

12th Annual General Meeting

Praxis Home Retail Limited

September 29, 2023

- **Mr. Harminder Sahni -- Chairman and Independent Director, Praxis Home Retail Limited:**
- Yeah, good morning members. On behalf of the Board of Directors, I welcome you all to this 12th Annual General Meeting of the company. I'm attending this meeting from Gurgaon and as the requisite quorum is present, I call this meeting to order and let me hand it over to Company Secretary, Ms. Sanu Kapoor to conduct the meeting hence forth. Ms. Kapoor continue.
- **Ms. Sanu Kapoor – Company Secretary, Praxis Home Retail Limited:**
- Thank you, chairman Sir. Good morning and a very warm welcome to all the directors, members, and other participants. I, Sanu Kapoor company secretary welcome you all to this 12th Annual General Meeting of Praxis Home Retail Limited. This meeting is being conducted through video conferencing without physical presence of the members at a common venue in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India; SEBI. All efforts feasible under the circumstances have been made by the company for the members to participate and vote on the items being considered at this AGM. Deemed venue for this AGM is the registered office of the company in Kanjurmarg East, Mumbai. With me, present here at the registered office are;
- Mr. Mahesh Shah, Managing Director. Mr. Swetank Jain, Chief Executive Officer and Whole Time Director. Mr. Samir Kedia, Chief Financial Officer of the company.
- Now, I will introduce the other directors who have joined the meeting through video conferencing. We have;
- Mr. Jacob Matthew, Independent Director and Chairperson of Nomination and Remuneration Committee joining from Bangalore.
- Ms. Anou Singhvi, Independent Director and Chairperson of Corporate Social Responsibility Committee joining from Jaipur.
- Mr. Samson Samuel, Non-Executive, Non-Independent Director, and Chairperson of the Stakeholders Relationship Committee joining from Mumbai.
- Ms. Lynette Monteiro, Non-Executive, Non-Independent Director, joining from Mangalore.

- The representative of statutory auditors, secretarial auditor, and the scrutinizer have also joined this meeting from their respective locations.
- Now, I would like to take you through certain important points relating to this meeting and your participation. All the members who have joined this meeting are by default placed on mute to avoid any background noise and for smooth and seamless conduct of this meeting. Notice calling the 12th AGM and the annual report for the financial year 2022-23 are sent to all the members electronically and the same are also available on the company's website. The company has availed the services of National Security Depository Limited that is NSDL for providing the facility of remote e-voting and e-voting at AGM. The proceedings of this meeting are being recorded and the live streaming is being webcast on the website of NSDL. The company has received four representations from the promoter group corporate members under section 113 of the Companies Act 2013 holding 4,45,95,775 equity shares of the company aggregating to 35.69% of the total paid up equity share capital of the company. As the AGM is being held through video conferencing without the physical presence of the members, the requirement of appointing proxies and related compliance are not applicable. The statutory registers and all other relevant documents as stated in the notice are made available for inspection by members on sending e-mail to the company at investorrelations@praxisretail.in and the same markup open for inspection during this meeting.
- In compliance with the Companies Act 2013 read with the rules and SEBI listing regulations, the company provided the remote e-voting facility to all the members as on the cutoff date that is Friday, 22nd September, 2023 to enable them to cast their votes electronically on all the business items as set forth in the notice. The remote e-voting facility was started at 9:00 AM on Tuesday, 26th September, 2023 and ended on Thursday, 28th September, 2023 at 5:00 PM and it was blocked thereafter. The facility for e-voting at the meeting is also provided for the members who are present here and who have not yet voted. Members may cast their votes electronically at the meeting as per the instructions given in the notice at point #21. The e-voting facility shall remain open till 15 minutes after the conclusion of this meeting. Mr. Anant Gude, proprietor of Messrs. Anant Gude and Associates, Practicing Company Secretary has been appointed as the scrutinizer by the board to scrutinize the remote e-voting process and e-voting at this meeting in a fair and transparent manner. The consolidated scrutinizes report declaring the result of the remote e-voting process and e-voting at the meeting shall be submitted within two working days from the conclusion of this meeting.
- The results declared along with the scrutinizer report shall be placed on the website of the company, website of NSDL, and the same will be intimated to the stock exchanges that is BSE and NSE. The company has received requests from few shareholders to register themselves as speaker at this meeting. The speaker shareholders may note certain important points for your participation in the meeting. Once you have joined the meeting as speaker by default you will be on mute. When your name is called out, you will be placed on unmute. You may join the meeting by switching on the audio-video and express your views or ask questions.

- If you are unable to join through video for any reason you can speak through the audio mode. Speaker shareholders are advised to use the headphones and switch off the background applications for better connectivity. In case of any connectivity issue at the end of speaker-shareholders, that speaker-shareholder will be asked to join. If the connectivity improves, we will try connecting you again once other shareholders who have registered complete their turn. Members are requested to keep their questions brief and speak specific, to avoid repetition the answers to all the questions will be provided towards the end. Members may also note the company reserves the right to limit the number of questions depending upon availability of time. We request speaker shareholders to limit their time to three minutes. The proceedings of this meeting are being recorded, so please do not disclose any sensitive personal information relating to you or any other person that has no bearing on this meeting.

- Dear members, we proceed further with the agenda. The notice convening this 12th AGM along with the annual reports for the financial year 2022-23 has been already circulated electronically to the members. With the permission of the members, notice present, the statutory auditors report on the standalone financial statements is on page #75 of the annual report. The report contains certain qualifications. I wish to draw attention of the members to page #30 of the annual report, which contains reference to auditor's qualification and management response thereof. Now, I will read out the same for the members. Basis for qualification opinion as stated in note #41 of financial statements, the company has deposit receivables towards mature lease agreement, which were given in the nature of security deposit from a related party of an amount of ₹10,100 lakhs. The company has not identified and recognized loss allowance for expected credit losses, ECL on such other receivables, which is not in conformity with the requirements of in AS 109 financial instruments. Considering the available financial position, statement of such related party where there is an indication about material uncertainty towards its ability to continue as going concern and where an interim resolution professional has been appointed by honorable National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016 and other relevant surrounding circumstances. We are unable to determine and quantify whether this amount will be fully recoverable and it requires any provision of ECL.

- Further as stated in note #49, the balances of payables and receivables are subject to confirmation and reconciliation if any. Pursuant to the non-determination of the ECL provision and complete availability of balance confirmation, its impact on the losses net worth and EPS of the company for the year ended March 31, 2023 and as on the balance sheet date it's not ascertainable. To this management response, I will just read out the management response which is there at note #41 of the annual report. During the year, tenure of the lease rental agreements entered by the company with the related party lesser expired. In the past, the company has given security deposit of ₹10,100 lakhs pursuant to such agreements. The company still holds the position of the movable assets PPE taken by it under this agreement for its uses. The company is following up with the lesser to recover the amount of security deposits.

- During the year, the company has obtained a valuation report of such assets by an independent professional firm. The company believes that these receivables are secured by the assets which are in its possession whose value as determined by the independent valuer is higher than the security deposit and hence the company has considered the security deposits as secured and good and fully receivable. Further till the time these assets are in the position of the company, which will be surrendered on receipt of the amount of is 10,100 lakhs as conveyed by the company to such related party. No lease rental charges will be paid post the closure of the tenure of this agreement. Accordingly, no provision towards lease rentals if any, to be claimed by such related party in the future has been provided in the books of accounts. The note #49 states balance of trade payables and other receivables are subject to confirmations and reconciliation if any. Such reconciliation in the opinion of the management are not likely to be material and will be carried out as and when asserting. I would also like to draw attention of yours to the note #18, 44 for the emphasis of matter as per the auditors. Now, with your permission of the members, the auditor's report is taken as read.
- The secretarial auditor's report does not contain any qualification, reservations, or remarks. With this, all the three resolutions as per the notice are put to vote now. I request the moderator to invite the speaker shareholder to speak one by one.
- **Moderator:**
- Thank you, ma'am. May I now request the first speaker shareholder, Mr. Kapil Chopra to kindly unmute audio-video and go ahead and ask his question please.
- **Tech Support:**
- The person with the said name is not connected in the meeting.
- **Moderator:**
- May I now request, Mrs. Elizabeth Mascarenhas to kindly unmute audio-video and go ahead and ask her questions please.
- **Mrs. Elizabeth Mascarenhas – Shareholder:**
- Hello, am I audible?
- **Moderator:**
- Yes, ma'am you're audible. Please go ahead.
- **Mrs. Elizabeth Mascarenhas – Shareholder:**
- And also visible?
- **Moderator:**

- Yes ma'am, yes.
- **Mrs. Elizabeth Mascarenhas – Shareholder:**
- I go to the formal part. Respected Chairman, Harminder Sahni, MD Mahesh Shah, other board members, my fellow shareholders in this VC meet, I am Mrs. C E Mascarenhas, I'm speaking from Mumbai. First, I thank the Company Secretary, Sanu Kapoor and her team for sending me an e-annual report and also registering me as a speaker and giving me this platform to speak. Annual report is very beautiful with lots of features of the home decor and at the same time adhering to all the norms of corporate governance. Now, I come to the working, working is not that well, no dividend, revenue is down, no operating profits, past losses, now my question is when we will come out from the past losses and come on dividend list because that will give a better picture of us, as it is we are in very good product. Now, I come to some queries, see we have customized home interiors, modular kitchens, furniture, homeware, modular wardrobes etc., I would like to know where our demand is more for now and for the future and where we are getting good margins? Next question is, we have 33 stores in 24 cities, 13 states totaling to 7 lakh square feet of retail space and 50 lakhs happy customers, my question is whether these 33 stores are owned or leased? How many years average lease you have to take? We are in collaboration with the iconic designer Pinakin Patel, which will give us more status to our furniture thing, then we have statutory partnership with major companies Amazon, Flipkart, Peppy Fly, Ajio, Nykaa, are we having tie up with Akai? Who is the main competitor? What will be the CapEx requirement for the next five years and how we will fund that CapEx? Rest, I support all the regulations. There are so many meetings, I would have liked to talk more, of course time is also constraints. I end up wishing you and all, a very best festive season and also good health. With this, thanks a lot. Thank you once again.
- **Moderator:**
- May I now request, Mr. Gautham Tiwari to kindly unmute audio-video and go ahead and ask his question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I now request, Ms. Prakashini Shenoy to kindly unmute the audio-video and go ahead and ask her question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**

- May I now request, Ms. Lekha Shah and Mr. Satish Shah to kindly unmute their audio-video and go ahead and ask their questions please.
- **Tech Support:**
- The speaker shareholders with the said names are not connected in the meeting.
- **Moderator:**
- May I now request Ms. Vasudha Dakwe to kindly unmute the audio-video and go ahead and ask her questions please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I now request Mr. Rajendra Sheth to kindly unmute audio-video and go ahead and ask his question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I now request Mr. Bimal Agarwal to kindly unmute the audio-video and go ahead and ask his question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I now request Mr. Jaydeep Bakshi to kindly unmute the audio-video and go ahead and ask his question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I now request Ms. Smita Shah to kindly unmute her audio-video and go ahead and ask her question please.
- **Tech Support:**

- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I now request Mr. Bharat Shah to kindly unmute the audio video and go ahead and ask his question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I now request the last speaker shareholder Mr. Rishi Chopra to kindly unmute the audio-video and go ahead and ask his question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- May I request one more, Mr. Arun Maruti to kindly unmute the audio-video and go ahead and ask his question please.
- **Tech Support:**
- The speaker shareholder with the said name is not connected in the meeting.
- **Moderator:**
- Now, I would like to request our CFO, Mr. Samir Kedia to reply to the questions what we have received.
- **Mr. Samir Kedia – Chief Financial Officer, Praxis Home Retail Limited:**
- Thank you, Sanu. Good afternoon to all the members. So, in response to some of the issue we had, all of our stores are on lease basis, we don't own any stores and the typical lease term ranges from 9 to 15 years with an option to renew. We don't have any tie up with Akai. The company is working on different strategies to increase its revenue and total profitable and we believe that in the next two to three years we should unprofitable and plan to declare dividend. The CapEx requirement for next five years, somebody the question of CapEx requirement for next five years, I think we typically plan to open around 5-6 stores every year, so that CapEx requirement will reach from 10-15 crores every year. So, I think those were the questions which I have tried to reply. Thank you.
- **Ms. Sanu Kapoor – Company Secretary, Praxis Home Retail Limited:**

- Thank you. Mrs. Elizabeth, we would like to thank you for complimenting us on the annual report and other aspects. We have tried to answer your questions and in case you still need any further clarification or any answers, you can write a write to us and we will be happy to reply to you. Now, I would like to thank all the members and the participants. The members may note that the e-voting window shall remain open for 15 minutes for those members who have not yet cast their votes. The meeting shall stand concluded at the end of 15 minutes. Now, I present a vote of thanks to the Chairman Sir and would also like to thank all the members, Directors, and all other participants for attending the meeting. with this, moderator you can just open the meeting for the voting purpose. Thank you, everyone.
- **Mr. Samir Kedia – Chief Financial Officer, Praxis Home Retail Limited:**
- Thank you.
- **Mr. Harminder Sahni -- Chairman and Independent Director, Praxis Home Retail Limited:**
- Thank you.

End of Transcript