otherwise directs, shall so meet at least once in every one hundred and twenty days and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

### **171. Notice of meetings**

- (1) Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.

### **172. Quorum**

- (a) Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher.

PROVIDED THAT where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of Directors who are not interested) present at the meeting being not less than two shall be quorum during such time.

- (b) For the purpose of clause (a):
  - (i) "Total Strength" of the Board of Directors of the Company shall be determined in pursuance of the Act, after deducting there from number of the Directors, if any, whose places may be vacant at the time, and
  - (ii) "Interested Directors" means any Director whose presence cannot by reason of Article 155 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

### **174. Chairman**

One of the Directors shall be the Chairman of the Board of Directors who shall preside at all meetings of the Board. If at any meeting the Chairman is not present at the time appointed for the meeting then the Directors present shall elect one of them as Chairman who shall preside.

### **177. Directors may appoint committees**

The Board of Directors may, subject to the provisions of Section 179 of the Companies Act, 2013, and other relevant provisions of the Act and these Articles, appoint committees of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.

### **178. Meeting of the Committee how to be Governed**

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

## **POWERS OF THE BOARD**

### **181. Powers of Director**

Subject to the provisions of the Act, the business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless to these Articles to the provisions of the Act, or any other Act and to such regulations (being not

inconsistent with the aforesaid regulations or provisions), as may be prescribed by the Company in general meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made, PROVIDED that the Board shall not, except with the consent of the Company by a special resolution in a general meeting:

- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
- (b) remit, or give time for the payment of any debt due by a Director;
- (c) invest otherwise than in trust securities the amount of compensation received by the Company as a result of a merger or amalgamation;
- (d) borrow money where the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of the paid up capital of the Company and its free reserves, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business); or,
  - (i) Provided that in respect of the matter referred to in sub-clause (d) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which monies may be borrowed by the Board under clause (d);
  - (ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a reasonable character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

**182. Certain powers to be exercised by the Board only at meetings**

Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolution passed at the meetings of the Board:

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under Section 68 of the Companies Act, 2013;
- (c) to borrow monies;
- (d) to invest the funds of the Company;
- (e) to grant loans or give guarantee or provide security in respect of loans;
- (f) to approve financial statement and the Board's report;
- (g) to diversify the business of the Company;
- (h) to approve amalgamation, merger or reconstruction;
- (i) to take over a company or acquire a controlling or substantial stake in another company;
- (j) any other matter which may be prescribed under the Act and the rules made thereunder.

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors, Managing Director or any other principal officer of the Company, or in case of branch office of the Company a principal officer of the branch office, the powers specified in (c), (d) and (e) of this sub-clause on such terms as it may specify.

**183. Certain powers of the Board**

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding Article it is hereby declared that the Directors shall have the following powers that is to say, power:

- (1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;

- (2) to pay and charge the capital account to the Company any commission or interest, lawfully payable there out under the provisions of Section 40 of the Companies Act, 2013 and other applicable provisions of law;
- (3) subject to Sections 179 and 188 of the Companies Act, 2013, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (4) at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (5) to secure the fulfilments of any contracts or engagement entered into by the Company mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
- (6) to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (7) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (8) to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;
- (9) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (10) to make and give receipts, release and other discharge for monies payable to the Company and for the claims and demands of the Company;
- (11) subject to the provisions of Sections 179, 180 and 185, of the Companies Act, 2013 and other applicable provisions of law, to invest and deal with any monies of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 187 of the Companies Act, 2013, all investments shall be made and held in the Company's own name;
- (12) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;
- (13) to determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts, and documents and to give the necessary authority for such purpose;
- (14) to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of working expenses of the Company;
- (15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the applicable provisions of law to subscribe or contribute or otherwise

to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

- (16) before recommending any dividend, subject to the provision of Section 123 of the Companies Act, 2013, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Companies Act, 2013, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital monies of the Company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and/or division of a reserve fund and with full power to employ and assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum;
- (17) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and to fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in specified locality in India or elsewhere in such manner as they think fit; and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
- (18) to comply with the requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;
- (19) from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration;
- (20) subject to Section 179 of the Companies Act, 2013, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow monies; and to authorise the member for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any persons appointed, and may annul or vary any such delegation;
- (21) at any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointments may (if the Board thinks fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company, or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;
- (22) subject to the provisions of the Companies Act, 2013, for or in relation of any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and

vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

- (23) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

192. **The Seal, its custody and use**

- (1) The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, under such regulations as the Board may prescribe.
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board authorised by in that behalf, and except in the presence of any such official, the Board may appoint in that behalf who shall sign every instrument to which the seal of the Company is affixed.

Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014, and their statutory modifications for the time being in force.

**DIVIDEND WARRANTS**

193. **Division of profits**

- (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect where of the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

194. **The Company in general meeting may declare dividend**

The Company in general meeting may declare dividends, to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

196. **Interim Dividend**

Subject to the provision of 123, the Board of Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

197. **Debts may be deducted**

The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

200. **Retention of dividends until in certain cases**

The Board of Directors may retain the dividend payable upon shares in respect of which any person under the Transmission Clause has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

205. **Notice of dividend**

Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

206. **Dividend to be paid within Thirty days**

- (1) The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within thirty days from the date of the declaration unless:
  - (a) where the dividend could not be paid by reason of the operation of any law;
  - (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
  - (c) where there is a dispute regarding the right to receive the dividend;
  - (d) where the dividend has been lawfully adjusted by the company against any sum due to it from the shareholder, or
  - (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
- (2)
  - (a) where the dividend has been declared but which has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment thereof, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called “Unpaid Dividend Account of Name of Company”
  - (b) The Company shall, within a period of ninety days of making any transfer of an amount under sub clause (a) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed
  - (c) If any default is made in transferring the total amount referred to in sub- clause (1) or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
  - (d) Any person claiming to be entitled to any money transferred under sub- clause (1) to the Unpaid Dividend Account of the Company may apply to the Company for payment of the money claimed.
  - (e) any money transferred to the Unpaid Dividend Account of the Company in pursuance of this Article which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund of the Central Government.
  - (f) the Company shall when making any transfer to the Investor Education and Protection Fund of the Central Government any unpaid or unclaimed dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form seeing forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the persons entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereto and such other particulars as may be prescribed.
  - (g) No unclaimed or unpaid dividend shall be forfeited by the Board of Directors until the claim becomes barred by law.

**CAPITALISATION**

207. **Capitalisation**

- (1) The Company in General Meeting may, upon the recommendation of the Board, resolve :
  - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company’s reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distributions; and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards:
  - (i) paying up any amount for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
- (3) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

## ACCOUNTS

### 209. Books to be kept

- (1) The Company shall prepare and keep at its registered office proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Companies Act, 2013, as would give a true and fair view of the state of affairs of the Company including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting: Provided that all or any of the books of accounts aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place. Provided further that the company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.
- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (1) if proper books of accounts relating to the transactions affected at the branch are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1). The books of accounts and other books and paper maintained by the Company within India shall be open to inspection at the registered office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed:
 

Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.
- (3) The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year, or where the Company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order:

Provided that where an investigation has been ordered in respect of the Company under Chapter XIV of the Companies Act, 2013, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.

### 210. Financial Statements

- (1) The Board of Directors shall in accordance with Section 129, 133 and 134 of the Companies Act, 2013 and the rules made there under, cause to be prepared and laid before each annual general meeting, financial statements for the financial year of the Company which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.



- (2) The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and comply with the accounting standard notified under Section 133 of the Companies Act, 2013 and shall be in the form set out in Schedule III to the Companies Act, 2013. Provided that the items contained in such financial statements shall be in accordance with the accounting standard.
- (3) In case the Company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-clause (1), prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the company along with the laying of its financial statement under sub-section (1) Provided that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed, provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed. For the purposes of this sub-clause, the word “subsidiary” shall include associate company and joint venture.

## **AUDIT**

### **212. Appointment of Auditors**

- (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the provisions of Chapter X of the Companies Act, 2013 and the rules made thereunder.
- (2) Subject to the provisions of Section 139 of the Companies Act, 2013, the Company shall at the first annual general meeting appoint an individual or a firm as an Auditor to hold office from conclusion of that meeting until the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be such as may be prescribed.

Provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting;

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor: Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Companies Act, 2013:

Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. “Appointment” includes reappointment.

## **DOCUMENTS AND NOTICES**

### **213. Service of documents or notices on members by the Company**

- (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may be prescribed.
- (2) A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
- (3) A document or notice may be served by the Company on the joint holders of a share by serving it on the jointholder named first in the Register in respect of the share.
- (4) A document or notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter, addressed to them by name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (5) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

## **WINDING UP**

### **219. Distribution of assets**

If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### **220. Distribution in specie or kind**

- (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them as a Liquidator, with such sanction shall think fit.
- (2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed) by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Companies Act, 2013.
- (3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.

## **SECRECY CLAUSE**

### **224. Secrecy Clause**

Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Director, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy and confidentiality in respect of all transactions and affairs of the Company and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.

225. No member to enter the premises of the Company without permission No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director; it would be inexpedient in the interest of the Company to disclose.

## SECTION VIII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Maharashtra) between 11:00 a.m. and 1:00 p.m. with prior intimation, for a period of seven working days from the date of filing of this Information Memorandum with Stock Exchanges until the listing of Equity Shares on the Stock Exchanges.

#### MATERIAL CONTRACTS AND DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended till date.
2. Certificate of incorporation dated January 31, 2011 and fresh certificate of incorporation consequent upon recent change of name dated June 21, 2017.
3. Copy of fairness report dated April 20, 2017 provided by Keynote Corporate Services Limited.
4. Copy of resolution passed by the Board of Directors dated April 20, 2017 approving the Scheme.
5. Scheme of Arrangement between Future Retail Limited or Bluerock eServices Private Limited and Praxis Home Retail Limited and their respective Shareholders and creditors - under Sections 230 to 232 read with Section 66 of the Companies Act, 2013, as amended and duly sanctioned by Mumbai bench of National Company Law Tribunal on November 10, 2017 .
6. Order dated November 10, 2017 of the National Company Law Tribunal approving the Scheme, effective from November 20, 2017.
7. Consent from the Auditors dated September 15, 2017 for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Information Memorandum.
8. Statement of Tax Benefit dated December 11, 2017 from our Company's Statutory Auditors.
9. Tripartite Agreement dated October 12, 2017 with National Securities Depository Ltd., RTA and our Company.
10. Tripartite Agreement dated October 11, 2017 with Central Depository Services (India) Ltd., RTA and our Company.
11. Audited Financial Statements of our Company for last five financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 respectively.
12. BSE letter No. DCS/AMAL/AC/R37/883/2017-18 dated August 4, 2017 observation letter regarding the draft Scheme of arrangement
13. NSE letter No. NSE/LIST/11482 dated August 4, 2017 observation letter regarding the draft Scheme of arrangement;
14. BSE letter No. DCS/AMAL/AJ/IP/1026/2017-18 dated January 11, 2018 granting in-principle approval for listing;
15. NSE letter No. NSE/LIST/34100 dated January 19, 2018 granting in-principle approval for listing; and
16. SEBI exemption letter baring reference number CFD/DILII/ADM/RK/2322/2018 dated January 23, 2018 granting exemption under Rule 19 (2)(b) of SCRR.

**Note:** Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in the Information Memorandum are true and correct.

### BY ORDER OF THE BOARD OF DIRECTORS OF PRAXIS HOME RETAIL LIMITED

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**Viraj Didwania**  
*(Chairman and Managing Director)*

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**Shrirang Sarda**  
*(Non Executive Non Independent Director)*

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**Pankaj Bhargava**  
*(Independent Director)*

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**Shantanu Shah**  
*(Independent Director)*

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**S. Subramanian**  
*(Independent Director)*

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**Sridevi Badiga**  
*(Independent Director)*

### SIGNED BY THE CHIEF FINANCIAL OFFICER

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**V Harish Parasuram**  
*(Chief Financial Officer)*

Place: Mumbai

Date: January 29, 2018