A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS

2H, VANDHNA BUILDING
11, TOLSTOY MARG,
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
FABINDIA OVERSEAS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of FABINDIA OVERSEAS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located across the country.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

A PURI & ASSOCIATES * NEW DELHI * CHARTERED ACCOUNTANTS

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with the relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not audit the financial statements / informations of 315 branches included in the standalone financial statements of the Company whose financial statements / informations reflect total assets of ₹ 88,405 Lakhs as at 31st March, 2020 and total revenue (revenue from operation) of ₹ 1,05,139 Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements / informations of these branches have been audited by the branch auditors whose reports have been furnished to us. The said financial statements / informations of all the branches have been reviewed by us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based on the reports of such branch auditors as reviewed by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.

   c. The report on the accounts of the branches not visited by us, audited under Section 143(8) of the Act by separate branch auditors, have been forwarded to us and have been properly dealt with by us in preparing this report.



d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.

e. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

f. On the basis of written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B"; and

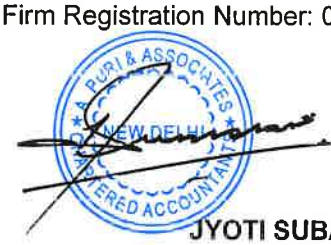
h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact, wherever necessary, of pending litigations on its standalone financial position in its standalone financial statements – Refer Note No. 41(A) in the standalone financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N



JYOTI SUBARWAL
PARTNER
Membership Number: 080661
UDIN: 20080654AAAACZ4860

PLACE: NEW DELHI
DATED: 28th August 2020

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS OF FABINDIA OVERSEAS PRIVATE LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. a). The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment, right-of-use assets and intangible assets).

   b). All the property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Under the said programme, extensive verification of property, plant and equipment was carried out in few stores/branches by an independent expert agency and discrepancies on verification, if any, have been appropriately dealt with in the books of account.

   c). In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

   In respect of immovable properties been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company.

2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

3. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under Section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

5. According to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under.

6. According to the information and explanations given to us, the Central Government has not prescribed for the Company the maintenance of cost records under sub-section (1) of Section 148 of the Act.

7. a). According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, value added tax, central sales tax, service tax, goods and services tax, duty of customs, duty of excise, cess and other statutory dues applicable to it or within such due dates as extended in view of the Covid-19 pandemic outbreak.

   According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.



b). According to the records of the Company, there are no dues outstanding of income tax, sales tax (including value added tax and central sales tax), service tax, goods and services tax, duty of customs or duty of excise on account of any dispute except as follows:

Nature of Statute	Year to which it relates	Amount unpaid (excluding interest) (₹ In Lakhs)	Forum where dispute is pending
Income Tax Act, 1961 (Income Tax Demands)	Assessment Year 2007-08	₹ 31	Income Tax Officer / Transfer Pricing Officer (TPO)
Income Tax Act, 1961 (Income Tax Demands)	Assessment Year 2008-09	₹ 69	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961 (Income Tax Demands)	Assessment Year 2010-11	₹ 11	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Income Tax Demands)	Assessment Year 2013-14	₹ 44	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961 (Income Tax Demands)	Assessment Year 2014-15	₹ 6	Commissioner of Income Tax (Appeal)
Central Excise Act, 1944 (Central Excise Duty)	Financial Year 2016-17	₹ 7	Assistant Commissioner – Central Excise & Service Tax - Jaipur
Central Excise Act, 1944 / Finance Act, 1994 (Service Tax)	Financial Year 2014-15 to 2017-18	₹ 7	Assistant Commissioner – Central Excise & Service Tax - Jaipur
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Financial Year 2013-14	₹ 3	Assistant Commissioner (Assessment) of Commercial Taxes – Special Circle-II, Ernakulum, Kerala / CTO Walayar, Squad No: V Malappuram
West Bengal Value Added Tax Act, 2003 (Value Added Tax Demand)	Financial Year 2013-14	₹ 3	Commercial Tax Officer, West Bengal

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.

9. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

10. Based upon the audit procedures and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Certain minor misappropriations/shop lifting do occur which are adequately covered by the fidelity insurance and appropriate actions are taken by the management wherever necessary.

11. Being a private limited company, the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company in respect of managerial remuneration paid or provided.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.



14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made a private placement/preferential allotment of equity shares during the year under review, in compliance with the requirements of Section 42 read with Section 62 of the Act. The amount raised has been used for the purpose for which fund was raised.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order is not applicable.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N



JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN: 20080654AAAACZ4860

PLACE: NEW DELHI
DATED: 28th August 2020

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS OF FABINDIA OVERSEAS PRIVATE LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2020

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act') as referred to in paragraph 2(g) of 'Report on Other Legal and Regulatory Requirements' section.

We have audited the internal financial controls with reference to financial statements of FABINDIA OVERSEAS PRIVATE LIMITED ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;



(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

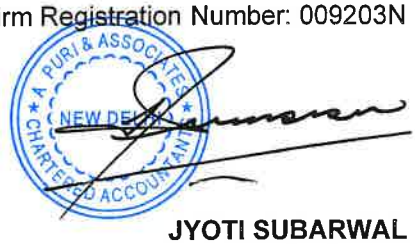
Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N



JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN: 20080654AAAACZ4860

PLACE: NEW DELHI
DATED: 28th August 2020

FABINDIA OVERSEAS PRIVATE LIMITED
STANDALONE BALANCE SHEET
AS AT 31ST MARCH, 2020

	NOTES	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3A	25,628	24,127
CAPITAL WORK-IN PROGRESS	3A	2,908	4,029
RIGHTS-OF-USE ASSETS	3B	52,782	-
INTANGIBLE ASSETS	3C	363	413
INTANGIBLE ASSETS UNDER DEVELOPMENT	3C	19	27
FINANCIAL ASSETS			
INVESTMENTS	4	17,935	16,891
LOANS	5	4,918	4,647
OTHER FINANCIAL ASSETS	6	2,958	89
INCOME TAX ASSETS (NET)	26	2,308	228
DEFERRED TAX ASSETS (NET)	7	4,330	2,533
OTHER NON-CURRENT ASSETS	8	33	1,201
TOTAL NON-CURRENT ASSETS		**1,14,182**	**54,185**
CURRENT ASSETS			
INVENTORIES	9	35,488	33,043
FINANCIAL ASSETS			
TRADE RECEIVABLES	10	2,380	1,646
CASH AND CASH EQUIVALENTS	11	15,895	1,163
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	12	116	46
LOANS	13	3,040	334
OTHER FINANCIAL ASSETS	14	372	-
OTHER CURRENT ASSETS	15	2,087	2,083
TOTAL CURRENT ASSETS		**59,378**	**38,315**
TOTAL ASSETS		**1,73,560**	**92,500**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	16	1,447	239
OTHER EQUITY	17	71,537	73,683
TOTAL EQUITY		**72,984**	**73,922**
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
OTHER FINANCIAL LIABILITIES	18	47,166	176
PROVISIONS	19	346	253
OTHER NON-CURRENT LIABILITIES	20	991	142
TOTAL NON-CURRENT LIABILITIES		**48,503**	**571**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	21	27,036	6,485
TRADE PAYABLES	22		
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES		658	622
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		6,522	4,265
OTHER FINANCIAL LIABILITIES	23	15,564	4,604
OTHER CURRENT LIABILITIES	24	2,085	1,647
PROVISIONS	25	208	384
TOTAL CURRENT LIABILITIES		**52,073**	**18,007**
TOTAL EQUITY AND LIABILITIES		**1,73,560**	**92,500**
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
CONTINGENT LIABILITIES AND COMMITMENTS	41		
OTHER NOTES	36-48		

The accompanying notes are an integral part of the Standalone Financial Statements
"As per our Report of even date"

FOR A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009283N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654

PLACE: NEW DELHI
DATE: 28th August 2020

ON BEHALF OF THE BOARD OF DIRECTORS

WILLIAM NANDA BISSELL
Executive Chairman and Director
DIN: 00012819
Place: New Delhi
Date: 27th August 2020

VINEET SINGH
Managing Director
DIN: 00932145
Place: Bengaluru
Date: 27th August 2020

MONIKA UPPAL ARORA
Company Secretary
Membership No: A17405
Place: New Delhi
Date: 27th August 2020

FABINDIA OVERSEAS PRIVATE LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2020

	NOTES	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
INCOME			
REVENUE FROM OPERATIONS	27	1,16,596	1,13,934
OTHER INCOME	28	783	926
TOTAL INCOME		**1,17,379**	**1,14,860**
EXPENSES			
COST OF MATERIALS CONSUMED	29	22,566	23,196
PURCHASES OF STOCK-IN-TRADE / COST OF CONTRACT MANUFACTURED GOODS	30	29,328	27,528
(INCREASE)/DECREASE IN INVENTORIES	31	(3,204)	(4,332)
EMPLOYEE BENEFITS EXPENSE	32	16,382	14,604
FINANCE COSTS	33	5,106	580
DEPRECIATION AND AMORTIZATION EXPENSE	3A ,3B, 3C	14,100	3,173
OTHER EXPENSES	34	27,099	32,085
TOTAL EXPENSES		**1,11,377**	**96,834**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**6,002**	**18,026**
EXCEPTIONAL ITEMS			
IMPAIRMENT LOSS IN VALUE OF INVESTMENT IN WHOLLY-OWNED OVERSEAS SUBSIDIARY		(537)	195
PROFIT BEFORE TAX		**6,539**	**17,831**
TAX EXPENSE:			
CURRENT TAX	35	(3,000)	(6,580)
DEFERRED TAX	35	1,830	363
PROFIT FOR THE YEAR		**5,369**	**11,614**
OTHER COMPREHENSIVE INCOME			
A. ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
ACTUARIAL GAIN/(LOSS) ON PROVISION FOR GRATUITY		128	20
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		(32)	(7)
B. ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**96**	**13**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,465**	**11,627**
EARNINGS PER EQUITY SHARE (In ₹)	42		
BASIC		37	80
DILUTED		37	80
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
OTHER NOTES	36-48		

The accompanying notes are an integral part of the Standalone Financial Statements
"As per our Report of even date"

FOR A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009209N

JYOTI CHAWLA
PARTNER
Membership Number: 096034

PLACE: NEW DELHI
DATE: 28th August 2020

ON BEHALF OF THE BOARD OF DIRECTORS

WILLIAM NANDA BISSELL
Executive Chairman and Director
DIN: 00012010
Place: New Delhi
Date: 27th August 2020

MURTY N. NUKALA
Managing Director
DIN: 00022116
Place: Bengaluru
Date: 27th August 2020

MONIKA UPPAL ARORA
Company Secretary
Membership No: A17485
Place: New Delhi
Date: 27th August 2020

FABINDIA OVERSEAS PRIVATE LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

(₹ In Lakhs)

PARTICULARS	NOTE	AMOUNT
BALANCE AS AT 1ST APRIL, 2018	16	239
Changes in Equity Share Capital during the year		0
BALANCE AS AT 31ST MARCH, 2019		239
Changes in Equity Share Capital during the year		1,208
BALANCE AS AT 31ST MARCH, 2020		1,447

B. OTHER EQUITY

(₹ In Lakhs)

PARTICULARS	RESERVES AND SURPLUS							OTHER COMPREHENSIVE INCOME		TOTAL
	CAPITAL RESERVE	GENERAL RESERVE	SECURITIES PREMIUM	EXPORT PROFITS RESERVE	CAPITAL REDEMPTION RESERVE	STOCK OPTION OUTSTANDING ACCOUNT	RETAINED EARNINGS	REMEASUREMENTS OF THE NET DEFINED BENEFIT PLANS (NET OF TAX)	OTHER ITEMS OF OTHER COMPREHENSIVE INCOME	
BALANCE AS AT 1ST APRIL, 2018	2	32,115	17,359	67	17	405	14,446	(84)	-	64,327
Profit for the year	-	-	-	-	-	-	11,614	-	-	11,614
Employee Stock Options Compensation (Refer Note No. 45)	-	-	-	-	-	610	-	-	-	610
Premium recognised on Shares issued under Employee Stock Option	-	-	176	-	-	(176)	-	-	-	-
Transfer to General Reserve for Stock Options lapsed under Employee Stock Option Plan	-	229	-	-	-	(229)	-	-	-	-
Transfer from Retained Earnings to General Reserve	-	478	-	-	-	-	(478)	-	-	-
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	-	-	-	13	-	13
Final Dividend paid for FY 2017-18 (including Dividend Distribution Tax)	-	-	-	-	-	-	(2,881)	-	-	(2,881)
BALANCE AS AT 31ST MARCH, 2019	2	32,822	17,535	67	17	610	22,701	(71)	-	73,683
Profit for the year	-	-	-	-	-	-	5,369	-	-	5,369
Employee Stock Options Compensation (Refer Note No. 45)	-	-	-	-	-	595	-	-	-	595
Premium recognised on Shares issued under Employee Stock Option	-	-	482	-	-	(482)	-	-	-	-
Premium recognised on Shares issued under Private Placement/Preferential Allotment	-	-	1,273	-	-	-	-	-	-	1,273
Transfer to General Reserve for Stock Options lapsed under Employee Stock Option Plan	-	128	-	-	-	(128)	-	-	-	-
Transfer from Retained Earnings to General Reserve	-	449	-	-	-	-	(449)	-	-	-
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	-	-	-	96	-	96
Final Dividend paid for FY 2018-19 (including Dividend Distribution Tax)	-	-	-	-	-	-	(4,349)	-	-	(4,349)
Interim Dividend paid during the year (including Dividend Distribution Tax)	-	-	-	-	-	-	(3,924)	-	-	(3,924)
Bonus Issue of Equity Shares	-	(1,189)	-	-	(17)	-	-	-	-	(1,206)
BALANCE AS AT 31ST MARCH, 2020	2	32,210	19,290	67	-	595	19,348	25	-	71,537

The accompanying notes are an integral part of the Standalone Financial Statements
"As per our Report of even date"

FOR A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654

PLACE: NEW DELHI
DATE: 28th August 2020

ON BEHALF OF THE BOARD OF DIRECTORS

WILLIAM NANDA BISSELL
Executive Chairman and Director
DIN: 00012819
Place: New Delhi
Date: 27th August 2020

VINEY SINGH
Managing Director
DIN: 00932145
Place: Bengaluru
Date: 27th August 2020

MONIKA UPPAL ARORA
Company Secretary
Membership No: A17485
Place: New Delhi
Date: 27th August 2020

FABINDIA OVERSEAS PRIVATE LIMITED
STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2020

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL ITEMS	6,539	17,831
ADJUSTMENTS FOR NON-CASH ITEMS:		
DEPRECIATION AND AMORTIZATION EXPENSE	14,100	3,173
INTEREST EXPENSE	889	580
INTEREST EXPENSE ON LEASE LIABILITIES	4,216	-
INTEREST INCOME	(673)	(369)
RENTAL INCOME	(24)	(2)
RENT EXPENSE	-	316
EMPLOYEE STOCK OPTIONS COMPENSATION EXPENSE	595	610
DIVIDEND INCOME FROM INVESTMENT	(439)	(508)
LOSS ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS SOLD/ DISCARDED (NET)	932	435
LOSS ON SALE OF RIGHT-OF-USE ASSETS (NET)	527	-
LOSS ON SALE OF INVESTMENT	-	1
LOSS/(GAIN) ON FAIR VALUE OF INVESTMENT IN OCPs AND OCCDs	1,263	(490)
IMPAIRMENT LOSS IN VALUE OF INVESTMENT IN WHOLLY-OWNED SUBSIDIARY (WRITTEN BACK)	(537)	195
BAD DEBTS / ADVANCES WRITTEN OFF	81	39
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT (WRITTEN BACK)	-	0
PROVISION/ LIABILITY NO LONGER REQUIRED / (WRITTEN BACK)	(239)	(389)
ALLOWANCE FOR CREDIT LOSSES / DOUBTFUL ADVANCES (WRITTEN BACK)	(198)	0
PROVISION FOR ASSET RETIREMENT OBLIGATION / (WRITTEN BACK)	(78)	(40)
PROVISION FOR SALES RETURNS	8	2
PROVISION FOR GRATUITY & LEAVE ENCASHMENT / (WRITTEN BACK)	(47)	26
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**26,915**	**21,410**
ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:		
(INCREASE)/DECREASE IN TRADE RECEIVABLES	(730)	(441)
(INCREASE)/DECREASE IN INVENTORIES	(2,444)	(6,355)
(INCREASE)/DECREASE IN LOANS	(3,228)	(1,160)
(INCREASE)/DECREASE IN OTHER ASSETS	(235)	782
INCREASE/(DECREASE) IN TRADE PAYABLES	2,292	1,454
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES	1,000	(999)
INCREASE/(DECREASE) IN OTHER LIABILITIES	1,242	368
CASH GENERATED FROM/(USED IN) OPERATIONS	**25,614**	**15,792**
TAXES PAID (NET OF REFUNDS)	(5,080)	(7,070)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**20,534**	**8,722**
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	(5,959)	(4,598)
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	33	51
PROCEEDS FROM SALE OF NON-CURRENT INVESTMENTS	-	0
PURCHASE OF NON-CURRENT INVESTMENTS	(1,746)	(2,745)
INVESTMENTS IN BANK DEPOSITS (WITH ORIGINAL MATURITY OVER 3 MONTHS)	(9)	(11)
PRINCIPAL RECEIPTS OF LEASE RENTALS	221	-
INTEREST RECEIVED ON LEASE RENTALS	217	
INTEREST RECEIVED	63	89
DIVIDEND RECEIVED	439	511
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(6,741)**	**(6,723)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM SHORT-TERM BORROWINGS (NET)	21,040	800
PROCEEDS FROM ISSUE OF SHARES (INCLUDING SHARE PREMIUM)	1,275	0
PRINCIPAL PAYMENT OF LEASE LIABILITIES	(7,555)	-
INTEREST PAID ON LEASE LIABILITIES	(4,216)	
INTEREST PAID	(843)	(511)
FINAL DIVIDEND PAID	(3,607)	(2,389)
DIVIDEND DISTRIBUTION TAX PAID ON FINAL DIVIDEND	(742)	(492)
INTERIM DIVIDEND PAID	(3,255)	-
DIVIDEND DISTRIBUTION TAX PAID ON INTERIM DIVIDEND	(669)	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**1,428**	**(2,612)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**15,221**	**(613)**
CASH & CASH EQUIVALENTS - OPENING BALANCE	(1,322)	(709)
CASH & CASH EQUIVALENTS - CLOSING BALANCE	13,899	(1,322)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**15,221**	**(613)**

PURI & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

FABINDIA OVERSEAS PRIVATE LIMITED
STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" set out in the Ind AS - 7 "Statements of Cash Flows".

2 Figures in bracket indicate cash outflow.

3 Previous year figures have been regrouped and recast wherever necessary to conform to current year's classification.

4 Cash and cash equivalents at the end of the year consist of cash on hand and balance with banks as follows:

	AS AT 31ST MARCH 2020 *(₹ In Lakhs)*	AS AT 31ST MARCH 2019 *(₹ In Lakhs)*
CASH ON HAND	76	303
BALANCE WITH BANKS		
- IN CURRENT ACCOUNTS	1,125	860
- IN DEPOSIT WITH ORIGINAL MATURITIES UPTO THREE MONTHS	14,694	-
BANK OVERDRAFTS USED FOR CASH MANAGEMENT PURPOSE	(1,996)	(2,485)
TOTAL CASH AND CASH EQUIVALENTS	**13,899**	**(1,322)**

The accompanying notes are an integral part of the Standalone Financial Statements
"As per our Report of even date"

FOR A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654

PLACE: NEW DELHI
DATE: 28th August 2020

ON BEHALF OF THE BOARD OF DIRECTORS

WILLIAM NANDA BISSELL
Executive Chairman and Director
DIN: 00012819
Place: New Delhi
Date: 27th August 2020

VINEY SINGH
Managing Director
DIN: 00932145
Place: Bengaluru
Date: 27th August 2020

MONIKA UPPAL ARORA
Company Secretary
Membership No: A17485
Place: New Delhi
Date: 27th August 2020

1. Corporate Information

Fabindia Overseas Private Limited ('the Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is engaged in the business of designing, logistic support, contract manufacturing and sale by way of retailing of crafts and fabrics, garments and accessories, home furnishings, furniture, organic food, handicraft/imitation jewellery, leather items, body care products and other similar products. During the year, the Company has shifted from Trading to solely Contract Manufacturing of Finished Goods.

During the year, the Department of Economic Affairs, Ministry of Finance has issued the Foreign Exchange Management (Non-Debt Instruments) (Amendment) Rules, 2019 on 05th December 2019 where under FDI upto 100% has been allowed in contract manufacturing activity under the automatic route. Manufacturing activities may be either self-manufacturing by the investee entity or contract manufacturing in India through a legally tenable contract, whether on principal to principal or principal to agent basis. Prior to the introduction of the said rules, there was no separate provision related to FDI in contract manufacturing under the consolidated FDI policy. With the introduction of these rules, the Company's current activities are fully covered within the ambit of contract manufacturing for which FDI upto 100% is permissible under the automatic route. Accordingly, for the Company the main business activity code as per National Industrial Classification 2008 has been changed to 1401-Manufacturing of all types of textile garments and clothing accessories.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The standalone financial statements of the Company for the year ended 31st March, 2020 were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 27th August, 2020.

2. Significant Accounting Policies

a) Basis of preparation of Financial Statements and Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

b) Critical accounting judgements and key source of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

A PURI & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:
Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note No. 40.

(ii) Income Tax:
Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Company adjudges taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

Deferred Tax assets are recognized only to the extent it is probable that future taxable profits will be available against which the assets can be utilized and are reviewed at each reporting date and reduced to the extent it is no longer probable that related tax benefit well be realized.

(iii) Assets Retirement Obligation (ARO):
The liability for assets retirement obligation are recognized when the Company has obligation to perform store/shop restoration activity. The recognition and measurement of ARO provisions involves the use of estimates and assumptions which includes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:
The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Depreciation / amortization, useful lives and residual value of Property, Plant and Equipment / Intangible Assets:
Property, Plant and Equipment / Intangible Assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

(vi) Right-of-use assets and lease liability:
The Company has exercised judgement in determining the lease term as the non-cancelable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

(vii) Provisions:
Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

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Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and businesses. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations of the Company got temporarily disrupted.

In light of these circumstances, the Company has considered the possible impact that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

c) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS-1 – "Presentation of Financial Statements" based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

d) Property, Plant and Equipment

(i) On transition to Ind AS, the Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment. The revalued amount of buildings as on 1st April, 2016 considered to be the deemed cost is depreciated, using Straight Line Method, over the remaining useful life and the difference between depreciation provided on revalued amount and on historical cost is transferred from retained earnings to general reserve.

(ii) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, construction and expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

(iii) Depreciation is recognized on a Straight-line basis except in case of buildings where Written Down Value Method is used, over the useful life as specified under Schedule II of the Act, and given below:

Particulars	Useful Life
Building	60 Years
Leasehold Premises	Over the period of lease
Furniture & Fixtures	10 Years
Office Equipments	5 Years
Electrical Installation and Equipments (including Airconditioner and Cooling Equipments)	10 Years
Vehicle	8 Years
Computers / Servers	3 Years / 6 Years

(iii) The residual value of all depreciable assets, being negligible, except in case of building, is estimated at Nil. The residual value of building is considered at 5% of cost.



(iv) Leasehold land is acquired under finance lease from Delhi Development Authority for perpetuity. The Company has depreciated the revalued amount of its leasehold land over the period of 99 years retrospectively and has been reclassified as Right-of-use assets as per Ind AS 116 Leases.

(v) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(vi) Cost of Property, Plant and Equipment not ready for intended use on the date of balance sheet are disclosed as "Capital Work- in- Progress".

e) Intangible Assets

(i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Ind AS– 38 on "Intangible Assets".

(ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

(iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

Particulars	Useful Life
Computer Software	5 Years
Brand Name	10 Years (i.e. from the date of application for registration of brand name as specified on the registration certificate)

f) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount (i.e. higher of fair value less cost of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is estimated. If the recoverable amount of the asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized in the Statement of Profit and Loss.

The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

Financial assets include investments, trade and other receivables, loans, security deposits and cash and cash equivalents.



Initial Recognition and Measurement

All financial assets are initially recognized at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition of financial assets. Purchase and sale of financial assets are recognized using trade date accounting.

Subsequent Measurement

i. Financial Assets carried at Amortized Cost:
A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):
A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial Assets at Fair Value through Profit and Loss (FVTPL):
A financial asset which is not classified in any of the above categories is measured at fair value through profit and loss.

Investment in Subsidiaries and Associates

The Company has accounted for its investments in equity shares of subsidiaries and associates at cost less impairment.

Other Investments

All other investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

(ii) Financial Liabilities

Financial liabilities primarily comprise of borrowings, trade payables and deposits.

Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.



Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109 "Financial Instruments".

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss except in case where Holding and subsidiary relationship exists, where it is adjusted against equity or in the statement of profit and loss proportionately based on the initial recognition of the said liability.

(iv) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

h) Inventories

Inventories (including stock-in-transit) are stated at lower of cost and net realizable value. The cost is determined on 'Weighted Average' method. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Due to a large number and diverse nature of inventory items, cost is estimated as near as possible for each stock keeping unit including freight and applicable taxes, etc. Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

No valuation is done for damaged stock since its realizable value, if any, is negligible.

i) Foreign Currencies Transactions and Translations

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit or Loss are also recognized in Other Comprehensive Income or Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

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j) Revenue Recognition

Effective April 1, 2018, the Company had adopted Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company had adopted Ind AS 115 using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities had not been retrospectively adjusted. The impact of the adoption of the standard on the financial statements of the Company was insignificant.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as Goods and Services Tax, etc. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

(i) Sales of Goods:
Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The Company considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Loyalty Points Programme:
The Company has a loyalty points programme, "Fabfamily", which allows customers to accumulate points that can be redeemed for future purchase or any other experience as specified under the loyalty points programme policy. The loyalty points will have a validity of 36 months from the time of earning. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed.
Presently, in the absence of historical trend/experience of 36 months, the Company on conservative basis provides for 100% in respect of the accumulated loyalty points as on 31st March 2020. In future, post 36 months experience the provisioning to be considered would be based on the actual trend and industry standards.

(iii) Consultancy, receipts from projects, fee for international franchising and support services fees, as disclosed under miscellaneous income, are based on services provided and invoices raised during the year.

(iv) Business Support Service Fee is accounted for on accrual basis.

(v) In case of operating leases, rental income is accounted for on accrual basis.

(vi) Insurance claims/Government Claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies/Government Authorities.

(vii) Dividend income from investments is recognized when the Company's right to receive payment is established.

(viii) Interest income is accounted for by using effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the EIR, the Company estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.



k) Government Grants

Grants received from Government are recognised when there is a reasonable assurance that the grant will be received upon by the Group complying with the conditions attached to the grant.

Accordingly, government grants:

a) related to or used for assets, are deducted from the carrying amount of the asset.
b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in Statement of Profit & Loss to date in the absence of grant shall be recognized immediately.

Export benefits arising from duty entitlement pass book (DEPB scheme) and duty drawback scheme are recognised as and when the same are processed and admitted by the concerned authorities and are received during the year.

l) Employee Benefits

(i) Short-Term Employee Benefits
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

(ii) Post-Employment Benefits
Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.
The Company makes specified monthly contribution towards Provident Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
All employees are covered under Employees' Gratuity Scheme which is a defined benefit plan. The Company contributes to an approved Employees' Gratuity Fund maintained on behalf of the Company which is subsequently paid by the fund to the Future Generali India Life Insurance Company Limited as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the balance sheet.

Defined benefit costs are recognised as follows:

a) Service cost in the Statement of Profit and Loss
b) Net interest on the net defined benefit liability (asset) in the Statement of Profit and Loss
c) Remeasurement of the net defined benefit liability / (asset) in Other Comprehensive Income

Compensated Leave of Absence
Accrual for leave encashment benefit is based on actuarial valuation as on the date of balance sheet in pursuance of the Company's leave rules. The Company contributes to the Future Generali India Life Insurance Company Limited as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

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m) Share-Based Payments

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS - 102, "Share-Based Payment". The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note No 45.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) Tax Expenses

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

Current Tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax
Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

o) Earnings Per Equity Share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Company as adjusted by the after tax amount of dividends and interest recognized in the period in respect of dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

p) Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right-of-use-assets (ROU assets) and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature.

Company as a lessee
Effective April 1, 2019, the Company has adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach under which the Lease liabilities are recognized based on incremental borrowing rate on the initial application date i.e. 1st April, 2019 and same amount is recognized for ROU assets. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Company has applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Company as a lessor
Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

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Effective April 1, 2019, the Company has adopted Ind AS 116 Leases and applied the standard to all Sub-lease contracts existing on April 1, 2019 using the Modified Retrospective Approach under which the Lease receivables are recognized based on incremental borrowing rate on the initial application date i.e. 1st April, 2019 and ROU assets created on the original lease are derecognized proportionately on the carpet area basis. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

For transition, the Company has elected to apply the requirements of Ind AS 116 to sub-leases covering the substantial period of the original lease term and considered as finance lease. The Company has elected not to apply the requirements of Ind AS 116 to short-term sub-leases of all assets that have a lease term of 12 months or less and sub leases for which the underlying asset is of low value.

As on the date of sub-lease, any difference between the Lease Receivable recognised and ROU assets eliminated shall be charged/credited to statement of profit and loss respectively. Depreciation charged on the ROU assets created on original lease shall be reduced to the extent of ROU assets eliminated due to sub-lease of the original lease. The lease receipts are discounted using the incremental borrowing rate. After the commencement date, the amount of lease receivables is increased to reflect the accretion of interest on the lease receivable and reduced for the lease receipts made.

q) Provisions and contingent liabilities

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Sales Returns Provision
The Company provides for sales returns based on management estimates and past experience.

Assets Retirement Obligation Liability (ARO)
The Company records a provision for assets retirement obligation costs towards store/ shop restoration activity. ARO costs are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill ARO and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

Gift Voucher Provision
The liability for gift vouchers represents the value of outstanding gift vouchers not yet redeemed

Contingent liabilities
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

r) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under Short Term Borrowings in the Balance Sheet.

s) Dividend Distribution

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.



t) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either -
-In the principal market for the asset or liability, or
-In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy classifies the inputs used to measure fair value into three levels, which are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Unobservable inputs for the asset or liability.
For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

u) Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 – "Borrowing Costs" are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

v) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has notified new Company (Indian Accounting Standards) Amendment Rules, 2020 also carried out amendments to the following accounting standards:

a. Ind AS 1 Presentation of Financial Statements – The amendment substitutes the definition of term 'Material' which shall be applicable prospectively for the annual periods on or after 1 April 2020.

b. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments made in order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

c. Ind AS 10 Events after the Reporting Period – The amendment clarifies the disclosures requirements to be made in case of a material non- adjusting event.

d. Ind AS 34 Interim Financial Reporting – In order to maintain consistency with the amendments made in other Ind AS.

e. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets – The amendment clarifies the accounting treatment for restructuring plans.

f. Ind AS 103 Business Combination – The amendment provides the detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

g. Ind AS 107 Financial Instruments: Disclosures – The amendment clarifies the certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

h. Ind AS 109 Financial Instruments – The amendment clarifies the temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

i. Ind AS 116 Leases – The amendment clarifies whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

Application of above standards are not expected to have any significant impact on the Company's standalone financial statements. However, the Company has applied the changes in Ind AS 116 Leases with effect from 1st April 2019 as notified and lease liabilities amounting to ₹ 30 Lakhs has been written back (shown under liabilities no longer required written back in 'Other Operating Revenue') during the period due to rent concessions arising on account of Covid-19 outbreak negotiations.



FABINDIA OVERSEAS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

3A. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ In Lakhs)

	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Airconditioner and Cooling Equipments	Electrical Installation and Equipments	Vehicles	Computers	Total Tangible Assets
Gross Carrying Value											
As at April 01, 2018	1,085	1,521	10,588	5,138	8,307	1,694	1,596	4,161	33	1,630	35,753
Add: Additions made during the year	-	-	-	1,047	1,240	233	261	509	-	267	3,557
Less: Disposals /Adjustments during the year	-	-	-	362	511	68	115	266	-	83	1,405
As at March 31, 2019	1,085	1,521	10,588	5,823	9,036	1,859	1,742	4,404	33	1,814	37,905
Reclassified on account of adoption of Ind AS 116 "Leases"	-	(1,521)	-	-	-	-	-	-	-	-	(1,521)
Add: Additions made during the year	-	-	19	2,651	2,342	370	510	1,095	-	269	7,256
Less: Disposals / Adjustments during the year	-	-	-	852	836	58	153	330	4	40	2,273
As at March 31, 2020	1,085	-	10,607	7,622	10,542	2,171	2,099	5,169	29	2,043	41,367
Accumulated Depreciation											
As at April 01, 2018	-	40	2,143	2,484	2,702	959	604	1,415	30	1,335	11,712
Add: Depreciation charge for the year	-	20	522	654	816	257	152	406	1	185	3,013
Less: On Disposals / Adjustments during the yea	-	-	-	261	313	62	70	159	-	82	947
As at March 31, 2019	-	60	2,665	2,877	3,205	1,154	686	1,662	31	1,438	13,778
Reclassified on account of adoption of Ind AS 116 "Leases"	-	(61)	-	-	-	-	-	-	-	-	(61)
Add: Depreciation charge for the year	-	-	569	666	926	290	188	459	-	231	3,329
Less: On Disposals / Adjustments during the yea	-	-	-	590	389	51	73	163	2	39	1,307
As at March 31, 2020	-	(1)	3,234	2,953	3,742	1,393	801	1,958	29	1,630	15,739
Net Carrying Value											
As at March 31, 2020	1,085	1	7,373	4,669	6,800	778	1,298	3,211	-	413	25,628
As at March 31, 2019	1,085	1,461	7,923	2,946	5,831	705	1,056	2,742	2	376	24,127

Notes:

1. Building includes a property owned by the Company located in a Society registered in terms of the provisions of Maharashtra Co-operative Societies Act, 1960, being a member of the said society. The said property had been vacated by the Company and handed over to developer as per the redevelopment agreement entered into. In terms of the said redevelopment agreement, the developer shall hand over the reconstructed premises, i.e., the Residential Apartments/Commercial Units, to the respective existing members (including Company) and the Society, within a certain agreed period of time. Further, in terms of the said redevelopment agreement, the Company had received a lump-sum upright fee towards development right and entitled to receive a monthly compensation for arranging alternate accommodation w.e.f. 1st August, 2014 till the handover of reconstructed premises. During the year ended 31st March, 2015, the written down value amounting to ₹ 133 Lakhs of the said property as on 31st July, 2014 had been transferred from Building to Capital-work-progress. Further, the Company, based on the report by a Certified Valuer, has revalued the said property by adopting appropriate method, on 1st April, 2016 at ₹ 2,812 Lakhs. The same resulted in an increase in the value of Capital work-in-progress of an amount of ₹ 2,679 Lakhs and therefore, an equivalent amount had been credited to the Retained Earnings.

2. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment as per the details given below:

	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Airconditioner and Cooling Equipments	Electrical Installation and Equipments	Vehicles	Computers	Total Tangible Assets
Gross Carrying Value	1,085	1,521	10,473	4,324	6,105	1,096	1,339	3,258	38	1,366	30,605
Accumulated Depreciation	-	-	956	2,068	1,997	612	499	1,005	30	1,113	8,280
Net Carrying Value	1,085	1,521	9,517	2,256	4,108	484	840	2,253	8	253	22,325

4. Capital Work-in-Progress includes:

	Construction / Development of Stores	
	2019-2020 *(₹ In Lakhs)*	2018-19 *(₹ In Lakhs)*
As at the beginning of the year	4,029	2,945
Add: Additions made during the year	672	1,350
Less: Disposals /Adjustments during the year	1,793	266
As at the end of the year	2,908	4,029

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FOR THE YEAR ENDED 31ST MARCH, 2020

3B. RIGHTS-OF-USE ASSET

(₹ In Lakhs)

	Leasehold Land	Leasehold Stores	Total Rights Of Use Assets
Gross Carrying Value			
As at April 01, 2018	-	-	-
Add: Additions made during the year	-	-	-
Less: Disposals /Adjustments during the year	-	-	-
As at March 31, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 "Leases"	1,461	-	1,461
Addition on account of Transition to Ind AS 116 - 1st April, 2019	-	25,519	25,519
Add: Additions made during the year	-	36,438	36,438
Less: Disposals / Adjustments during the year	-	-	-
As at March 31, 2020	1,461	61,957	63,418
Accumulated Depreciation			
As at April 01, 2018	-	-	-
Add: Depreciation charge for the year	-	-	-
Less: On Disposals / Adjustments during the year	-	-	-
As at March 31, 2019	-	-	-
Add: Depreciation charge for the year	20	10,616	10,636
Less: On Disposals / Adjustments during the year	-	-	-
As at March 31, 2020	20	10,616	10,636
Net Carrying Value			
As at March 31, 2020	1,441	51,341	52,782
As at March 31, 2019	-	-	-

Notes:

1. The leasehold land represents the land taken under finance lease from Delhi Development Authority on 7th July, 1992 for a period of 99 years. Revalued amount of leasehold land has been taken as deemed cost as on 1st April, 2016. The same is being depreciated over the balance period of life with effect from 1st April, 2016.

2. Leasehold Stores represent properties taken on lease for its offices, retail outlets and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'.

3. Ind AS 116 Leases:

(i) The Company's lease asset primarily consist of leases for land and buildings for retail outlets, offices and warehouses having the different lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right-of-use assets at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised. This has resulted in recognising right-of-use assets of ₹ 25,519 Lakhs and lease liability of ₹ 24,223 Lakhs as on transition date i.e. 1st April 2019.

(ii) Similarly, effective April 1, 2019, the Company has adopted Ind AS 116 Leases and applied the standard to its sub leases, which are considered as finance lease, using Modified Retrospective Approach under which the Lease receivables are recognized based on incremental borrowing rate on the initial application date i.e. 1st April, 2019 and right-of-use assets created on original lease are reversed proportionately on the carpet area basis and the difference between the lease receivable created and right-of-use assets reversed is recognised as loss on sale of right-of-use assets in the statement of profit and loss. This has resulted in derecognition of right-of-use assets and recognition of lease receivables of ₹ 2,666 Lakhs as on transition date i.e. 1st April 2019.

(iii) The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and for leases with variable rentals.
(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standard only to contracts that were previously identified as leases under Ind AS 17.
(e) Applied the practical expedient by considering the sub lease which covers the substantial period of time of original lease term as Finance Leases.
(f) Applied the practical expedient by not considering rent concessions occurring as a direct consequence of the Covid-19 pandemic that meets the conditions in paragraph 46B of Ind AS - 116 as lease modifications. The amount of ₹ 30 Lakhs has been recognised in the Statement of Profit and Loss to reflect the change in lease payments for the reporting period that arise for the said rent concessions.
(g) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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3B. RIGHTS-OF-USE ASSET

(iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended 31st March, 2020:

Particulars	*(₹ In Lakhs)*
Transition impact on account of adoption of Ind AS 116 "Leases"	24,223
Additions during the year	39,756
Finance cost accrued during the year	4,216
Deletions	-
Payment of lease liabilities	(11,772)
Balance as at March 31, 2020	**56,423**

(v) The following is the carrying value of lease receivables on the date of transition and movement thereof during the year ended 31st March, 2020:

Particulars	*(₹ In Lakhs)*
Transition impact on account of adoption of Ind AS 116 "Leases"	2,666
Additions during the year	1,382
Interest income accrued during the year	217
Loss on Sale of Right-of-use Assets	(527)
Receipts of lease rentals	(438)
Balance as at March 31, 2020	**3,300**

(vi) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year of the current year by ₹ 3,790 Lakhs (increase in depreciation expense (net of reversal on account of sub-leases) by ₹ 10,616 Lakhs and increase in interest expense by ₹ 4,216 Lakhs respectively with corresponding decrease in other expense by ₹ 11,022 Lakhs). Ind AS 116 has also resulted in an increase in cash inflows from operating activities by ₹ 11,333 Lakhs, an increase in cash outflows from financing activities on account of lease payments by ₹ 11,771 Lakhs and an increase in cash inflows from investing activities on account of lease receipts by ₹ 438 Lakhs. Total Deferred tax expense and deferred tax liabilities are decreased by ₹ 954 Lakhs.

(vii) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.45%

(viii) Rental expense recorded for short-term leases and variable lease payments was ₹ 2,621 Lakhs for the year ended March 31,2020 (Refer Note No 34)

(ix) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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3C. INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ In Lakhs)

	Computer Software	Brand Name/ Trade Marks	Total Intangible Assets	Development of Modules for Business Operation Softwares	Expenses of Application for Registrations of Brand Name/Trademarks	Total Intangible Assets under Development
Gross Carrying Value						
As on April 01 2018	2,798	553	3,351	63	18	81
Add: Additions made during the year	171	-	171	23	1	24
Less: Disposals / Adjustments during the year	52	-	52	77	1	78
As at March 31, 2019	2,917	553	3,470	9	18	27
Add: Additions made during the year	84	1	85	9	1	10
Less: Disposals / Adjustments during the year	6	-	6	18	-	18
As at March 31, 2020	**2,995**	**554**	**3,549**	**-**	**19**	**19**
Accumulated Amortization						
As on April 01 2018	2,403	535	2,941	-	-	-
Add: Amortization expense for the year	155	5	160	-	-	-
Less: Disposals / Adjustments during the year	44	-	44	-	-	-
As at March 31, 2019	2,517	540	3,057	-	-	-
Add: Amortization expense for the year	130	5	135	-	-	-
Less: Disposals / Adjustments during the year	6	-	6	-	-	-
As at March 31, 2020	**2,641**	**545**	**3,186**	**-**	**-**	**-**
Net Carrying Value						
As at March 31, 2020	**354**	**9**	**363**	**-**	**19**	**19**
As at March 31 2019	400	13	413	9	18	27

Notes:

1. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Intangible Assets as per the details given below:

	Computer Software	Brand Name/ Trade Marks	Total Intangible Assets
Gross Carrying Value	2,482	546	3,028
Accumulated Amortisation	1,669	524	2,193
Net Carrying Value	**813**	**22**	**835**

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4 NON-CURRENT INVESTMENTS	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Investments measured at Cost (except otherwise stated)		
Investment in Equity Instruments (Fully Paid Up)		
Unquoted		
Investment in Overseas Wholly-Owned Subsidiary		
2,91,43,275 Ordinary Shares of no par value each of Fabindia International Pte. Limited, Singapore	17,964	17,964
Investment in Subsidiaries		
42,503,469 (31st March 2019: 42,354,994) Equity Shares of Rs.10/- each of Organic India Private Limited	13,945	13,749
7,00,000 Equity Shares of ₹ 10/- each of Fabcafe Foods Private Limited#	265	265
Investment in Associate Companies		
2,04,500 Equity Shares of ₹ 10/- each of Rangsutra Crafts India Limited	09	60
20,130 Equity Shares of ₹ 100/- each of Orissa Artisans and Weavers Limited	20	20
Total Investments measured at Cost	**32,263**	**32,067**
Investments measured at Fair Value through Profit or Loss		
Investment in Equity Instruments (Fully Paid Up)		
Unquoted		
2,500 Shares of ₹ 10/- each of the Saraswat Cooperative Bank Ltd.	0	0
20 Shares of ₹ 50/- each of the Noble House Co-operative Housing Society Limited	0	0
	0	0
Investment in Preference Shares (Fully Paid Up)		
Unquoted		
Investment in Subsidiary		
29,30,000 (31st March 2019: 18,30,000) 9% Optionally Convertible Preference Shares (Cumulative) of ₹ 100/- each of Fabcafe Foods Private Limited^	2,292	2,416
	2,292	**2,416**
Investment in Debentures		
Unquoted		
Investment in Others		
450,000 Optionally Cumulative Convertible Debentures (OCCD) of ₹ 100/- each of Tugbug Creative Private Limited^^	435	-
	435	**-**
Total Investments measured at Fair Value through Profit or Loss	**2,727**	**2,416**
Less: Impairment in value of investments	(17,055)	(17,592)
Total Non-Current Investments	**17,935**	**16,891**
Aggregate amount of unquoted investments	34,990	34,483
Aggregate amount of impairment in the value of investments	17,055	17,592

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Category-wise Non-Current Investments (Excluding Impairment)		
Financial assets carried at amortized cost	-	-
Financial assets measured at cost	32,263	32,067
Financial assets measured at fair value through other comprehensive income	-	-
Financial assets measured at fair value through profit or loss	2,727	2,416
Total Non Current Investment	**34,990**	**34,483**

Includes ₹ 195 Lakhs as premium on financial guarantee provided (Refer Note No. 18). The premium value is based on the valuation report issued by an independent valuer.

^9% Optionally Convertible Preference Shares (Cumulative) (OCPs) of ₹ 100/- each shall be convertible at par into Equity Shares on the basis of 10 Equity Shares for 1 OCP at the expiry of 84 months from the date of receipt of the respective Investment Tranches as stipulated in the agreement between the parties to the extent not redeemed at par in one or more Tranches of 50,000 OCPs before that date. The above fair valuation is based on the valuation report of an independent valuer.

^^ 9% Optionally Cumulative Convertible Debentures (OCCD) of ₹ 100/- each shall be convertible at par into Equity Shares upon completion of period of 3 years from the date of receipt of the respective Investment Tranche as per the terms and conditions specified in Debenture Subscription Agreement. The redemption of OCCD must be effective in tranches of 25,000 OCCD or of a value of INR 25,00,000 in one single transaction. The OCCD carries simple interest @ 9% p.a. payable on completion of the Tenure and the start date for accrual of interest is 30 days from the date of receipt of each tranche. The above fair valuation is based on the valuation report of an independent valuer.

5 NON-CURRENT LOANS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Security Deposits	4,918	4,647
	4,918	**4,647**

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6 OTHER NON-CURRENT FINANCIAL ASSETS

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Deposits with original maturity of more than twelve months*	30	89
Lease Receivables	2,928	-
	2,958	89
* under lien against bank guarantees	29	89

7 DEFERRED TAX ASSETS (NET)

	Increase/(Decrease) (₹ In Lakhs)	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
The balance comprises temporary differences attributable to:			
Property, Plant and Equipment, ROU and Intangible Assets	(11,966)	(13,921)	(1,955)
Provision for Retirement Benefits	(73)	101	174
Provision for Doubtful Debts/Advances	(91)	57	148
Lease Liabilities as per Ind AS 116	14,200	14,200	-
Lease Receivables as per Ind AS 116	(830)	(830)	-
Impairment Loss in Value of Investment	(125)	3,973	4,098
Other Timing Differences	682	750	68
	1,797	4,330	2,533

8 OTHER NON-CURRENT ASSETS

(Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Capital Advances	-	118
Prepaid Lease Rentals	-	1,069
Lease Equilisation Asset	17	-
Other Prepaid Expenses	16	14
	33	1,201

9 INVENTORIES

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Raw Materials	6,221	6,980
Finished Goods		
Manufactured*	26,759	9,254
Traded*	-	15,191
Stock-in-Transit		
Finished Goods	2,508	1,618
	35,488	33,043

*During the current year, the Company has shifted solely to Contract Manufacturing from Trading (Refer Note No. 1) and all the Finished Goods inventory as on 31st March, 2020 has been grouped as Finished Goods – Manufactured as it was not practically feasible to bifurcate any old Finished Goods – Traded, if any, lying unsold as on 31st March, 2020.

- As per inventory taken and valued by the Management

10 TRADE RECEIVABLES

Unsecured	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Considered Good	2,380	1,646
Having Significant increase in Credit Risk	-	68
	2,380	1,714
Less: Allowance for Credit Losses	-	(68)
	2,380	1,646
Includes due from Related Parties:		
Weavers India General Trading LLC, Dubai, an Associate Company	21	62
Indigo Origins Pte. Limited, Singapore, an Overseas Wholly-Owned Subsidiary Company	72	109
East Limited, United Kingdom, an Overseas Subsidiary	-	21
East Lifestyle Limited, United Kingdom, an Associate Company	-	45
Fabcafe Foods Private Limited, a Subsidiary Company	55	71
Organic India Private Limited, a Subsidiary Company	-	45
Total Trade Receivables from related parties	148	353
Less: Allowance for Credit Losses	-	(68)
Net Trade Receivables from Related Parties	148	285

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Company's trade receivables have been reviewed for indications of impairment. An allowance for credit losses as on 31st March, 2020 of ₹ Nil (2019: 68 Lakhs) has been recorded.

11 CASH AND CASH EQUIVALENTS

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Balances with Banks		
In Current Accounts	1,125	860
In Deposits with original maturity upto three months	14,694	-
Cash on Hand	76	303
	15,895	1,163



12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Deposits with original maturity of more than three months but less than twelve months*	116	46
Earmarked Balances with Banks		
Unpaid Dividend	0	0
	116	**46**
* under lien against bank guarantees	116	46

13 CURRENT LOANS	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Unsecured		
Considered Good		
Security Deposits	612	-
Advances recoverable in cash or in kind or for value to be received*	2,428	334
Having Significant increase in Credit Risk		
Advances recoverable in cash or in kind or for value to be received	225	355
Less: Allowance for Doubtful Advances	(225)	(355)
	3,040	**334**
*Includes due from Employees:	4	5
*Includes due from Related Parties:		
Organic India Private Limited, a Subsidiary Company	1,419	254
Fabcafe Foods Private Limited, a Subsidiary Company	687	57

14 OTHER CURRENT FINANCIAL ASSETS	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Lease Receivables	372	-
	372	**-**

15 OTHER CURRENT ASSETS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Prepaid Lease Rentals	-	370
Other Prepaid Expenses	368	272
Advance to Supplier*	502	649
Advance Sales Tax	143	282
Goods and Services Tax (GST) Input Credit	659	80
Other Advances	415	430
	2,087	**2,083**
*Due from Related Parties:		
Rangsutra Crafts India Limited, an Associate Company	1	26
Organic India Private Limited, a Subsidiary Company	-	43
Onasa Artisans And Weavers Limited, an Associate Company	45	80



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16 EQUITY SHARE CAPITAL	**AS AT 31ST MARCH 2020**		**AS AT 31ST MARCH 2019**	
	No of Shares	*(₹ In Lakhs)*	No of Shares	*(₹ In Lakhs)*
AUTHORISED SHARE CAPITAL				
Equity Shares of ₹ 10/- each	1,50,00,000	1,500	1,50,00,000	1,500
		1,500		**1,500**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 10/- each fully paid up*	1,44,66,090	1,447	23,89,716	239
		1,447		**239**

*Out of the above, 1,20,55,075 Bonus Shares have been issued during the year by way of capitalisation of reserves.

a). Terms/rights attached to Equity Shares
The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of equity shares is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders approval. The Company declares and pays dividend in Indian Rupees.

The Board, in its meeting on 18th July, 2019, recommended a final dividend of ₹ 150/- per equity share for the year ended 31st March 2019 and the same was approved by the shareholders at the Annual General Meeting held on 30th August, 2019. This resulted in a cash outflow of ₹ 4,349 Lakhs including dividend distribution tax.

During the year, the Company has paid interim dividend of ₹ 22.50/- per equity share for FY 2019-2020 on 1,44,66,090 Equity Shares of ₹ 10/- each aggregating to ₹ 3,255 Lakhs (subject to Dividend Distribution Tax of ₹ 669 Lakhs).

b). The details of shareholders holding more than 5% shares as at 31st March 2020 and 31st March 2019 is set out below:

Name of shareholder	AS AT 31ST MARCH, 2020		AS AT 31ST MARCH, 2019	
	Shares held (No.)	Shares held (%)	Shares held (No.)	Shares held (%)
Equity Shares of ₹ 10/- each fully paid up				
William Nanda Bissell	32,80,140	22.67%	5,46,690	22.88%
JLB Partners Holding Inc., USA	32,43,816	22.42%	5,40,636	22.62%
PI Opportunities Fund - I	30,10,656	20.81%	6,17,993	25.86%
Madhukar Khera	8,87,508	6.14%	1,47,918	6.19%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c). The reconciliation of the number of shares outstanding as at 31st March 2020 and 31st March 2019 is set out below:

Particulars	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Equity Shares of ₹ 10/- each fully paid up		
Number of shares in the beginning	23,89,716	23,86,765
Add: Shares issued during the year*	21,299	2,951
Add: Bonus Shares issued during the year**	1,20,55,075	-
Number of shares at the end	1,44,66,090	23,89,716

* Shares issued during the current year and previous year as under:

- During the year ended 31st March 2020, the Company has issued and allotted 15,000 equity shares of nominal value of ₹ 10/- each at a premium of ₹ 8,405/- per share on private placement / preferential allotment basis to Ms. Bimla Nanda Bissell, relative of executive chairman and director.

- During the year ended 31st March 2020, the Company has issued and allotted 6,299 equity shares to the eligible employees against 13,100 stock options granted during the year ended 31st March, 2019.

- During the previous year ended 31st March 2019, the Company had issued and allotted 2,951 equity shares to the eligible employees against 11,800 stock options granted during the year ended 31st March, 2018.

**During the year ended 31st March 2020, the Company has issued and allotted 1,20,55,075 Equity Shares of Rs. 10/- each as Bonus Shares.

d). Shares reserved for issue under Employee Stock Options
Refer Note No. 46 in respect of details of shares reserved for issue under ESOP.



17 OTHER EQUITY

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Summary of Other Equity Balance		
Capital Reserve	2	2
General Reserve	32,210	32822
Securities Premium	19,290	17535
Export Profits Reserve	67	67
Capital Redemption Reserve	-	17
Stock Option Outstanding Account	595	610
Retained Earnings	19,348	22701
Other Comprehensive Income	25	*(71)*
	71,537	**73,683**

Nature and purpose of reserves:

a) Capital Reserve
This reserve represents the difference between value of net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

b) General Reserve
This reserve represents appropriation of Profits after dividend from Retained Earnings. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013

c) Securities Premium
The amount received in excess of face value of equity shares and in case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

d) Exports Profit Reserve
This represents the reserve created as per the requirements of the Income Tax

e) Capital Redemption Reserve
The Company has recognized Capital Redemption Reserve on buyback of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

f) Stock Option Outstanding Account
Stock Option Outstanding Account consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognized in the Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account. Upon exercise of options, such account is recognized to Security Premium Reserve or General Reserve as the case may be.

g) Retained Earnings
Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve, Dividends or other distributions paid to shareholders It includes ₹ 11,857 Lakhs transferred from Revaluation Reserve on adoption of deemed cost on transition to Ind AS as it is not eligible for dividend being not in the nature of free reserves. Out of the said amount, the difference between depreciation provided on revalued amount and historical cost has been transferred to General Reserve amounting to ₹ 1,982 Lakhs up to 31st March, 2020 (31st March 2019: ₹ 1,534 Lakhs).



18 OTHER NON-CURRENT FINANCIAL LIABILITIES

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Security Deposits Received	118	25
Financial Guarantee Obligation*	142	151
Lease Liabilities	46,906	-
	47,166	176

*During the previous year ended 31st March 2019, the Company had provided financial guarantee amounting to ₹ 1,500 Lakhs in favor of Citi Bank N.A., for enabling Fabcafe Foods Private Limited, a subsidiary of the Company, to avail the credit facilities from the said bank. The above fair valuation is based on the valuation report of an independent valuer.

19 NON-CURRENT PROVISIONS

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Provision for Asset Retirement Obligation	346	253
	346	253

Provision for Asset Retirement Obligation:
A provision has been recognized for decommissioning costs associated with the stores taken on operating lease by the Company. The Company is committed to handover the vacant stores in the same condition as it was handed over by the licensor at the expiry of those leases. The Company has estimated an average cost (per unit) for decommissioning the said stores based on past trends and provided for asset retirement obligation.

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Movement in Provision Asset Retirement Obligation during the year:		
Balance at the beginning	253	228
Provision during the year	127	34
Amounts utilized / written back during the year	34	9
Balance at the end	346	253

20 OTHER NON-CURRENT LIABILITIES

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Rent Received in Advance	43	6
Loyalty Programme Obligation	948	136
	991	142

21 SHORT TERM BORROWINGS

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
SECURED		
Working Capital Demand Loan (WCDL) from:		
Kotak Mahindra Bank	6,550	-
Hong Kong and Shanghai Banking Corporation Limited	5,000	4,000
CITI Bank	6,990	-
Standard Chartered Bank	4,000	-
UNSECURED		
Short Term Loan (STL) - Work Cap from:		
HDFC Bank	2,500	-
SECURED		
Bank Overdraft from:		
Hong Kong and Shanghai Banking Corporation Limited	1,996	1,728
Standard Chartered Bank	-	749
Citibank, N.A.	-	8
	27,036	6,485

The Company has the following credit facilities taken from various banks carrying interest rate between 7.55% to 9.95% p.a.:
a). Maximum Borrowing Sanctioned Limits in respect of all facilities from Banks:
Standard Chartered Bank - ₹ 5,000 Lakhs
Kotak Mahindra Bank - ₹ 7,000 Lakhs
Hong Kong and Shanghai Banking Corporation Limited - ₹ 7,500 Lakhs
Citibank, N.A ₹ 7,000 Lakhs
HDFC Bank - ₹ 2,500 Lakhs

b). Nature of Security provided to said banks except in case of STL from HDFC Bank is:
First charge on pari passu basis on all present and future inventories and book debts of the Company.

c). Maturity date and terms of repayment
Bank Overdraft facilities are repayable on demand.
WCDL and STL facilities are for fixed terms upto 12 months.

d) The Company has not defaulted on repayment of loans and interest during the year.

22 TRADE PAYABLES

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises	658	622
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,522	4,265
	7,180	4,887

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23 OTHER CURRENT FINANCIAL LIABILITIES

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Security Deposits Received	2	2
Payables for Capital Goods	452	455
Commission payable to Directors	252	781
Interest accrued but not due	42	29
Financial Guarantee Obligation	18	39
Lease Liabilities	9,517	-
Unpaid/Unclaimed Dividend	0	0
Other Accruals	5,281	3,298
	15,564	4,604

24 OTHER CURRENT LIABILITIES

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Advance from Customers	972	767
Statutory Liabilities	470	558
Rent Received in Advance	11	2
Loyalty Programme Obligation	474	68
Other Liabilities	158	252
	2,085	1,647

25 CURRENT PROVISIONS

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Provision for Employee Benefits		
Gratuity*	65	179
Leave Encashment*	78	139
	-	-
Provision for Sales Returns	46	39
Provision for Asset Retirement Obligation	19	27
	208	384

*Based on actuarial valuation as on the balance sheet date and funded subsequent to the year end.

Provision for Sales Returns
When a customer has a right to return the product within a given period, the Company recognises a provision for Sales Returns. The Company provides for sales returns based on management estimates and past experience. This is measured on a net basis at the margin on the sale. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods likely to be returned.

Movement in Provisions during the year:	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Provision for Sales Returns		
Balance at the beginning	39	37
Provision during the year	7	2
Balance at the end	46	39
Provision for Asset Retirement Obligation		
Balance at the beginning	27	29
Provision during the year	36	29
Amounts utilized / written back during the year	44	31
Balance at the end	19	27

26 INCOME TAX ASSETS (NET)

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
Balance at the beginning	228	(262)
Add: Current Tax payable for the year	(3,000)	(6,550)
Add: Earlier Years Tax payable	-	(30)
Less: Taxes paid	5,080	7,070
Add: Tax provision of earlier years written back	-	-
Provision for Taxation (Net of Advance Income Tax)	2,308	228

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27 REVENUE FROM OPERATIONS

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Revenue from Contract with Customers:		
Sale of Products	1,13,593	1,12,086
	1,13,593	1,12,086
Other Operating Revenue:		
Rental Income related to operations	357	281
Dividend Income from Operating Subsidiary and Associates	439	508
Business Support Service Fee	710	116
Allowance for Credit Losses / Doubtful Advances written back	198	0
Provisions/Liabilities no longer required written back	239	389
Government Grants	30	17
Miscellaneous Operating Income	1,030	537
	3,003	1,848
	1,16,596	**1,13,934**
Disaggregation of Revenue based on Products		
Bed Linen	4,362	4,424
Bath Linen	494	502
Table Linen	3,258	3,055
Garments	88,000	84,394
Bodycare	2,474	2,714
Floor Coverings	732	747
Curtain	1,475	1,620
Furniture	4,455	4,362
Organic foods	2,533	2,795
Upholstery	592	455
Miscellaneous	5,238	7,023
	1,13,593	**1,12,086**
Reconciliation of Revenue with Contract Price		
Revenue as per contracted price	1,23,024	1,18,039
Adjustments:		
Discounts and Sales Return	6,758	5,731
Customer Loyalty Programme	2,673	222
	9,431	**5,953**
Total Revenue from Contract with Customers	**1,13,593**	**1,12,086**

28 OTHER INCOME

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Interest Income		
Bank Deposits	39	8
Leased Deposits measured at amortized cost	368	312
Lease Receivables	217	-
Others	49	49
Gain on Fair Value of Investment in OCPs	-	490
Income from Financial Guarantee	30	5
Provision for Asset Retirement Obligation written back	78	40
Provision for Diminution in value of investment written back	-	0
Net Gain on Foreign Currency Transactions and Translations	2	22
	783	**926**

29 COST OF MATERIALS CONSUMED

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Raw Materials consumed:		
Opening Stock	6,980	4,957
Add: Purchases	13,086	16,391
Add: Job Work Charges	8,111	8,858
	28,787	30,176
Less: Closing Stock	6,221	6,980
	22,566	**23,196**

30 PURCHASES OF STOCK-IN-TRADE / COST OF CONTRACT MANUFACTURED GOODS

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Purchase of Finished Goods -Traded/Contract Manufactured	28,684	26,208
Freight Inwards	644	1,320
	29,328	**27,528**

A. PURI & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

31 (INCREASE)/DECREASE IN INVENTORIES

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Opening Inventory		
Finished Goods-Manufactured	9,254	7,356
Finished Goods-Traded	15,191	13,605
Stock-in-Transit	1,618	770
	26,063	21,731
Closing Inventory		
Finished Goods-Manufactured	26,759	9,254
Finished Goods-Traded	-	15,191
Stock-in-Transit	2,508	1,618
	29,267	26,063
Total (Increase)/Decrease in Inventories	**(3,204)**	**(4,332)**

32 EMPLOYEE BENEFITS EXPENSE

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Salaries and Wages	13,849	12,418
Contribution to Provident and Other Funds	822	705
Defined Benefit Plan Expense (Refer Note No. 40)	211	219
Employee Stock Options Compensation Expense (Refer Note No. 45)	595	610
Employee Stock Options Compensation Expense (cash settled)	218	65
Staff Welfare Expense	687	587
	16,382	**14,604**

33 FINANCE COSTS

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Interest Expense:		
Banking Facilities	851	555
Micro, Small and Medium Enterprises	6	2
Financial Liabilities measured at amortized cost	6	2
Unwinding of Discount on Asset Retirement Obligation	27	21
Lease Liabilities	4,216	-
	5,106	**580**

34 OTHER EXPENSES

	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Rent	2,621	12,646
Advertisement and Publicity	2,572	2,583
Legal and Professional Charges	2,680	2,407
Payment to Auditors*	173	171
Postage, Telex and Telephones	266	372
Travelling and Conveyance	786	931
Consumable Office Supplies	771	532
IT Support Service Charges	1,683	1,275
Rates and Taxes	283	197
Insurance	404	341
Power and Fuel	1,897	1,748
Repair and Maintenance		
Building	4	2
Common Area Maintenance Charges	1,269	1,112
Computers, Air Conditioners and Other Equipments	399	344
Others	493	780
Directors' Sitting Fees	2	1
Hire Charges	20	34
Security and Housekeeping Charges	3,976	3,187
Packing, Freight, Clearing and Forwarding	1,257	921
Sales Promotion	751	780
Commission on Sales	53	60
Loss on Fair Value of Investment in OCPs and OCCDs	1,262	-
Loss on Sale of Investment (Net)	-	1
Loss on Sale/Discard of Property Plant and Equipment (Net)	332	106
Loss on Sale of Right-Of-Use Assets (Net)	527	-
Corporate Social Responsibility (CSR) Expenditure	330	312
Bad Debts written off	63	-
Debit Balances written off	18	39
Fines and Penalties	20	74
Bank Charges	1,118	1,171
Miscellaneous Expenses	434	229
	27,099	**32,085**

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*Payments to Auditors	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Statutory Auditors		
As Audit Fee	85	85
As Tax Audit Fee	20	20
For Other Services		
Certification and Consultancy Services	25	13
	130	118
Branch Auditors		
As Audit Fee	28	35
As Tax Audit Fee	14	17
For Other Services	1	1
	43	53
Total	173	171

35 TAX EXPENSE

(a) Tax expense recognized in Statement of Profit and Loss	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Current Tax		
In respect of the current year	3,000	6,550
Adjustments/(credits) related to previous years (net)	-	30
Total (A)	3,000	6,580
Deferred Tax		
Origination and reversal of temporary differences	(1,830)	-363
Total (B)	(1,830)	(363)
Total (A+B)	1,170	6,217

(b) Amounts recognized in Other Comprehensive Income

The tax (charge)/credit arising on income and expenses recognized in Other Comprehensive Income is as follows:

On items that will not be reclassified to Statement of Profit and Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	(32)	7
Total	(32)	(7)

(c) Reconciliation of Effective Tax Rate

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit before Tax	**6,539**	**17,831**
Tax using the Company's Domestic Tax Rate @ 25.168% (Previous Year: 34.944%)	1,646	6,231
Tax Effect of:		
Tax related to previous years	-	30
Effect of tax related to expenses not deductible for income tax	41	100
Effect of tax due to change in tax rate from 34.944% to 25.168%	(437)	-
Effect of tax due to different tax rate on certain items	13	(32)
Effect of income not taxable	(110)	(174)
Effect of tax due to indexation	(23)	(20)
Effect of Tax on reversal to ESOP Options (General Reserve)	32	80
Rounding off tax (including interest)	8	2
Income tax recognized in Profit or Loss	1,170	6,217

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36 Financial Instruments – Fair Value Measurement

Financial Instruments by Category *(₹ In Lakhs)*

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments (Non-Current)	2,727	-	15,208	2,416	-	14,475
Loans (Non-Current)	-	-	4,918	-	-	4,647
Other Financial Assets (Non-Current)	-	-	2,958	-	-	89
Trade Receivables (Current)	-	-	2,380	-	-	1,646
Cash and Cash Equivalents (Current)	-	-	15,895	-	-	1,163
Bank Balances other than Cash and Cash Equivalents (Current)	-	-	116	-	-	46
Loans (Current)	-	-	3,040	-	-	334
Other Financial Assets (Current)	-	-	372	-	-	-
Total	**2,727**	**-**	**44,387**	**2,416**	**-**	**22,400**
Financial Liabilities						
Other Financial Liabilities (Non-Current)	142	-	47,024	151	-	25
Borrowings (Current)	-	-	27,036	-	-	6,485
Trade Payables (Current)	-	-	7,180	-	-	4,887
Other Financial Liabilities (Current)	18	-	15,543	39	-	4,565
Total	**160**	**-**	**96,783**	**190**	**-**	**15,962**

Financial Instruments by category *(₹ In Lakhs)*

Particulars	Total Carrying Value	
	31st March 2020	31st March 2019
Financial Assets		
Investments (Non-Current)	17,935	16,891
Loans (Non-Current)	4,918	4,647
Other Financial Assets (Non-Current)	2,958	89
Trade Receivables (Current)	2,380	1,646
Cash and Cash Equivalents (Current)	15,895	1,163
Bank Balances other than Cash and Cash Equivalents (Current)	116	46
Loans (Current)	3,040	334
Other Financial Assets (Current)	372	-
Total	**47,614**	**24,816**
Financial Liabilities		
Other Financial Liabilities (Non-Current)	47,166	176
Borrowings (Current)	27,036	6,485
Trade Payables (Current)	7,180	4,887
Other Financial Liabilities (Current)	15,564	4,604
Total	**96,946**	**16,152**

Fair Value Hierarchy:

Level 3 : All investments fair valued through profit and loss are classified as level 3 inputs.
Level 3 : Financial Guarantee Obligation fair valued through profit and loss are classified as level 3 inputs.
Level 3 : All amortized cost financial assets and liabilities are classified as level 3 inputs

Notes:

1. Trade receivables comprise amounts receivable from the sale of goods and services.
2. The Management considers that the carrying amount of trade and other receivables approximates their fair value.
3. Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.
4. Loans (non-current) comprise of security deposits paid which have been discounted and the same approximates their fair value.
5. Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.
6. Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.
7. Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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37 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:
(a) Credit Risk;
(b) Liquidity Risk; and
(c) Market Risk

Risk Management Framework
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company activities. The Company's Board of Directors oversees how the management monitors compliance with Company's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Credit Risk:
Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. The credit risk for the Company primarily arises from credit exposures to trade receivables, deposits with landlords for store properties taken on leases and other receivables including balances with banks.

The Company's business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Company's credit policy requires each new privileged customer to be analysed individually for creditworthiness before the Company's standard payment terms and conditions are offered. Further, trade and other receivables consist of a large number of customers, across geographies, hence, the Company is not exposed to concentration risks. Similarly, in the case of other receivables and loans, the Company mitigates this risk by attempting to ensure appropriate credit worthiness.

The Company also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Company's experience of delinquencies and customer disputes have been minimal.

(b) Liquidity Risk:
Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

Maturities of Financial Liabilities
The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows.

The details of the contractual maturities of financial liabilities as of 31st March 2020 are as follows:

(₹ In Lakhs)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Short Term Borrowings	27,036	-	-	27,036
Trade Payables	7,180	-	-	7,180
Security Deposits Received	2	118	-	120
Payables for Capital Goods	452	-	-	452
Commission payable to Directors	252	-	-	252
Interest accrued but not due	42	-	-	42
Financial Guarantee Obligation	18	142	-	160
Lease Liabilities	9,517	37,760	9,146	56,423
Unpaid/Unclaimed Dividend	0	-	-	0
Other Accruals	5,281	-	-	5,201
	49,780	**38,020**	**9,146**	**96,946**

The details of the contractual maturities of financial liabilities as of 31st March 2019 are as follows:

(₹ In Lakhs)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Short Term Borrowings	6,485	-	-	6,485
Trade Payables	4,887	-	-	4,887
Security Deposits Received	2	25	-	27
Payables for Capital Goods	455	-	-	455
Commission payable to Directors	781	-	-	781
Interest accrued but not due	29	-	-	29
Financial Guarantee Obligation	39	151	-	190
Unpaid/Unclaimed Dividend	0	-	-	0
Other Accruals	3,298	-	-	3,298
	15,976	**176**	**-**	**16,152**

(c) Market Risk:
Market risk is the risk that changes in market place could affect the future cash flows to the Company. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk.

Currency Risk
The Company's significant transactions are in Indian Rupees (INR) and therefore, there is minimal foreign currency risk. The Company's exposure to foreign currency risk is on account of receivables related to earnings in foreign currency and other payables in foreign currency.



Exposure to Currency Risk

The amount of foreign currency exposure of financial assets and financial liabilities as at 31st March 2020 and 31st March 2019 that are not hedged by a derivative instrument or otherwise is as under:

	As at 31st March 2020 (₹ In Lakhs)	As at 31st March 2020 USD	As at 31st March 2020 GBP	As at 31st March 2020 EURO	As at 31st March 2020 MYR
Financial Assets					
Trade Receivables	93	1,24,844	-	-	-
Other Receivables	9	-	9,629	-	-
	102	1,24,844	9,629	-	-
Financial Liabilities					
Trade Payables	-	-	-	-	-
Credit Balance of Trade Receivables	7	10,223	-	-	-
	7	10,223	-	-	-
Net Receivable/(Payable)	95	1,14,621	9,629	-	-

	As at 31st March 2019 (₹ In Lakhs)	As at 31st March 2019 USD	As at 31st March 2019 GBP	As at 31st March 2019 EURO	As at 31st March 2019 MYR
Financial Assets					
Trade Receivables	257	2,75,734	72,609	-	-
Other Receivables	-	-	-	-	-
	257	2,75,734	72,609	-	-
Financial Liabilities					
Trade Payables	16	9,686	7,277	2,957	3,497
Credit Balance of Trade Receivables	-	-	-	-	-
	16	9,686	7,277	2,957	3,497
Net Receivable/(Payable)	241	2,66,049	65,332	(2,957)	(3,497)

The following exchange rates have been applied: *(₹ In Lakhs)*

Currency	Year-end Spot Rate	
	As at 31st March 2020	As at 31st March 2019
USD	74.74	69.45
GBP	92.48	90.50
EURO	82.21	77.91
MYR	17.46	16.97

Sensitivity Analysis

A reasonably possible strengthening / weakening of the Indian Rupee (INR) against US Dollars (USD), Great British Pound (GBP), EURO and Malaysian Ringgit (MYR) at 31st March 2020 and 31st March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

(₹ In Lakhs)

Effect in INR	Profit or Loss		Equity (Net of Tax)	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2020				
5% movement				
USD	(5)	5	(4)	4
GBP	0	0	0	0
EURO	-	-	-	-
MYR	-	-	-	-
	(5)	5	(4)	4

(₹ In Lakhs)

Effect in INR	Profit or Loss		Equity (Net of Tax)	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2019				
5% movement				
USD	(9)	9	(6)	6
GBP	(3)	3	(2)	2
EURO	0	0	0	0
MYR	0	0	0	0
	(12)	12	(8)	8

Impact of COVID-19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.



38 Capital Management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder's value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2020 and 31st March, 2019 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19.

The Board of Directors seek to maintain a balance of higher returns by sound capital composition and accordingly the Company does not have any long term borrowings as at 31st March 2020 and 31st March 2019. The Company has availed short term credit facilities from banks during the year ended 31st March 2020 and 31st March 2019.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

(₹ In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Short Term Borrowings	27,036	6,485
Total Debt	**27,036**	**6,485**
Equity Share Capital	1,447	239
Other Equity	71,537	73,683
Total Equity	**72,984**	**73,922**
Debt-Equity Ratio	**0.37**	**0.09**

The Company's objective is to keep the debt equity ratio as low as possible which it has achieved in these years.



39 RELATED PARTY DISCLOSURES

As required by Ind AS - 24 "Related Parties Disclosures", the disclosure are as follows:

A. List of Related Parties where control exists:

(i) List of related parties who have control over the Company (either individually or with others)
- JLB Partners Holding Inc., USA
- William Nanda Bissell, Executive Chairman and Director w.e.f 24th July, 2020 (Executive Vice-Chairman and Director upto 23rd July, 2020)
- Monsoon Latane Bissell (Director and relative of Executive Chairman and Director)

(ii) Subsidiary Companies
- Fabindia International Pte. Ltd, Singapore - an overseas wholly-owned subsidiary
- Indigo Origins Pte. Ltd., Singapore - an overseas wholly-owned subsidiary
- East Limited, United Kingdom - an overseas subsidiary (Dissolved w.e.f. 3rd December 2019)
- Organic India Private Limited
- Fabcafe Foods Private Limited
- Organic India USA, LLC
- Composite Interceptive Med-Science Laboratories Private Limited
- The Clean Program Corp, USA (w.e.f 25th April, 2018)
- Godwar Farmers Collective Private Limited (w.e.f. 30th March, 2019 upto 31st August, 2019)

B. Other related parties with whom the Company had transactions:

(i) Associates
- East Lifestyle Limited, United Kingdom - (went into administration w.e.f. 29th January, 2018)
- Rangsutra Crafts India Limited
- Orissa Artisans and Weavers Limited
- Weavers India General Trading LLC, Dubai
- FABINDIA S.r.l., Italy

(ii) Key Management Personnel (KMP):

- William Nanda Bissell	-	Executive Chairman and Director w.e.f 24th July, 2020 (Executive Vice-Chairman and Director upto 23rd July, 2020)
- Viney Singh	-	Managing Director
- Monsoon Latane Bissell	-	Director and relative of Executive Chairman and Director
- Madhukar Khera	-	Director
- Vijai Kumar Kapoor	-	Director
- William Sean Sovak	-	Director
- Prakash Parthasarathy	-	Director
- Rahul Garg	-	Director
- Tekkethalakkal Kurien Kurien	-	Director
- Vinita Bali	-	Director w.e.f. 18th September 2018 (Additional Director w.e.f. 1st April, 2018 upto 17th September 2018)
- Yoav Lev	-	Director w.e.f. 18th September 2018 (Additional Director w.e.f. 10th August, 2018 upto 17th September, 2018)
- Andrew Charles Mayfield	-	Director (ceased to be a Director w.e.f 31st August, 2018)
- Sunil Chainani	-	Director (ceased to be a Director w.e.f 14th May, 2018)
- Charu Sharma	-	Director (Whole-time Director upto 31st March, 2019)

(iii) Relatives of Key Management Personnel (KMP):

- Anjali Kapoor Bissell	-	Relative of Executive Chairman and Director
- Bimla Nanda Bissell	-	Relative of Executive Chairman and Director
- Master John Varun Bissell	-	Relative of Executive Chairman and Director
- Sara Kamla Bissell	-	Relative of Executive Chairman and Director
- Bindu Jain (Proprietor of Crome Yellow)	-	Relative of Director
- Nikhil Khera	-	Relative of Director
- SR Parthasarathy	-	Relative of Director
- Mini Kapoor	-	Relative of Director
- Holly B Lev	-	Relative of Director



C. Summary of the transactions with related parties is as follows :

(₹ In Lakhs)

Nature of transaction	Enterprises where control exists		Subsidiaries		Associates		Key Management Personnel and their relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Investment in Equity Shares	-	-	-	911	-	-	-	-	-	911
Investment in Optionally Convertible Preference Shares	-	-	1,100	1,470	-	-	-	-	1,100	1,470
Issue and Allotment of Equity Share (Preferential Allotment)	-	-	-	-	-	-	1,274	-	1,274	-
Issue and Allotment of Equity Shares (ESOP)	-	-	-	-	-	-	0	0	0	0
Sale of Goods / Samples	-	-	258	391	166	203	5	-	429	594
Purchase of Finished Goods-Traded / Captive Production at Ancillaries	-	-	2,509	1,247	759	985	176	164	3,444	2,396
Remuneration (included under Salary and Wages)	-	-	-	-	-	-	426	382	426	382
Professional Charges	-	-	-	-	-	-	96	-	96	-
Commission to Directors (included under Salary and Wages)	-	-	-	-	-	-	670	964	670	964
Directors' Sitting Fees	-	-	-	-	-	-	2	1	2	1
Interest Income	-	-	5	-	-	4	-	-	5	4
Dividend Income	-	-	642	508	15	-	-	-	657	508
Reimbursement of Expenses Receipts	-	-	289	90	6	18	-	1	295	109
Miscellaneous Expenses Paid	-	-	29	-	-	-	-	-	29	-
Rent Received	-	-	541	182	-	-	-	-	541	182
Royalty Income	-	-	175	37	-	-	-	-	175	37
Business Support Service Fees	-	-	684	116	-	-	-	-	684	116
Interest Paid	-	-	-	-	0	-	-	-	-	0
Final Dividend Paid	811	541	-	-	-	-	1,308	856	2,119	1,397
Interim Dividend Paid	730	-	-	-	-	-	1,179	-	1,909	-
Advance Given	-	-	-	427	65	243	-	-	65	670
Advance Given Received Back / Adjusted	-	-	-	384	107	299	-	-	107	683
Security Deposit Received	-	-	59	28	-	-	-	-	59	28

Outstanding Balances	Enterprises where control exists		Subsidiaries		Associates		Key Management Personnel and their relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Outstanding Payables	-	-	518	-	71	86	259	863	848	949
Outstanding Receivables	-	-	2,233	600	67	193	-	-	2,300	793

Terms and conditions:

1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Compensation of Key Management Personnel

The remuneration of Key Management Personnel during the year was as follows:

(₹ In Lakhs)

Particulars	2019-20	2018-19
Short-Term Benefits	1,196	1,350
Post-Employment Benefits	16	8
Share-Based Payments	115	169
Total compensation paid to key management personnel	**1,327**	**1,527**

Share-Based Payments for FY 2018-19 includes ₹ 58 Lakhs (FY 2017-18: ₹ 16 - Lakhs) transferred to General Reserve from Stock Option Outstanding Account due to Stock Options lapsed during the year under Employee Stock Option Plan.
The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

A PURI GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

FABINDIA OVERSEAS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

D. Disclosure in respect of all related party transactions:

Particulars	2019-20 (₹ In Lakhs)	2018-19 (₹ In Lakhs)
Investment in Equity Shares		
Organic India Private Limited	-	911
Investment in Optionally Convertible Preference Shares		
Fabcafe Foods Private Limited	1,100	1,470
Issue and Allotment of Equity Shares (Preferential Allotment)		
Bimla Nanda Bissell	1274	-
Issue and Allotment of Equity Shares (ESOP)		
Charu Sharma	0	0
Viney Singh	0	0
Sale of Goods / Samples		
Organic India Private Limited	16	70
Fabcafe Foods Private Limited	54	77
Indigo Origins Pte. Ltd., Singapore	188	244
FADINDIA S.r.l., Italy	-	2
Weavers India General Trading LLC, Dubai	162	201
Crome Yellow (Proprietor: Bindu Jain)	5	-
Rangsutra Crafts India Limited	4	-
Purchase of Finished Goods-Traded / Captive Production at Ancillaries		
Organic India Private Limited	2,509	1,247
Orissa Artisans and Weavers Limited	352	681
Rangsutra Crafts India Limited	407	304
Crome Yellow (Proprietor: Bindu Jain)	176	164
Remuneration (included under Salary and Wages)		
William Nanda Bissell	175	72
Charu Sharma	-	78
Viney Singh	251	232
Professional Charges		
Charu Sharma	96	-
Commission to Directors (included under Salary and Wages)		
William Nanda Bissell	341	275
Viney Singh	201	296
Charu Sharma	16	154
Monsoon Latane Bissell	16	27
Madhukar Khera	16	36
Vijai Kumar Kapoor	16	36
William Sean Sovak	16	36
Prakash Parthasarathy	16	36
Vinita Bali	16	45
Yoav Lev	16	23
Director's Sitting Fees		
Madhukar Khera	0	0
Monsoon Latane Bissell	0	0
Vijai Kumar Kapoor	0	0
Sunil Chainani	0	0
Prakash Parthasarathy	0	0
William Sean Sovak	0	0
Andrew Charles Mayfield	0	0
Vinita Bali	0	0
Yoav Lev	0	0
Interest Income		
Organic India Private Limited	5	-
Rangsutra Crafts India Limited	0	4
Dividend Income		
Organic India Private Limited	424	415
Fabcafe Foods Private Limited*	218	88
Rangsutra Crafts India Limited	10	-
Orissa Artisans and Weavers Limited	5	-

(* adjusted with Loss on Fair Value of Investment in OCPs)



FABINDIA OVERSEAS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

D. Disclosure in respect of all related party transactions:

Particulars	2019-20 (₹ In Lakhs)	2018-19 (₹ In Lakhs)
Reimbursement of Expenses Receipts		
Indigo Origins Pte. Ltd., Singapore	8	13
Organic India Private Limited	92	26
Fabcafe Foods Private Limited	189	51
Rangsutra Crafts India Limited	0	0
Orissa Artisans and Weavers Limited	0	0
FABINDIA S.r.l., Italy	-	1
Weavers India General Trading LLC, Dubai	6	17
Crome Yellow (Proprietor: Bindu Jain)	0	1
Miscellaneous Expenses paid		
Organic India Private Limited	19	-
Fabcafe Foods Private Limited	10	-
Rent Received		
Organic India Private Limited	165	52
Fabcafe Foods Private Limited	376	130
Royalty Income (included under Miscellaneous Income)		
Organic India Private Limited	151	29
Fabcafe Foods Private Limited	24	8
Business Support Service Fees		
Organic India Private Limited	684	116
Interest Paid		
Rangsutra Crafts India Limited	-	0
Advance Given		
Organic India Private Limited		417
Rangsutra Crafts India Limited	10	61
Orissa Artisans and Weavers Limited	66	182
Advance Given Received Back / Adjusted		
Organic India Private Limited	-	384
Rangsutra Crafts India Limited	36	133
Orissa Artisans and Weavers Limited	71	166
Security Deposit Received		
Organic India Private Limited	55	26
Fabcafe Foods Private Limited	4	2
Final Dividend Paid		
JLB Partners Holding Inc., USA	811	541
William Nanda Bissell	820	547
Charu Sharma	48	32
Viney Singh	3	2
Monsoon Latane Bissell	68	43
Madhukar Khera	222	148
Vijai Kumar Kapoor	2	1
William Sean Sovak	2	1
SR Parthasarathy	6	4
Rahul Garg	4	2
Tekkethalakkal Kurien Kurien	2	1
Yoav Lev	11	8
Holly B Lev	11	8
Anjali Kapoor Bissell	34	23
Bimla Nanda Bissell	60	25
Master John Varun Bissell	0	0
Sara Kamla Bissell	3	2
Nikhil Khera	8	6
Mini Kapoor	4	3
Interim Dividend Paid		
JLB Partners Holding Inc., USA	730	-
William Nanda Bissell	738	-
Charu Sharma	45	-
Viney Singh	4	-
Monsoon Latane Bissell	61	-
Madhukar Khera	200	-
Vijai Kumar Kapoor	1	-
William Sean Sovak	1	-
SR Parthasarathy	5	-
Rahul Garg	3	-
Tekkethalakkal Kurien Kurien	2	-
Yoav Lev	10	-
Holly B Lev	10	-
Anjali Kapoor Bissell	31	-
Bimla Nanda Bissell	54	-
Master John Varun Bissell	0	-
Sara Kamla Bissell	3	-
Nikhil Khera	8	-
Mini Kapoor	3	-

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FABINDIA OVERSEAS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

D. Disclosure in respect of all related party transactions:

Particulars	2019-20 *(₹ In Lakhs)*	2018-19 *(₹ In Lakhs)*
Outstanding Payable		
William Nanda Bissell	1	175
Viney Singh	121	296
Charu Sharma	16	154
Monsoon Latane Bissell	16	24
Madhukar Khera	16	36
Vijai Kumar Kapoor	16	36
William Sean Sovak	16	36
Prakash Parthasarathy	16	36
Vinita Bali	16	45
Yoav Lev	16	23
Organic India Private Limited	518	-
Crome Yellow (Proprietor: Bindu Jain)	9	2
Orissa Artisans and Weavers Limited	3	8
Rangsutra Crafts India Limited	68	78
Outstanding Receivable		
Organic India Private Limited	1,419	342
East Limited, United Kingdom	-	21
Indigo Origins Pte. Ltd., Singapore	72	109
Fabcafe Foods Private Limited	742	128
East Lifestyle Limited, United Kingdom	-	45
Weavers India General Trading LLC, Dubai	21	62
Orissa Artisans and Weavers Limited	45	60
Rangsutra Crafts India Limited	1	26



40 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

(a) Contribution to Provident Fund (Defined Contribution Plan)

An amount of ₹ 717 Lakhs (Previous Year- ₹ 569 Lakhs) has been recognized as an expense in respect of the Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Contribution to Gratuity Fund (Defined Benefit Plan)

The Company has defined benefit gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(c) Compensated Leave of Absence Plan (Other Long Term Benefit Plan)

The Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

Actuarial valuation was done in respect of the aforesaid defined benefit plan and other long term benefit plan based on the following assumptions-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate of 6.80 % p.a. (Previous Year 7.66 % p.a.) compound, has been used in consultation with the employer.

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarized in the following table:

	Gratuity (Funded)		Compensated Absences Earned Leaves (Funded)	
	2019-20	2018-19	2019-20	2018-19
Discount rate(per annum)	6.80%	7.66%	6.80%	7.66%
Future salary increase(per annum)	21: Nil thereafter 5%	5.50%	21: Nil thereafter 5%	5.50%
In Service Mortality	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Retirement Age	58 years	58 years	58 years	58 years
Withdrawal rates : Ages/ withdrawal rate				
-upto 30 years	3.00%	3.00%	3.00%	3.00%
-upto 44 years	2.00%	2.00%	2.00%	2.00%
-above 44 years	1.00%	1.00%	1.00%	1.00%

(₹ In Lakhs)

	Gratuity (Funded)		Compensated Absences Earned Leaves (Funded)	
	2019-20	2018-19	2019-20	2018-19
1. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	1,340	1,181	318	305
Interest Cost	103	92	24	24
Current Service Cost	197	206	88	83
Benefits Paid	(256)	(135)	(154)	(150)
Actuarial (Gain)/Loss on obligation	(118)	(4)	60	56
Defined Benefit Obligation at the end of the year	**1,266**	**1,340**	**330**	**318**
2. Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	1,161	1,008	179	166
Expected return on Plan Assets	89	79	14	13
Employer Contribution	183	173	139	139
Benefits Paid	(242)	(115)	(79)	(144)
Actuarial Gain/(Loss) on plan assets	10	16	5	5
Fair value of plan assets at the end of the year	**1,201**	**1,161**	**258**	**179**
3. Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	1,201	1,161	258	179
Present value of Obligation	1,266	1,340	330	318
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(65)**	**(179)**	**(78)**	**(139)**
4. Expenses recognized in Statement of Profit and Loss				
Current service cost	197	206	88	83
Net Interest Cost	14	13	10	11
Net actuarial (Gain)/Loss recognized in the period	-	-	55	51
Net Cost	**211**	**219**	**153**	**145**
5. Expenses recognized in Other Comprehensive Income				
Actuarial (Gain)/Loss for the year on Obligation	(118)	(4)		
Actuarial (Gain)/Loss for the year on Plan Assets	(10)	(16)	-	-
Net (Income)/Expense in OCI	**(128)**	**(20)**	**-**	**-**

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40 EMPLOYEE BENEFITS

6. Major categories of Plan Assets (as percentage of Total Plan Assets):

	31st March 2020	31st March 2019
Government Securities	42.25%	40.91%
Corporate Bonds	55.89%	51.36%
Money Market	1.86%	7.73%
Total	**100.00%**	**100.00%**

7. Sensitivity Analysis of the Defined Benefit Obligation:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ In Lakhs)

Particulars	31st March 2020		31st March 2019	
	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%
Impact of the change in Discount Rate (0.50% movement)	(65)	71	(68)	75
Impact of the change in Salary Increase Rate (0.50% movement)	73	(68)	76	(70)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

8. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A). Salary increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B). Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
C). Discount Rate - Reduction in discount rate in subsequent valuations can increase the Plan's liability.
D). Mortality & Disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
E). Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



41 CONTINGENT LIABILITIES AND COMMITMENTS

A Contingent Liabilities:

	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
(a) Claims against the Company not acknowledged as debts:		
-Income Tax demands under appeal*	234	616
-Value Added Tax demands under appeal	6	38
-Employees' Provident Fund demands under appeal	1	1
-Labour laws demands under appeal	8	15
-Central Excise/Service Tax demands under appeal	14	-
-Others	2	1
	265	671

*Includes income tax demand pertaining to AY 2013-14 amounting to ₹ 299 Lakhs, received by the Company, out of which ₹ 254 Lakhs had been deposited over the years with the department and an appeal against the said order had been filed with Income Tax Appellate Tribunal (ITAT). Out of the said demand, the Company had only provided ₹ 72 Lakhs in the books and the balance amount of ₹ 227 Lakhs has not been provided in the books since the Company is hopeful to get a favorable order in this regard.

(b) Three of the properties leased / owned by the Company in New Delhi had been sealed by the Municipal Corporation of Delhi for the alleged misuse. Hearings in respect of de-sealing process of these premises are in progress. The penalties imposed by the concerned authorities had been fully paid and provided for in the books of accounts.

(c) A suit had been filed against the Company by Khadi and Village Industries Commission ("KVIC") for alleged infringement of "Khadi" mark before the Hon'ble High Court of Mumbai claiming damages of ₹ 52,500 Lakhs allegedly suffered by KVIC for which no evidence / break up / quantification basis had been provided by KVIC. There has been no material movement in the case proceedings and in the opinion of the Company and as per the legal advice received by the Company, the said claim is not justified and tenable, hence no provision been made against the same pending settlement / court verdict. The Company does not use the word "KHADI" on any of its products.

B Commitments:

(a) The Company has outstanding capital commitments of ₹ 433 Lakhs as at 31st March, 2020 (31st March 2019: ₹ 2,475 Lakhs) on account of setting up of new stores and offices.

(b) Lease Commitments:
The Company has entered into operating leases for its stores/retail outlets and office premises at various locations across India. The lease commitments (Minimum Lease Payments) towards non-cancellable leases is as below:

	AS AT 31ST MARCH 2020* (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
a. Not later than one year	-	2,168
b. Later than one year but not later than five years	-	972
c. Later than five years	-	-

* Not applicable as the lease payments have been considered in lease liability as per Ind AS - 116.

The Company has also entered into sub-leases for its stores/retail outlets at various locations across India. The lease commitments in respect of the said leases is as below:

	AS AT 31ST MARCH 2020* (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
(I) Finance Sub-Leases		
Minimum Lease Payment		
a. Not later than one year	622	-
b. Later than one year but not later than five years	2,681	-
c. Later than five years	1,203	-
Present Value of Lease Payments		
a. Not later than one year	372	-
b. Later than one year but not later than five years	1,880	-
c. Later than five years	1,039	-
(ii) Operating Sub-Leases		
Minimum Lease Payment		
a. Not later than one year	346	-
b. Later than one year but not later than five years	1,052	-
c. Later than five years	72	-

(c) Revenue Commitment:
The future commitment (excluding GST) in respect of agreement entered into for comprehensive Information Technology (IT) Management and Support Services is as follows:

Financial Year	AS AT 31ST MARCH 2020 (₹ In Lakhs)	AS AT 31ST MARCH 2019 (₹ In Lakhs)
~~2019-20~~	-	1,642
~~2020-21~~	571	1,042

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42 EARNINGS PER EQUITY SHARE (EPS)

Basic EPS amounts has been calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts has been calculated by dividing the profit attributable to equity holders of the Company as adjusted by the after tax amount of dividends and interest recognized in the period in respect of dilutive potential equity shares by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:	**FOR THE YEAR ENDED AS AT 31ST MARCH 2020**	**FOR THE YEAR ENDED AS AT 31ST MARCH 2019**
Profit for the year (₹ In Lakhs)	5,369	11,614
Weighted average number of equity shares (Nos.)	1,44,60,244	1,44,43,630
Nominal value of equity shares (in ₹)	10	10
Earnings per equity share (in ₹)		
Basic	37	80
Diluted	37	80
Weighted average number of equity shares		
Number of shares considered as weighted average shares outstanding for Basic EPS	1,44,60,244	1,44,43,630
Add: Effect of Stock Options Granted	83,277	78,498
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	1,45,43,521	1,45,22,128

43 GOVERNMENT GRANTS

The Company has recognized ₹ 30 Lakhs (Previous Year- ₹ 17 Lakhs) for Duty Drawback / Export Incentives in the Statement of Profit and Loss. In case of export sales, the Company gets a certain percentage of FOB value of exports on selected items as benefit. There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognized in the Statement of Profit and loss.

44 SEGMENT INFORMATION

As per para 4 of Ind AS 108, if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the Consolidated Financial Statements. Hence, segment information has been provided under the Notes to Consolidated Financial Statements.



45 EMPLOYEE STOCK OPTION PLAN

The members of the Company had approved Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') at the 39th Annual General Meeting held on 29th September, 2016. The Plan provides for grant of maximum of 85,000 (later on reduced to 70,000 vide Nomination and Remuneration Committee meeting held on 18th January, 2017) Stock Options over the period of five years to the eligible employees including Directors of the Company other than Promoters/Persons belonging to Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% of outstanding equity shares of the Company as determined by the Nomination and Remuneration Committee of the Board of Directors from time to time, subject to terms and conditions specified in the Plan and Employee Stock Option Agreements/Grant Letters. The number of Stock Options were increased to 9,00,000 vide approval received from Shareholders of the Company in their Extra-ordinary General Meeting held on 01st October 2019 in order to make appropriate adjustments consequent to Bonus Issue in the ratio of 5:1 approved by the shareholders in the same meeting.

Information in respect of the Employee Stock Options granted upto 31st March, 2020 under the Plan:

Scheme	Year	Date of Grant	Numbers of Options Granted	Vesting Period	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
Fabindia Overseas Private Limited ESOP 2016	2016 - 2017	18th October, 2016	9,000	One year from the date of grant i.e. Upto 18th October, 2017	15 days from the date of vesting	10	10
Fabindia Overseas Private Limited ESOP 2016	2017 - 2018	17th August, 2017	10,510	One year from the date of grant i.e. Upto 17th August, 2018	15 days from the date of vesting	10	10
	2017 - 2018	12th October, 2017	490	One year from the date of grant i.e. Upto 12th October, 2018	15 days from the date of vesting	10	10
	2017 - 2018	22nd February, 2018	600	One year from the date of grant i.e. Upto 22nd February, 2019	15 days from the date of vesting	10	10
Fabindia Overseas Private Limited ESOP 2016	2018 - 2019	22nd August, 2018	13,100	One year from the date of grant i.e. Upto 22nd August, 2019	15 days from the date of vesting	10	10
Fabindia Overseas Private Limited ESOP 2016	2019 - 2020	22nd August, 2019	14000 (post Bonus Issue of 5:1 made on 12th October 2019, these have been adjusted to 84000 options)	One year from the date of grant i.e. Upto 22nd August, 2020	Minimum 15 days from the date of vesting	10	10

a) Movement in Employee Stock Options during the year:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	13,100	10	11,390	10
Granted during the year	84,000	10	13,100	10
Forfeited during the year	-	-	-	-
Exercised during the year	6,299	10	2,951	10
Expired/ Lapsed during the year	6,801	10	8,439	10
Outstanding at the end of the year	84,000	10	13,100	10
Exercisable at the end of the year	-	-	-	-

b) Fair Value on the Grant Date:
The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Fair Value at Grant Dates	(Amount in ₹)
17th August, 2017	5,952.96
12th October, 2017	6,557.70
22nd February, 2018	6,400.03
22nd August, 2018	7,654.38
22nd August, 2019 (Adjusted to Post Bonus Issue Value)	1,162.00

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:	2019-2020	2018-19	2017-18		
	22nd August, 2019	22nd August, 2018	17th August, 2017	12th October, 2017	22nd February, 2018
Risk-free Interest Rate	5.46%	6.49%	6.25%	6.25%	6.25%
Expected Life of Option (in years)	1	1	1	1	1
Volatility of Underlying Stock	18.13%	33.84%	38.91%	88.88%	36.11%
Dividend Yield	1.43%	1.29%	1.24%	1.16%	1.54%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities or Government bonds. The dividend yield for the year is derived by dividing the dividend for the period with the current market price.

c) The effect of share-based payment plan on the Financial Statements:

	2019-20 (₹ In Lakhs)	2018-19 (₹ In Lakhs)
Expense arising from employee share-based payment plan	595	610
Liability arising from employee share-based payment plan	595	610



46 IMPAIRMENT

(i) The Company has not recognized any loss on impairment in respect of assets of the Company in terms of Indian Accounting Standard (Ind AS) - 16 on "Property, Plant and Equipment"/ Indian Accounting Standard (Ind AS) - 36 on Impairment of Assets" since in the opinion of the Management, as confirmed by the Board of Directors, the reduction in value of any asset, to the extent required, has already been provided for in the books of accounts of the Company. In respect of the assets at the subsidiaries the impairment testing is based on the realizable value of underlying assets as reviewed and tested at the level of the Board of Directors at the subsidiary and as confirmed by the Board of Directors of the Company.

(ii) Fabindia International Pte Limited (FIPL), an overseas wholly-owned subsidiary company, in its certified consolidated management accounts, had provided impairment on its investment in overseas subsidiaries, EAST Limited, UK and Indigo Origins Pte. Limited, Singapore and associates East Lifestyle Limited, UK and Fabindia S.r.l, Italy upto 31st March, 2020. Based on this, the Company had also provided corresponding impairment in value of its investment in FIPL. Further, during the year ended 31st March 2020 East Limited, UK was dissolved.

47 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier	FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In Lakhs)	FOR THE YEAR ENDED 31ST MARCH 2019 (₹ In Lakhs)
Principal amount due to micro and small enterprises	658	622
Interest due on above	-	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day	-	-
	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006.	6	2
	-	-
	-	-
Amount of interest accrued and remaining unpaid	6	2

48 OTHER NOTES

(a) From the year ended 31st March, 2015, the provisions pertaining to Corporate Social Responsibility (CSR) as prescribed under the Act are applicable to the Company. The CSR committee of the Company provides an oversight of CSR policy execution to ensure that CSR objectives of the Company are met.
The financial details as sought by the Act are as follows:

(₹ In Lakhs)

Particulars	FOR THE YEAR ENDED 31st MARCH 2020	FOR THE YEAR ENDED 31st MARCH 2019
Average net profits of the Company for last three financial years	16,328	15,557
Prescribed CSR expenditure (2% of the average net profit)	327	311
Details of CSR expenditure during the year:	-	-
Total amount to be spent for the financial year	327	311
Amount spent upto 31st March, 2020 (31st March, 2019)	330	312

(b) During the financial year 2019-2020, the Company has recorded the transfer of 6,411 Equity Shares from Resident to Non-Resident under Foreign Exchange Management Act, 1999. The said transfer has taken place at a fair value based on the valuation certificate issued by Fast Track Finsec Private Limited (Category I Merchant Banker), calculated in accordance with Discounted Cash Flow (DCF) valuation method as per the internationally accepted pricing methodology, in compliance with the pricing guidelines under RBI A.P. (DIR Series) Circular No. 4 dated 15th July, 2014.

(c) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.

(d) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Company other then property, plant and equipment and non-current investments, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet. On account of outbreak of Covid-19 impact, there may be certain delays in recoveries of Current Assets/ Loans and Advances but there is not likely to be any material reduction in values. Although Management expects a slowdown, there are no plans to downsize the Company's operations presently or in the near future.

(e) Provision for income tax has been computed by considering that the Company opts for payment of income tax as per the provisions of Section 115BAA of the Income Tax Act, 1961.

"Signatures to Notes 1 to 48"

"As per our Report of even date"

FOR A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654

PLACE: NEW DELHI
DATE: 28th August 2020

ON BEHALF OF THE BOARD OF DIRECTORS

WILLIAM NANDA BISSELL
Executive Chairman and Director
DIN: 00012819
Place: New Delhi
Date: 27th August 2020

VINEY SINGH
Managing Director
DIN: 00932145
Place: Bengaluru
Date: 27th August 2020

MONIKA UPPAL ARORA
Company Secretary
Membership No: A17485
Place: New Delhi
Date: 27th August 2020