A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
FABCAFE FOODS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of FABCAFE FOODS 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 financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2020, its Loss 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 of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made 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 on the financial statements.

Material Uncertainty Related to Going concern

We draw attention to Note 43(b) to the financial statements about the Company's ability to continue as a going concern. The Company's accumulated losses have exceeded the share capital and reserves and its net worth has been fully eroded. These conditions indicate the existence of material uncertainty that may normally cast doubt about the Company's ability to continue as a going concern. However, on account of the assured continued support from the holding company, the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of the above matter.



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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting 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.

Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, 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.

   c. The Balance Sheet, the Statement of Profit and Loss including, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with relevant Rules issued thereunder;

   e. 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;

   f. As per the explanations furnished to us, the functioning of the Company is not likely to be affected by the accumulated losses and/or impact of Covid-19 pandemic in view of the assured continued support from the Holding Company.

A PURI & ASSOCIATES NEW DELHI

g. This report does not include a report on the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, as the provisions of clause (i) of subsection (3) of Section 143 are found to be not applicable to the Company, as per Ministry of Corporate Affairs notification GSR 583 (E) dated 13th June 2017 read together with notification GSR 464 (E) dated 5the June 2015.

h. With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations which would impact its financial position.

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

(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: 080654
UDIN:20080654AAAACW1496

PLACE: NEW DELHI
DATED: 26TH AUGUST 2020

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON IND AS FINANCIAL STATEMENTS OF FABCAFE FOODS 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)

(i) a). The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b). All the fixed assets 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. No material discrepancies were noticed on such verification.

c). According to the information and explanations given by the management, there are no owned immovable properties included in fixed assets of the Company and hence the requirements under clause 3(i)(c) of the Order are not applicable to the Company.

(ii) As explained to us, major inventories have been physically verified by the management subsequent to the year end and roll back procedures were performed to ascertain the existence and condition of inventories as at 31st March 2020. However, in certain locations the inventories were verified by the management during the year. In our opinion the frequency of verification is reasonable. Discrepancy noticed (if any) on physical verification of stocks by the management as compared to book records have been properly dealt into the books of accounts.

(iii) 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.

(iv) According to the information and explanation given to us, the Company has not given any loan, made investment or given guarantee or security as per the provisions of section 185 and 186 of the Companies Act, 2013.

(v) 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.

(vi) 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.

(vii) 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, goods and services tax, duty of customs, duty of excise, cess and other statutory dues applicable to it within the due dates or within the due dates as extended in view of the Covid-19 pandemic outbreak *except in few cases wherein there has been delay in deposit of goods and services tax, tax deducted at source, provident fund, employees' state insurance and professional tax.*

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 *except in case of provident fund an amount of Rs.34,495, in case of labour welfare fund an amount of Rs.2,725 and in case of professional tax an amount of Rs. 6,826 has not been deposited with the appropriate authorities.*



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), goods and services tax, duty of customs or duty of excise on account of any dispute.

(viii) 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 during the year.

(ix) 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) but has availed term loans during the year and the said loan were utilized for the purposes for which they were obtained except certain temporary investment in fixed deposits.

(x) 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.

(xi) 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.

(xii) 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.

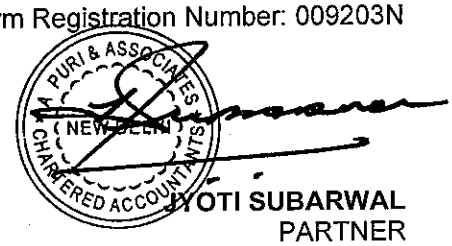
(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has issued 11,00,000 9% cumulative optionally convertible preference shares on right basis during the year and therefore the requirements of Section 42 of Companies Act, 2013 are not applicable. Further the Company has made a private placement/ preferential allotment of 12,500 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.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) 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:20080654AAAACW1496

PLACE: NEW DELHI
DATED: 26TH AUGUST 2020

FABCAFE FOODS PRIVATE LIMITED
BALANCE SHEET AS PER IND AS AS AT 31ST MARCH, 2020

	NOTES	AS AT 31ST MARCH 2020 *(Rs.in Thousands)*	AS AT 31ST MARCH 2019 *(Rs.in Thousands)*
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3a	2,30,577	1,14,198
CAPITAL-WORK-IN PROGRESS	3a	445	16,362
INTANGIBLE ASSETS	3b	7,769	291
INTANGIBLE ASSETS UNDER DEVELOPMENT	3b	-	3,134
RIGHT OF USE ASSETS	3c	2,40,865	-
FINANCIAL ASSETS			
LOANS	4	1,353	1,604
DEFERRED TAX ASSETS (NET)	5	85,093	24,317
OTHER NON-CURRENT ASSETS	6	15,411	29,187
TOTAL NON-CURRENT ASSETS		5,81,513	1,89,093
CURRENT ASSETS			
INVENTORIES	7	19,983	7,779
FINANCIAL ASSETS			
TRADE RECEIVABLES	8	682	719
CASH AND CASH EQUIVALENTS	9	8,588	45,763
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	10	2,776	1,663
LOANS	11	1,642	1,143
OTHERS	12	56	129
CURRENT TAX ASSETS (NET)	13	104	28
OTHER CURRENT ASSETS	14	13,499	10,564
TOTAL CURRENT ASSETS		47,330	67,788
TOTAL ASSETS		6,28,843	2,56,881
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	15	10,125	10,000
OTHER EQUITY	16	(1,74,233)	(31,671)
TOTAL EQUITY		(1,64,108)	(21,671)
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	17	3,55,490	2,11,832
OTHER FINANCIAL LIABILITIES	18	2,20,434	-
PROVISIONS	19	19,191	7,697
OTHER NON-CURRENT LIABILITIES	20	-	2,359
TOTAL NON-CURRENT LIABILITIES		5,95,115	2,21,888
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
TRADE PAYABLES	21		
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES		600	1,472
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		5,519	5,911
OTHER FINANCIAL LIABILITIES	22	1,85,440	46,150
OTHER CURRENT LIABILITIES	23	6,108	3,107
PROVISIONS	24	169	24
TOTAL CURRENT LIABILITIES		1,97,836	56,664
TOTAL EQUITY AND LIABILITIES		6,28,843	2,56,881
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
CONTINGENT LIABILITIES AND COMMITMENTS	37		
OTHER NOTES	32-43		

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

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

A PURI & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

JYOTI SUBARWAL
Partner
Membership Number: 080654

Place: New Delhi
Date: 26-08-2020

ON BEHALF OF BOARD OF DIRECTORS OF FABCAFE FOODS PRIVATE LIMITED

SUNIL CHAUHAN
Managing Director
DIN:02614920
Place: Delhi
Date: 25/08/20

VINEY SINGH
Director
DIN:00932145
Place: Bangalore
Date: 25/8/2020

VIVEK RISHI
Chief Financial Officer
Place: NEW DELHI
Date: 25/08/2020

ARVIND KUMAR KUMAWAT
Company Secretary
Membership No: A26333
Place: Jaipur
Date: 25/08/2020

FABCAFE FOODS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS AS PER IND AS FOR THE YEAR ENDED 31ST MARCH, 2020

	NOTES	FOR THE YEAR ENDED 31ST MARCH 2020 *(Rs.in Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
INCOME			
REVENUE FROM OPERATIONS	25	2,44,184	75,248
OTHER INCOME	26	3,906	1,421
TOTAL REVENUE		2,48,090	76,669
EXPENSES			
CONSUMPTION OF PROVISIONS, BEVERAGES & OTHERS	27	71,365	27,426
EMPLOYEE BENEFITS EXPENSE	28	1,35,626	45,815
FINANCE COSTS	29	59,323	14,703
DEPRECIATION AND AMORTISATION EXPENSE	3	77,730	11,586
OTHER EXPENSES	30	1,68,183	75,196
TOTAL EXPENSES		5,12,227	1,74,726
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX		(2,64,137)	(98,057)
EXCEPTIONAL ITEMS		-	-
LOSS BEFORE TAX		(2,64,137)	(98,057)
TAX EXPENSE:			
CURRENT TAX		-	-
EARLIER YEARS TAX	31	-	-
DEFERRED TAX ASSET CREATED (REFER NOTE 5)		60,797	24,317
LOSS FOR THE YEAR		(2,03,340)	(73,740)
OTHER COMPREHENSIVE INCOME/ (LOSS)			
A. ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
ACTUARIAL GAIN ON PROVISION FOR GRATUITY		80	-
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		(21)	
B. ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		-	-
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		59	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,03,281)	(73,740)
EARNINGS /(LOSS) PER EQUITY SHARE	38		
BASIC		(201.66)	(73.74)
DILUTED		(201.66)	(73.74)
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
OTHER NOTES	32-43		

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

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

PURI & ASSOCIATES ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

JYOTI SUBARWAL
Partner
Membership Number: 080654

Place: New Delhi
Date: 26·08·2020

ON BEHALF OF BOARD OF DIRECTORS OF FABCAFE FOODS PRIVATE LIMITED

SUNIL CHAUHAN
Managing Director
DIN:02614920
Place: Delhi
Date: 25/08/20

VIKAT SINGH
Director
DIN:00932145
Place: BANGALORE
Date: 25/8/2020

VIVEK RISHI
Chief Financial Officer
Place: NEW DELHI
Date: 25/08/2020

ARVIND KUMAR KUMAWAT
Company Secretary
Membership No: A26333
Place: Jaipur
Date: 25/08/2020

FABCAFE FOODS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

		31ST MARCH 2020 *(Rs.In Thousands)*	31ST MARCH 2019 *(Rs.In Thousands)*
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	NET LOSS BEFORE TAX BUT AFTER EXCEPTIONAL ITEMS	(2,64,137)	(98,057)
	ADJUSTMENTS FOR NON-CASH ITEMS:		
	DEPRECIATION AND AMORTISATION	77,730	11,586
	INTEREST EXPENSE	40,779	14,703
	INTEREST EXPENSE ON LEASE LIABILITY	18,544	-
	INTEREST INCOME	(881)	(368)
	LOSS/ (PROFIT) ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS SOLD/ DISCARDED (NET)	19	(973)
	RENT EXPENSE	-	122
	EMPLOYEE STOCK OPTIONS COMPENSATION EXPENSE	206	-
	CORPORATE DIVIDEND DISTRIBUTION TAX WRITTEN BACK	(2,359)	-
	PROVISION FOR OBSOLETE INVENTORY	3,654	-
	PROVISION FOR GRATUITY & LEAVE ENCASHMENT	4,126	787
	OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	**(1,22,319)**	**(72,200)**
	ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL :		
	(INCREASE)/DECREASE IN TRADE RECEIVABLES	37	(615)
	(INCREASE)/DECREASE IN INVENTORIES	(15,858)	(6,748)
	(INCREASE)/DECREASE IN LOANS	(327)	(2,936)
	(INCREASE)/DECREASE IN OTHER ASSETS	(5,340)	(3,953)
	INCREASE/(DECREASE) IN TRADE PAYABLES	(1,264)	6,557
	INCREASE/(DECREASE) IN FINANCIAL LIABILITIES	71,565	21,614
	INCREASE/(DECREASE) IN OTHER LIABILITIES	3,001	2,541
	INCREASE/(DECREASE) IN PROVISIONS	-	-
	CASH GENERATED FROM/(USED IN) OPERATIONS	**(70,505)**	**(55,738)**
	TAXES (PAID) / RECEIVED (NET OF WITHHOLDING TAXES)	(76)	(28)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**(70,581)**	**(55,766)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (INCLUDING CAPITAL WORK- IN- PROGRESS)	(1,23,724)	(1,06,406)
	PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	44	1,441
	INVESTMENTS IN BANK DEPOSITS (WITH ORIGINAL MATURITY OVER 3 MONTHS)	(1,113)	(1,663)
	INTEREST RECEIVED	825	148
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(1,23,968)**	**(1,06,480)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	PROCEEDS FROM BORROWINGS (Issue of 9% Optionally Convertible Preference Shares (Cumulative) (OCPs))	50,237	1,12,352
	PROCEEDS FROM LONG TERM BORROWINGS	98,000	52,000
	PROCEEDS FROM EQUITY COMPONENT OF COMPOUND FINANCIAL INSTRUMENT	59,763	34,648
	PROCEEDS FROM ISSUE OF EQUITY SHARES	875	-
	LEASE LIABILITY PAID	(23,796)	-
	INTEREST PAID ON LEASE LIABILITY	(18,544)	-
	INTEREST PAID	(9,161)	(53)
	NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**1,57,374**	**1,98,947**
	NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**(37,175)**	**36,701**
	CASH & CASH EQUIVALENTS - OPENING BALANCE	45,763	9,062
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	8,588	45,763
	NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**(37,175)**	**36,701**

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

	31ST MARCH 2020 *(Rs.In Thousands)*	31ST MARCH 2019 *(Rs.In Thousands)*
CASH ON HAND	350	542
BALANCE WITH BANKS		
- IN CURRENT ACCOUNTS	8,238	3,187
- IN DEPOSIT WITH ORIGINAL MATURITIES UPTO THREE MONTHS	-	42,000
CHEQUE IN HAND	-	34
TOTAL CASH AND CASH EQUIVALENTS	**8,588**	**45,763**

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

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

PURI & ASSOCIATES * NEW DELHI * CHARTERED ACCOUNTANTS

JYOTI SUBARWAL
Partner
Membership Number: 080654

Place: New Delhi
Date: 26·08·2020

ON BEHALF OF BOARD OF DIRECTORS OF FABCAFE FOODS PRIVATE LIMITED

SUNIL CHAUHAN
Managing Director
DIN:02614920
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DIN:00912145
Place: Gurugram
Date: 25/8/2020

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Chief Financial Officer
Place: NEW DELHI
Date: 25/08/2020

ARVIND KUMAR KUMAWAT
Company Secretary
Membership No: A26333
Place: Jaipur
Date: 25/08/2020

FABCAFE FOODS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

PARTICULARS	NOTE	(Rs. in thousands)
Opening Balance	15	10,000
Changes in Equity Share Capital during the year		-
BALANCE AS AT 31ST MARCH, 2019		10,000
Changes in Equity Share Capital during the year		125
BALANCE AS AT 31ST MARCH, 2020		10,125

B. OTHER EQUITY

(Rs.in Thousands)

PARTICULARS	EQUITY COMPONENT OF COMPOUND FINANCIAL INSTRUMENT	RESERVE AND SURPLUS			OTHER COMPREHENSIVE	OTHER ITEMS	TOTAL
		SECURITY PREMIUM	STOCK OPTION OUTSTANDING ACCOUNT	RETAINED EARNINGS	REMEASUREMENTS OF THE NET DEFINED BENEFIT PLANS (NET OF TAX)	CAPITAL CONTRIBUTION	
BALANCE AS AT 31ST MARCH, 2018	-	-	-	(12,043)	-	-	(12,043)
Loss for the year	-	-	-	(73,740)	-	-	(73,740)
Equity Component of Compound Financial Instruments	34,648	-	-	-	-	-	34,648
Addition on account of premium value on issuance of Corporate Guarantee by Fabindia Overseas Private Limited	-	-	-	-	-	19,464	19,464
Dividends (including Corporate Dividend Tax)	-	-	-	-	-	-	-
BALANCE AS AT 31ST MARCH, 2019	34,648	-	-	(85,783)	-	19,464	(31,671)
Loss for the year	-	-	-	(2,03,340)	-	-	(2,03,340)
Equity Component of Compound Financial Instruments	59,763	-	-	-	-	-	59,763
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	59	-	59
Premium recognised on issue of Equity Shares at premium	-	750	-	-	-	-	750
Employee Stock Option Compensation (Refer	-	-	206	-	-	-	206
BALANCE AS AT 31ST MARCH, 2020	94,411	750	206	(2,89,123)	59	19,464	(1,74,233)

The accompanying notes are an integral part of the 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
UDIN: 20080654AAAAEW1442

A PURI & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

Place: New Delhi
Date: 26.08.2020

ON BEHALF OF BOARD OF DIRECTORS OF
FABCAFE FOODS PRIVATE LIMITED

SUNIL CHAUHAN
Managing Director
DIN:02614920
Place: Delhi
Date: 25/08/20

VINEY SINGH
Director
DIN:00922145
Place: Gurugram
Date: 26/8/2020

VIVEK RISHI
Chief Financial Officer
Place: NEW DELHI
Date: 25/08/2020

ARVIND KUMAR KUMAWAT
Company Secretary
Membership No: A26333
Place: Jaipur
Date: 25/08/2020

FABCAFE FOODS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1. Company Overview

Fabcafe Foods Private Limited ('the Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013, on 20th October 2017. The Company is engaged in the business of running café/restaurants under the brand name "Fabcafe".

The 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 25th August 2020.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied during the year and previous year, unless otherwise stated.

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 financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated.

b) Critical accounting judgements and key source of estimation uncertainty

The preparation of these 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.

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. 36.

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(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:
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 Obligations (ARO):
The liability for assets retirement obligation are recognized when the Company has obligation to perform cafe/shop restoration activity. The recognition and measurement of assets retirement obligation 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 experience, 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/ Right of Use Assets / Intangible Assets:
Property, Plant and Equipment / Right of Use Assets/ 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 management 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 noncancelable 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.

viii) 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 business. 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

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temporarily disrupted particularly in view of the announcement to close the hotels, restaurants and cafes at several places affecting the hospitality industry. Certain relaxations have however been allowed in certain states. Further the customers footfall on the cafes has been severely affected in view of the Covid-19 pandemic. Therefore, the Company has pushed up its home delivery operations to improve the revenue.

In light of these circumstances, the Company has considered the possible effects 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 and Right of Use Assets

(i) Property, Plant and Equipment and Right of Use Assets 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 and Right of Use Assets 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 charged to the Statement of Profit and Loss when incurred.

(ii) The Company has adopted component accounting, wherever applicable, and identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

(iii) Depreciation is recognized on a Straight-line basis over the useful life as specified under Schedule II of the Act and given below except for leasehold improvements which are depreciated over the period of lease.

Particulars	**Useful Life**
Leasehold Improvements	Over the period of lease
Furniture & Fixtures- If used at Café	08 Years
Furniture & Fixtures- If used in Office	10 Years
Office Equipments	5 Years
Kitchen Equipment's	8 years/5years
Electrical Installation and equipment (including air conditioner and cooling equipment)	10 Years
Vehicle	8 Years
Computers/Servers	3 Years/ 6years

(iv) The residual value of all depreciable assets, being negligible, is estimated at Nil.

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(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 asset mentioned below:

Particulars	Useful Life
Computer Software	5 Years

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 will be reversed if there has been a change in the estimate of recoverable amount.

g) Right of Use Asset (ROU)/ 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.

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.

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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.

h) 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 receivables, advances other than trade and capital related, 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.

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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.

Other Investments

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

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(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.

i) Inventories

a. Inventories (including stock-in-transit) are stated at lower of cost and net realizable value, except for scrap which is valued at net realizable value. Cost is ascertained on a Moving Weighted Average Basis. Inventory of provisions and beverages includes inventory of pre-mixes. Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

b. Inventory of crockery and cutlery in circulation has been charged to the Statement of Profit & Loss in the year when it is put to use.

c. Inventory of Uniform in use has been charged to the Statement of Profit & Loss in the year when it is put to use.

j) 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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k) Revenue form Contracts with Customers

The Company derives revenues primarily from sale of sale of foods, beverages and other items.

The company has adopted Indian Accounting Standard 115 (Ind AS 115) – 'Revenue from contracts with customers' which has been effective from 1st April 2018 using the cumulative catch-up transition method. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted.

i) Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates, rebate for expiry and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sale of foods, beverages and other items are recognised at a point of time on which the performance obligation is satisfied.

ii) Interest income is accounted for by using effective interest rate method. The effective interest rate 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 effective interest rate, 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.

iii) Insurance claims as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies.

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. Provision for Employees' Gratuity is based on actuarial valuation as on the date of Balance Sheet.

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

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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.

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 40.

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 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and uses the approach that better predicts the resolution of uncertainty, the Company has considered, for example.

How it prepares its income tax filings and supports tax treatments; or
How the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

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The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities.

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. 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.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to 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) Preliminary Expenses

Preliminary Expenses are written off in the year of incurrence.

q) Provisions and contingent liabilities

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.



Assets Retirement Obligation (ARO)

The Company records a provision for assets retirement obligation towards cafe/ shop restoration activity. Assets retirement obligation are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill asset retirement obligation 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.

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 include 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 but netted off against cash and cash equivalent in Cash Flow Statement.

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

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.

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.

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.

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

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

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.

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.

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.

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 adopted the changes to Ind AS 116 as above for the year ended 31st March 2020 as notified.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

A. PURI & ASSOCIATES ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

FABCAFE FOODS PRIVATE LIMITED
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3a. Property, Plant and Equipment and Capital Work in Progress

(Rs.in Thousands)

	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Kitchen Equipment	Airconditioner and Cooling Equipments	Electrical Installation and Equipments	Vehicles	Computers	Total Tangible Assets	Total Capital work-in-progress (Refer Note 1)
Gross Carrying Value										
As at March 31, 2018	12,390	4,967	512	7,879	857	1,593	27	584	28,809	137
Add: Additions made during the year	34,315	12,723	2,163	29,911	7,128	9,389	-	3,269	98,898	16,275
Less: Disposals / Adjustments during the year	-	-	-	558	-	12	-	-	570	50
As at March 31, 2019	46,705	17,690	2,675	37,232	7,985	10,970	27	3,853	1,27,137	16,362
Add: Additions made during the year	75,039	9,911	4,033	38,367	6,374	14,809	-	6,177	1,54,710	445
Less: Disposals / Adjustments during the year	-	-	-	67	-	-	-	-	67	16,362
As at March 31, 2020	1,21,744	27,601	6,708	75,532	14,359	25,779	27	10,030	2,81,780	445
Accumulated Depreciation										
As at March 31, 2018	586	163	31	587	23	48	1	65	1,504	-
Add: Depreciation charge for the year	4,337	1,190	289	4,205	362	504	4	646	11,537	-
Less: On Disposals / Adjustments during the year	-	-	-	100	-	2	-	-	102	-
As at March 31, 2019	4,923	1,353	320	4,692	385	550	5	711	12,939	-
Add: Depreciation charge for the year	17,167	2,984	1,019	11,459	1,212	2,015	3	2,410	38,269	-
Less: On Disposals / Adjustments during the year	-	-	-	5	-	-	-	-	5	-
As at March 31, 2020	22,090	4,337	1,339	16,146	1,597	2,565	8	3,121	51,203	-
Net Carrying Value										
As at March 31, 2020	99,654	23,264	5,369	59,386	12,762	23,214	19	6,909	2,30,577	445
As at March 31, 2019	41,782	16,337	2,355	32,540	7,600	10,420	22	3,142	1,14,198	16,362

Notes

1. Capital Work-In-Progress Includes:

(Rs.in Thousands)

Particulars	As on 31-03-2018	Addition made during the year	Capitalised during the year	As on 31-03-2019	Addition made during the year	Capitalised during the year	As on 31-03-2020
Construction/ Development of Cafes							
Tangible assets							
Leasehold Improvements	137	3,777	50	3,864	327	3,864	327
Furniture and Fixtures under erection	-	2,450	-	2,450	118	2,450	118
Office Equipment under installation	-	289	-	289	-	289	-
Kitchen Equipment under installation	-	5,747	-	5,747	-	5,747	-
Airconditioner and Cooling Equipments under installation	-	2,049	-	2,049	-	2,049	-
Electrical Installation and Equipments under installation	-	1,963	-	1,963	-	1,963	-
Total	137	16,275	50	16,362	445	16,362	445



FABCAFE FOODS PRIVATE LIMITED
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FOR THE YEAR ENDED 31ST MARCH, 2020

3b. Intangible Assets

(Rs.in Thousands)

	Computer Software	Total Intangible Assets	Total Intangible Asset under Development
Gross Carrying Value			
As at March 31, 2018	147	147	-
Add: Additions made during the year	197	197	3,134
Less: Disposals / Adjustments during the year	-	-	-
As at March 31, 2019	344	344	3,134
Add: Additions made during the year	8,483	8,483	-
Less: Disposals / Adjustments during the year	-	-	3,134
As at March 31, 2020	8,827	8,827	-
Accumulated Depreciation			
As at March 31, 2018	4	4	-
Add: Depreciation charge for the year	49	49	-
Less: On Disposals / Adjustments during the year	-	-	-
As at March 31, 2019	53	53	-
Add: Depreciation charge for the year	1,005	1,005	-
Less: On Disposals / Adjustments during the year	-	-	-
As at March 31, 2020	1,058	1,058	-
Net Carrying Value			
As at March 31, 2020	7,769	7,769	-
As at March 31, 2019	291	291	3,134

Note :
1.Asset under Development Includes :

Current Year *(Rs. In Thousands)*

Particulars	As on 31-03-2019	Addition made during the year	Capitalised during the year	As on 31-03-2020
Intangible assets				
Software (under implementation)	3,134	-	3,134	-
		-		
Total	3,134	-	3,134	-

Previous Year *(Rs. In Thousands)*

Particulars	As on 31-03-2018	Addition made during the year	Capitalised during the year	As on 31-03-2019
Intangible assets				
Software (under implementation)	-	3,134	-	3,134
Total	-	3,134	-	3,134

A PURI & ASSOCIATES ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

FABCAFE FOODS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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3C. RIGHT OF USE ASSETS

(Rs.in Thousands)

	Leasehold Premises	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"	-	-
Add: Additions on account of transition to Ind AS 116 "Leases	1,28,313	1,28,313
Add: Additions made during the year	1,51,007	1,51,007
Less: Disposals / Adjustments during the year	-	-
As at March 31, 2020	**2,79,320**	**2,79,320**
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	38,456	38,456
Less: On Disposals / Adjustments during the year	-	-
As at March 31, 2020	**38,456**	**38,456**
Net Carrying Value		
As at March 31, 2020	**2,40,865**	**2,40,865**
As at March 31, 2019	-	-

Notes:

1. Leasehold premises represent properties taken on lease for its offices, café(s) and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'.

3. Ind AS 116 Leases:
(i) The Company's lease assets primarily consist of leases for land and buildings for cafe(s), offices and warehouses having the various 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 asset 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 Rs.128,313 thousands and lease liability of Rs.127,198 thousands as on transition date i.e 1st April 2019.

(ii) 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
(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) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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

(Rs.in Thousands)

Transition impact on account of adoption of Ind AS 116 "Leases"	1,27,198
Additions during the year	1,50,799
Finance cost accrued during the year	18,544
Deletions	-
Payment of lease liabilities	42,340
Balance as at March 31, 2020	**2,54,201**

(iv) The adoption of the new standard has also resulted in increase in losses before tax for the current year by Rs.14,660 thousands (Increase in Depreciation expense and finance cost by Rs. 38,456 thousands and Rs.18,544 thousands respectively with corresponding decrease in other expense by Rs.42,340 thousands). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by Rs.42,340 thousands each.

(v) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.0%

(vi) Rental expense recorded for short-term leases was Rs. 11,176 thousands for the year ended March 31,2020. (Refer note 30)

(vii) 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.



FABCAFE FOODS PRIVATE LIMITED
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4 NON-CURRENT LOANS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Security Deposits	1,353	1,604
	1,353	1,604

5 DEFERRED TAX ASSETS (NET)	Increase/(Decrease) (Rs.in Thousands)	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
The balance comprises temporary differences attributable to:			
Depreciation and Amortization	(62,467)	(64,225)	(1,758)
Lease liability as per Ind AS 116	66,092	66,092	-
Provision for Retirement Benefits	1,073	1,277	205
Reclass of deferred tax asset on gratuity*	(21)	(21)	-
Provision for Asset Retirement Obligation	1,974	3,777	1,803
Preliminary Expenses	(57)	114	171
Discounting of Security Deposits	20	320	299
Prepaid Lease rentals	290	-	(290)
Provision for obsolete inventory	950	950	-
Other Disallowances	(128)	-	128
Brought forward business losses and depreciation	53,050	76,809	23,759
	60,776	85,093	24,317

* Impact has been taken to other comprehensive income.

6 OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Advance for capital goods	1,006	13,057
Prepaid Guarantee Premium	14,208	15,081
Prepaid Lease Rentals	-	969
Other Prepaid Expenses	197	80
	15,411	29,187

7 INVENTORIES - As per inventory taken, valued and certified by the Management.	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Provisions and beverages (including pre-mixes)	17,430	6,873
Crockery and Cutlery	774	319
Uniform	963	247
Others	4,404	97
Goods-in-transit	66	243
	23,637	7,779
Less: Provision for Obsolete Inventory	3,654	-
	19,983	7,779

8 TRADE RECEIVABLES	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	682	719
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables-Credit Impaired	-	-
	682	719
Less: Provision for doubtful receivables	-	-
	682	719
Includes due from Related Party		
Organic India Private Limited , the fellow subsidiary	36	-

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 and no provision for impairment is required as all are expected to realise within a short period from the date of balance sheet.

9 CASH AND CASH EQUIVALENTS	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Balances with Banks		
- In Current Accounts	8,238	3,187
Deposits with original maturity upto three months	-	42,000
Cash on Hand	350	542
Cheque in hand	-	34
	8,588	45,763



10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Deposits with original maturity of more than three months but less than twelve months *	2,776	1,663
	2,776	1,663
* includes deposits under lien with HDFC Bank Ltd. for issuance of credit cards	534	-

11 CURRENT LOANS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Security Deposits	1,219	435
Others*	423	708
	1,642	1,143
*Due from:		
- Employees	423	708

12 OTHER CURRENT FINANCIAL ASSETS	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Interest accrued on deposits	56	129
	56	129

13 CURRENT TAX ASSETS	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Opening balance of Advance Tax (Net)	28	-
Less: Current tax payable for the year	-	-
Add: Taxes paid	76	28
Add: Tax provision for earlier years written back	-	-
Closing balance of Advance Tax (Net)	104	28
Advance Tax (net of provision of income tax)	104	28
Total current tax assets	104	28

14 OTHER CURRENT ASSETS	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Unsecured, Considered Good		
Prepaid Lease Rentals	-	146
Other Prepaid expenses	3,322	999
Advance to Supplier	3,750	1,766
Prepaid Guarantee Premium	1,751	3,893
Goods and Services Tax (GST) Input Credit	4,676	3,760
	13,499	10,564



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15 EQUITY SHARE CAPITAL	AS AT 31ST MARCH 2020 *(Rs.in Thousands)*	AS AT 31ST MARCH 2019 *(Rs.in Thousands)*
AUTHORISED		
15,00,000(Previous Year 15,00,000) Equity Shares of Rs 10/- each	15,000	15,000
42,50,000(Previous Year 18,50,000) 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) of Rs.100/- each (Refer Note No. 16 & 17)	4,25,000	1,85,000
	4,40,000	2,00,000
ISSUED, SUBSCRIBED & PAID UP		
10,12,500 (Previous Year 10,00,000) Equity Shares of Rs.10/- each fully paid up	10,125	10,000
	10,125	10,000

a). Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 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. During the year ended 31st March 2020, the Company has not proposed / paid any dividend on equity shares.

b). Shares held by holding or ultimate holding company including subsidiaries or associates of holding company or ultimate holding company, in aggregate :

Name of shareholder	As at 31st March 2020		As at 31st March 2019	
	Shares held (No.)	(Rs. in thousands)	Shares held (No.)	(Rs. in thousands)
Equity Shares of Rs. 10/- each fully paid up				
Fabindia Overseas Private Limited	7,00,000	7,000	7,00,000	7,000

c). 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	Shares held (No.)	Percentage held as at 31st March 2020	Shares held (No.)	Percentage held as at 31st March 2019
Equity Shares of Rs. 10/- each fully paid up				
Fabindia Overseas Private Limited	7,00,000	69.14%	7,00,000	70%
Sunil Chauhan	3,12,500	30.86%	3,00,000	30%

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.

d). 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 Rs. 10/- each fully paid up		
Number of shares in the beginning	10,00,000	10,00,000
Shares issued during the year*	12,500	-
Number of shares at the end	10,12,500	10,00,000

*The Company has issued on preferential allotment/ private placement basis 12,500 equity shares of Rs.10 each at a premium of Rs.60 during the year.

FABCAFE FOODS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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16 OTHER EQUITY

	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Summary of Other Equity Balance		
Securities Premium	750	-
Stock Option Outstanding Account	206	-
Retained Earnings/(Loss)	(2,89,123)	(85,783)
Equity Component of Compound Financial Instruments	94,411	34,648
Equity Component of Guarantee Premium	19,464	19,464
Other Comprehensive Income	59	-
	(1,74,233)	(31,671)

Nature and purpose of each reserves

a) Securities premium reserve
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.

b) 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.

c) Retained Earnings/(Loss)
Retained Earnings/(Loss) are the losses that the Company has incurred till date.

d) Equity Component of Compound Financial Instruments
Equity Component of Compound Financial Instruments represents the equity component of 9% Optionally Convertible Preference Shares (Cumulative) (OCPs).

e) Equity Component of Guarantee Premium
Equity Component of Guarantee Premium represents addition on account of premium value on issuance of Corporate Guarantee by the Holding Company.

17 BORROWINGS

	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
UNSECURED		
29,30,000 (Previous Year : 18,30,000) 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) of Rs.100/- each fully paid (including dividend payable at effective interest rate)	2,36,890	1,59,832
	2,36,890	1,59,832
SECURED		
Term Loan		
Citibank , N.A**	1,50,000	52,000
	1,50,000	52,000
Less: Current Maturity of Long Term Debt (Refer Note No. 22)	31,400	-
	1,18,600	52,000
Total	3,55,490	2,11,832

Note :
***Terms of 9% Optionally Convertible Preference Shares (Cumulative) (OCPs)**

a). Terms of Conversion and Redemption
9% Optionally Convertible Preference Shares (Cumulative) (OCPs) of Rs. 100/- each shall be convertible at par into Equity Shares on the basis of 10 Equity Shares for 1 OCPs at any time at the option of the Company but not later than 7 years from the date of receipt of the respective investment tranches as stipulated in the agreement (read with subsequent addendums) between the parties to the extent not redeemed at par in one or more tranches of 50,000 OCPs before that date.

The respective tranches has been received as on the following

Dates	No. of OCPs
24-Nov-17	60,000
19-Mar-18	3,00,000
19-Jun-18	1,40,000
1-Aug-18	3,50,000
10-Oct-18	3,00,000
20-Nov-18	2,80,000
12-Jan-19	4,00,000
8-Aug-19	4,00,000
7-Oct-19	7,00,000
Total	**29,30,000**

b). Terms for Payment of Dividend
The Preference Shares (OCPs) shall have priority for an annual dividend of 9% of the amount subscribed for the shares , which shall compound until paid , the dividend being Cumulative Preferred Dividend.

**The Company had been sanctioned a term loan of Rs.150,000 thousands from Citibank, N.A, for financing Capital Expansion Requirement of the Company, for a period of 5 years including moratorium of 15 months commencing from March 2019. Upto the end of the financial year 2019-20, the Company has availed the entire amount (previous year Rs.52,000 thousands) of the said loan. The loan carries an interest rate of 8.75% p.a. to 8.90% p.a. which shall be subject to the changes by the Bank based on changes in interest rates made by the RBI from time to time.The loan is repayable in 45 equal monthly principal installments commencing from 16th month i.e July 2020.

The said loan is secured by
-Exclusive charges on present and future current assets and movable fixed assets (property, plant and equipment) of the Borrower
-Corporate guarantees of Fabindia Overseas Private Limited
-Demand promissory note and letter of continuity

The Company has been regular in payment of interest amount as stipulated. Principal amount of the said loan is due for payment after the year end as per terms mentioned above.

The details of repayment of secured long-term borrowings as at 31st March, 2020 are as follow: *(Rs.in Thousands)*

Particulars	Upto 1 Year	2 to 5 Years	Above 5 Years	Total
Secured term loans				
Term Bank	31,400	1,18,600	-	1,50,000
Total	31,400	1,18,600	-	1,50,000

18 OTHER NON-CURRENT FINANCIAL LIABILITIES	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Lease Liability	2,20,434	-
	2,20,434	-

19 NON-CURRENT PROVISIONS	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Provision for Employee Benefits		
- Gratuity	2,827	630
- Leave Encashment	1,847	142
Provision for Asset Retirement Obligations*	14,517	6,925
	19,191	7,697

Provision for Asset Retirement Obligation:
A provision has been recognised for asset retirement obligation costs associated with the cafes taken on operating lease by the Company. The Company is committed to handover the vacant space 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 cafes and provided for asset retirement obligation.

*Movement in Provision Asset Retirement Obligation during the year:		
Balance at the beginning	6,925	774
Provision during the year	7,592	6,151
Amounts utilized / written back during the year	-	-
Balance at the end	14,517	6,925

20 OTHER NON-CURRENT LIABILITIES	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Corporate Dividend Distribution Tax on 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) dividend payable on declaration	-	2,359
	-	2,359

21 TRADE PAYABLES	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
For Goods and Services		
- Due of micro enterprises and small enterprises	600	1,472
- Due of creditors other than micro enterprises and small enterprises	5,519	5,911
	6,119	7,383

22 OTHER CURRENT FINANCIAL LIABILITIES	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Current Maturity of Long Term Debt (Refer Note No. 17)	31,400	-
Payables for Capital Goods*	21,974	20,329
Interest accrued but not due on borrowings	1,163	253
Lease Liability	33,767	-
Other Accruals**	97,136	25,568
	1,85,440	46,150

* includes amount payable to micro and small enterprises amounting to Rs. 278 thousands (Previous Year : Rs. 4,493 thousands)
** includes amount payable to micro and small enterprises amounting to Rs. 502 thousands (Previous Year : Nil)

23 OTHER CURRENT LIABILITIES	AS AT 31ST MARCH 2020 (Rs.in Thousands)	AS AT 31ST MARCH 2019 (Rs.in Thousands)
Statutory Dues	6,108	3,107
	6,108	3,107



24 CURRENT PROVISIONS	AS AT 31ST MARCH 2020 *(Rs.in Thousands)*	AS AT 31ST MARCH 2019 *(Rs.in Thousands)*
Provision for Employee Benefits		
- Gratuity	3	1
- Leave Encashment	156	14
Provision for Asset Retirement Obligations*	10	9
	169	24

Provision for Asset Retirement Obligation:
A provision has been recognised for asset retirement obligation costs associated with the cafes taken on operating lease by the Company. The Company is committed to handover the vacant space 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 cafes and provided for asset retirement obligation.

*Movement in Provision Asset Retirement Obligation during the year:		
Balance at the beginning	9	-
Provision during the year	1	9
Amounts utilized / written back during the year	-	-
Balance at the end	10	9

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25 REVENUE FROM OPERATIONS	FOR THE YEAR ENDED 31ST MARCH 2020 *(Rs.In Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
Sale of Products		
Sale of Food, Beverages and other items	2,44,184	75,248
	2,44,184	75,248
Details of Products Sold		
Sale of Food, Beverages and other items	2,44,184	75,248
	2,44,184	75,248
Reconciliation of Revenue with Contracted Price		
Revenue as per contracted price	2,44,184	75,248
Adjustments :		
Discounts and Rebates	-	-
Rebate for Expiry	-	-
Revenue from contract with customers	2,44,184	75,248

26 OTHER INCOME	FOR THE YEAR ENDED 31ST MARCH 2020 *(Rs.in Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
Interest Income		
Bank Deposits	752	278
Rewinding of Interest on Leased Deposits measured at amortised cost	129	90
Profit on sale of property, plant and equipment (net)	-	973
Corporate Dividend Distribution Tax written back	2,359	-
Miscellaneous Income	666	80
	3,906	1,421

27 CONSUMPTION OF PROVISIONS, BEVERAGES & OTHERS	FOR THE YEAR ENDED 31ST MARCH 2020 *(Rs.in Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
FOOD, BEVERAGES AND OTHERS		
Opening Stock	6,873	856
Add: Purchases	81,922	33,443
	88,795	34,299
Less: Closing Stock	17,430	6,873
	71,365	27,426

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28 EMPLOYEE BENEFITS EXPENSE	FOR THE YEAR ENDED 31ST MARCH 2020 *(Rs.in Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
Salaries and Wages	1,18,017	39,940
Contribution to Provident and Other Funds	10,380	3,543
Staff Recruitment & Training	2,918	1,244
Employees Stock Options Compensation Expense	206	-
Staff Welfare Expense	4,105	1,088
	1,35,626	45,815

29 FINANCE COSTS	FOR THE YEAR ENDED 31ST MARCH 2020 *(Rs.in Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
Interest Expense		
-Term Loan	10,071	253
-Micro, Small and Medium Enterprises	3	88
-Unwinding of Discount on Asset Retirement Obligation	869	324
-Lease Liability	18,544	-
-Others	-	53
Guarantee Expenses	3,015	491
Dividend on 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) ^	26,821	13,494
	59,323	14,703

^ subject to availability of profits and declaration and approval of shareholders

30 OTHER EXPENSES	FOR THE YEAR ENDED 31ST MARCH 2020 *(Rs.in Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
Consumption of Crockery and Cutlery	7,418	7,745
Consumption of linen	169	1,207
Power, Fuel and water charges	27,147	6,080
Rent	11,176	19,692
Legal and Professional Charges	18,549	7,561
Payment to Auditors*	1,984	723
Postage, Telex and Telephones	1,592	691
Traveling and Conveyance	8,855	3,770
Consumable Office Supplies	4,319	1,899
Rates and Taxes	11,430	5,776
Insurance	921	417
Repair and Maintenance		
Building	2,220	1,838
Common Area Maintenance Charges	3,547	1,634
Computers, Air Conditioners and Other Equipments	972	1,635
Others	1,454	960
Security and Housekeeping Charges	22,941	5,105
Packing, Freight, Clearing and Forwarding	16,139	2,383
Sales Promotion & Marketing	11,117	1,714
Software Subscription Charges	1,989	902
Royalty fees	2,442	752
Commission on sales	3,872	1,021
Provision for Obsolete Inventory	3,654	-
Loss on Sale/Discard of Property Plant and Equipment (Net)	19	-
Fines and Penalties	383	85
Bank Charges	3,084	874
Miscellaneous Expenses	790	732
	1,68,183	75,196

*Payments to Auditors		
Statutory Auditors		
-As Audit Fee	1,000	500
-As Tax Audit Fee	400	150
-For Other Services		
Certification and Consultancy Services	385	50
-Reimbursement of out of pocket expenses	199	23
	1,984	723

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31 TAX EXPENSE	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
	(Rs.In Thousands)	*(Rs.In Thousands)*
(a) Tax expense recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	-	-
Total (A)	-	-
Deferred Tax		
Orignation and reversal of temporary differences	(60,797)	(24,317)
Total (B)	(60,797)	(24,317)
Total (A+B)	(60,797)	(24,317)
(b) Movement in Deferred tax Assets (net)		
Deferred income tax liability / (asset), net		
Depreciation and Amortization	62,467	1,758
Lease Liability as per Ind AS 116	(66,092)	-
Provision for Retirement Benefits	(1,073)	(205)
Reclass of deferred tax asset on gratuity	21	-
Provision for Asset Retirement Obligation	(1,974)	(1,803)
Preliminary Expenses	57	(171)
Discounting of Security Deposits	(20)	(299)
Prepaid Lease Rentals	(290)	290
Provision for obsolete inventory	(950)	-
Other Disallowances	128	(128)
Brought forward business losses and depreciation	(53,050)	(23,759)
	(60,776)	(24,317)
Less: Impact taken to Other Comprehensive Income	21	-
Net Deferred Tax Expense/(Income) recognised in Statement of Profit and Loss	(60,797)	(24,317)
(c) Amounts recognised in Other Comprehensive Income		
The tax (charge)/credit arising on income and expenses recognised in Other Comprehensive Income is as follows:		
On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	21	-
Total	21	-
(d) Reconciliation of effective tax rate		
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Loss before exceptional items and tax	(2,64,137)	(98,057)
Tax using the Company's domestic tax rate (31st March 2020 and 31st March 2019: 26%)	(68,676)	(25,495)
Tax effect of:		
Non-deductible tax expenses		
Effect of tax related to expenses not deductible for income tax	7,818	4,152
Effect of tax related to expenses not deductible for income tax related to previous year	29	-
Effect of tax related to losses on which deferred tax was not created in previous year	(13)	-
Effect of defered tax asset created on balances brought forward from earlier years (on first time creation of deferred tax)	-	(2,974)
Others	46	-
	(60,797)	(24,317)

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32 Financial Instruments – Fair Value Measurement

Financial instruments by category *(Rs.in Thousands)*

Particulars	As at 31st March 2020					As at 31st March 2019				
	FVTPL	FVOCI	Amortised Cost	Total Carrying value	Total Fair value	FVTPL	FVOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial Assets										
Loans (Non Current)	-	-	1,353	1,353	1,353	-	-	1,604	1,604	1,604
Trade Receivables (Current)	-	-	682	682	682	-	-	719	719	719
Cash And Cash Equivalents (Current)	-	-	8,588	8,588	8,588	-	-	45,763	45,763	45,763
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	2,776	2,776	2,776	-	-	1,663	1,663	1,663
Loans (Current)	-	-	1,642	1,642	1,642	-	-	1,143	1,143	1,143
Other Financial Assets (Current)			56	56	56			129	129	129
Total	-	-	15,097	15,097	15,097	-	-	51,021	51,021	51,021
Financial Liabilities										
Borrowings (Non Current)		-	3,55,490	3,55,490	3,55,490	-	-	2,11,832	2,11,832	2,11,832
Other Financial Liabilities (Non Current)	-	-	2,20,434	2,20,434	2,20,434			-	-	-
Borrowings (Current)	-	-	-	-	-	-	-	-	-	-
Trade Payables (Current)	-	-	6,119	6,119	6,119	-	-	7,383	7,383	7,383
Other Financial Liabilities (Current)	-	-	1,85,440	1,85,440	1,85,440	-	-	46,150	46,150	46,150
Total	-	-	7,67,483	7,67,483	7,67,483	-	-	2,65,365	2,65,365	2,65,365

Note :

1.Trade receivables comprise amounts receivable from the sale of food, beverages and other items.The Management considers that the carrying amount of trade and other receivables approximates their fair value.

2.Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

3.Loans (non-current) comprise of security deposits paid which have been discounted and the same approximates their fair value.

4.Borrowings comprise of 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) amortised at effective interest rate and the fair value is considered to be the same as the carrying value being at market rate as per the approved valuer report. Further for Bank Borrowings, the fair values are considered the same as carrying values as the same are at market determined rate.

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.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.

Fair value hierarchy:

Level 3 : All amortised cost financial assets and liabilities are classified as level 3 inputs.



33 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 cafe properties taken on leases and other receivables including balances with banks.

The Company's cafe 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 cafe properties taken on leases, for which agreements are signed and property possessions timely taken for cafe operations. The risk relating to refunds after cafe shut down is managed through successful negotiations or appropriate legal actions, where necessary.

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 possible additional 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 on 31st March 2020 are as follows:

(Rs. in Thousands)

Contractual maturities of financial liabilities as on 31st March 2020	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	31,400	1,18,600	2,36,890	3,86,890
Trade Payables	6,119	-	-	6,119
Payables for Capital Goods	21,974	-	-	21,974
Interest accrued but not due	1,163	-	-	1,163
Lease Liability	33,767	1,25,707	94,727	2,54,201
Other Accruals	97,136	-	-	97,136
	1,91,559	2,44,307	3,31,617	7,67,483

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

(Rs. in Thousands)

Contractual maturities of financial liabilities as on 31st March 2019	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	-	52,000	1,59,832	2,11,832
Trade Payables	7,383	-	-	7,383
Payables for Capital Goods	20,329	-	-	20,329
Interest accrued but not due	253	-	-	253
Other Accruals	25,568	-	-	25,568
	53,533	52,000	1,59,832	2,65,365

c. Market Risk:

Market Risk is the risk that changes in market place could affect the future cash flows to the Company. The market risk for the Company arises primarily from foreign currency risk and interest rate risk.

The Company's transactions are in Indian Rupees and therefore there is no foreign currency risk. Further, the Company is exposed to variable rate of interest as the interest rate on loan may vary subject to the changes in the interest rates made by the RBI from time to time .

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Rs. in Thousands)

Particular	As at March 31, 2020	As at March 31, 2019
Term Loan from Citibank , N.A	1,50,000	52,000

A hypothetical 50 basis point shift in respective interest rate on the unhedged loans would result in a corresponding increase/decrease in interest cost for the company on a yearly basis as follows:

(Rs. in Thousands)

Particulars	Impact on Profit		Impact on Equity	
	2019-20	2018-19	2019-20	2018-19
Indian Rupees				
interest rates -increase by 0.5% in INR interest rate	(750)	(15)	750	15
interest rates -decrease by 0.5% in INR interest rate	750	15	(750)	(15)

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34 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 and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seek to maintain a balance of higher returns by sound capital composition and accordingly the Company has availed funds by issuing 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) and term loan from Banks.

The Company has recently commenced its operations and is in process of establishing new cafes at various places and is to recoup its intial fixed costs through operating revenue and hence has not proposed / declared any dividend during the year.

The following table summarizes the debt-equity capital of the Company:

(Rs. in Thousands)

Capital	As at 31st March 2020	As at 31st March 2019
Long Term Borrowings	3,55,490	2,11,832
Short Term Borrowings	31,400	-
Total Debt	**3,86,890**	**2,11,832**
Equity Share Capital	10,125	10,000
Other Equity	(1,74,233)	(31,671)
Total Equity	**(1,64,108)**	**(21,671)**
Debt-Equity Ratio (Equity is fully eroded)	**(2.36)**	**(9.77)**

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35 RELATED PARTY DISCLOSURES

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

A. List of related parties where control exists :

(i) Holding Company
- Fabindia Overseas Private Limited

(ii) List of related party who have control over the Company (either individually or with
- Sunil Chauhan

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

(i) Fellow Subsidiaries/Associates
- Organic India Private Limited

(ii) Key Management Personnel and Directors
- Sunil Chauhan: Managing Director w.e.f. 01st March, 2020 (Director upto 29th February 2020)
- Ajay Kapoor: (w.e.f. 24th September 2018)
- Elizabeth Nanda: Director w.e.f. 20th August, 2019 (Additional Director w.e.f. 01st July, 2019 upto 19th August, 2019)
- Viney Singh: Additional Director w.e.f. 03rd January, 2020
- Mukesh Kumar Chauhan: Additional Director w.e.f. 03rd January, 2020
- Sunil Kumar Rautela (upto 4th October 2018)

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

(Rs.in Thousands)

Nature of transaction	Holding Company		Fellow Subsidiaries/associates		Key Management Personnel and Directors		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Issue of Equity Share Capital	-	-	-	-	875	-	875	-
Issue of 9% Optionally Convertible Preference Shares (Cumulative) (OCPs)	1,10,000	1,47,000	-	-	-	-	1,10,000	1,47,000
Dividend on 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) at effective interest rate	26,821	11,193	-	-	-	-	26,821	11,193
Sale of Food and Other Beverages	1,035	-	62	-	-	34	1,097	34
Purchase of Fixed Assets	5,347	4,492	-	-	-	-	5,347	4,492
Purchase of Crockery and Cutlery	-	2,181	-	-	-	-	-	2,181
Purchase of linen and others	99	1,072	61	-	-	-	160	1,072
Security Deposit Paid	350	191	-	-	-	-	350	191
Rent Paid	37,552	12,978	-	-	-	-	37,552	12,978
Repair and Maintenance (CAM charges paid)	2,436	916	-	-	-	-	2,436	916
Royalty fees Paid	2,442	752	-	-	-	-	2,442	752
Legal and Professional Charges	-	-	-	-	6,475	3,600	6,475	3,600
Remuneration	-	-	-	-	598	-	598	-
Reimbursement of Expenses paid	16,482	4,180	-	-	-	59	16,482	4,239

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

(Rs. in Thousands)

Outstanding Balances	Holding Company		Fellow Subsidiaries/associates		Key Management Personnel and Directors		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Outstanding Payables	1,12,453	24,302	-	-	898	340	1,13,351	24,642
Outstanding Receivables	-	-	36	-	-	-	36	-

Terms and conditions:
1. The above related party transactions have been reveiwed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/terms thereof. Necessary approvals have been taken accordingly as per the provisions of the Companies Act, 2013.

2. None of the balances outstanding are secured.



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C. Disclosure in respect of all related party transactions during the year as follows:

Particulars	2019-20 (Rs. in Thousands)	2018-19 (Rs. in Thousands)
Issue of Equity Share Capital		
Fabindia Overseas Private Limited	-	-
Sunil Chauhan	875	-
Issue of 9% Optionally Convertible Preference Shares (Cumulative) (OCPs)		
Fabindia Overseas Private Limited	1,10,000	1,47,000
Dividend on 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) at effective interest rate		
Fabindia Overseas Private Limited	26,821	11,193
Sale of Food and Other Beverages		
Fabindia Overseas Private Limited	1,035	-
Organic India Private Limited	62	-
Sunil Chauhan	-	34
Purchase of Fixed Assets		
Fabindia Overseas Private Limited	5,347	4,492
Chefs United Foods Private Limited	-	-
Purchase of Crockery and Cutlery		
Fabindia Overseas Private Limited	-	2,181
Chefs United Foods Private Limited	-	-
Purchase of linen and others		
Fabindia Overseas Private Limited	99	1,072
Organic India Private Limited	61	-
Security Deposit Paid		
Fabindia Overseas Private Limited	350	191
Rent Paid		
Fabindia Overseas Private Limited	37,552	12,978
Repair and Maintenance (CAM charges paid)		
Fabindia Overseas Private Limited	2,436	916
Royalty Fees Paid		
Fabindia Overseas Private Limited	2,442	752
Legal and Professional Charges		
Sunil Chauhan	5,500	3,600
Elizabeth Nanda	975	-
Remuneration		
Sunil Chauhan	598	-
Reimbursement of Expenses paid		
Fabindia Overseas Private Limited	16,482	4,180
Chefs United Foods Private Limited	-	-
Sunil Chauhan	-	59
Outstanding Payable		
Sunil Chauhan	574	340
Elizabeth Nanda	324	-
Fabindia Overseas Private Limited		
- Dividend on 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) at effective interest rate	38,301	11,480
-Others	74,152	12,822
Outstanding Receivables		
Organic India Private Limited	36	-



36 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 Rs. 8,554 thousands (Previous Year : Rs. 2,549 thousands) 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 6.76 % 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		Compensated Absences Earned Leave	
	2019-20	2018-19	2019-20	2018-19
Discount rate(per annum)	6.76%	7.76%	6.76%	7.76%
Future salary increase(per annum)	7.00%	7.00%	7.00%	7.00%
In service mortality	100% of IALM (2012-14)	100% of IALM (2006-08)	100% of IALM (2012-14)	100% of IALM (2012-14)
Retirement Age	58 years	58 years	58 years	58 years
Withdrawal rates : Ages/ withdrawal rate				
-upto 30 years	5.00%	5.00%	5.00%	5.00%
-upto 44 years	3.00%	3.00%	3.00%	3.00%
-above 44 years	2.00%	2.00%	2.00%	2.00%

(Rs. in Thousands)

	Gratuity		Compensated Absences Earned Leave	
	2019-20	2018-19	2019-20	2018-19
1. Expenses recognised in the statement of profit and loss				
Current service cost	2,231	601	1,426	136
Past service cost	-	30	1,599	20
Interest cost	48	-	12	-
Expected return on plan assets	-	-	-	-
Net actuarial(gain)/loss recognised in the year	-	-	(941)	-
Total expenses	2,279	631	2,096	156
2. Net asset/(liability) recognised as at the end of the year				
Present value of defined benefit obligation	2,830	631	2,003	156
Fair value of plan assets	-	-	-	-
Funded status [surplus/(deficit)]	(2,830)	(631)	(2,003)	(156)
Net asset/(liability) as at the end of the year	(2,830)	(631)	(2,003)	(156)
3. Change in the present value of obligation				
Present value of obligation as at the beginning of the year	631	-	156	-
Interest cost	48	-	12	-
Current service cost	2,231	601	1,426	136
Past service cost	-	30	1,599	20
Benefits paid	-	-	(249)	-
Actuarial (gains)/lossess on obligation	(80)	-	(941)	-
Present value of obligation as at the end of the year	2,830	631	2,003	156
4. Expenses recognized in Other Comprehensive Income				
Actuarial (gain)/loss for the year on Obligation	80	-	-	-
Actuarial (gain)/loss for the year on Plan Assets	-	-	-	-
Net (Income)/Expense in OCI	80	-	-	-

A PURI & ASSOCIATES

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

37 CONTINGENT LIABILITIES AND COMMITMENTS

A Contingent Liabilities:	AS AT 31ST MARCH 2020 (Rs. in Thousands)	AS AT 31ST MARCH 2019 (Rs. in Thousands)
(a) Claims against the Company not acknowledged as debts:	Nil	Nil

B Commitments:	AS AT 31ST MARCH 2020 (Rs. in Thousands)	AS AT 31ST MARCH 2019 (Rs. in Thousands)
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	935	15,936

(b) Lease Commitments:
(i) The Company has entered into operating leases for its cafes and office premises at various locations across India, with lease terms between 5 and 9 years.

	AS AT 31ST MARCH 2020* (Rs. in Thousands)	AS AT 31ST MARCH 2019 (Rs. in Thousands)
a. Not later than one year	-	33,793
b. Later than one year but not later than five years	-	7,350
c. Later than five years	-	-

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

38 EARNINGS PER EQUITY SHARE

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

Diluted EPS amount has been calculated by dividing the profit/loss attributable to equity holders of the Company 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 31ST MARCH 2020 (Rs. in Thousands)	FOR THE YEAR ENDED 31ST MARCH 2019 (Rs. in Thousands)
Basic Earning per share		
(Loss) attributable to equity holders of the company	(2,03,340)	(73,740)
Weighted average number of equity shares (Nos.)	10,08,333	10,00,000
Nominal value of equity shares	10	10
Loss per equity share (in Rs.)		
-basic	**(201.66)**	**(73.74)**
Diluted Earning per share		
(Loss) attributable to equity holders of the company	(2,03,340)	(73,740)
Add:Dividend on 9% Optinally Convertible Preference Shares (Cumulative) (OCPs)	26,821	13,494
Loss for calculation of Diluted Earning/(Loss) per shares	(1,76,519)	(60,246)
Weighted average number of equity shares		
Number of shares considered as weighted average shares outstanding for Basic EPS	10,08,333	10,00,000
Add:Weighted average number of potential equity shares on account of 9% Optionally Convertible Preference Shares	2,42,75,410	1,03,27,397
Add: Effect of Stock Options Granted	16,038	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	2,52,99,781	1,13,27,397
Loss per equity share (in Rs.)		
-Diluted EPS	(6.98)	(5.32)
-Diluted EPS (restricted to Basic EPS being anti dilutive)	**(201.66)**	**(73.74)**

39 Segment Reporting

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Board of Directors reviews the operating results of the Company. The Board of Directors reviews performance of the Cafe business on an overall basis. As the Company's activities fall within a single reportable segment being the core business segment i.e. Cafe Operations, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, entity wise disclosures are as under:

	31st March,2020 (Rs. in Thousands)	31st March,2019 (Rs. in Thousands)
Sale of Products		
- Within India	2,44,184	75,248
- Outside India	-	-
	2,44,184	**75,248**

	31st March,2020 (Rs. in Thousands)	31st March,2019 (Rs. in Thousands)
Details of Non Current Asset		
- Within India	4,95,067	1,63,172
- Outside India	-	-
	4,95,067	**1,63,172**

The Company does not have revenue from any customer which exceeded 10% of the total revenue.

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40 EMPLOYEE STOCK OPTION PLAN

The members of the Company have approved Fabcafe Foods Private Limited Employee Stock Option Plan (ESOP) 2019 ('the Plan') in the Extra Ordinary General Meeting held on July 15, 2019. The Plan provides for grant of equity share options to the employees of the Company who had been associated with the Company for a period of eight months till March 31, 2019 at such price and on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Plan and Employee Stock Option Agreements/Grant Letters.

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 (Rs.) per share	Weighted Average Exercise Price (Rs.) per share
Fabcafe Foods Private Limited ESOP 2019	2019-2020	1st August, 2019	22,481	One year from the date of grant i.e. Up to 31st July, 2020	15 days from the date of vesting	10	10

a) Movement in Employee Stock Options during the year:

Particulars	As at 31st March 2020	
	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	-	-
Granted during the year	22,481	10
Forfeited during the year	-	-
Exercised during the year	-	-
Expired/ Lapsed during the year	6,443	10
Outstanding at the end of the year	16,038	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 exercise 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 Date	(Amount in Rs.)
1st August, 2019	19.27

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:

	2019-20
Risk-free Interest Rate	4.58%
Expected Life of Option (in years)	1
Volatility of Underlying Stock	51.72%
Dividend Yield	0.00%

The Risk free rate being considered for the calculation has been taken as 4.58% from CCIL in accordance with the time to maturity of the option i.e. one year.

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

	2019-20
	(Rs.in Thousands)
Expense arising from employee share-based payment plan	206
Liability arising from employee share-based payment plan	206



41 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 and no further impairment is required in view of Covid-19 pandemic outbreak.

42 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 *(Rs.In Thousands)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Rs.in Thousands)*
Principal amount due to micro and small enterprises*	1,380	5,965
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.	91	88
Amount of interest accrued and remaining unpaid	91	88

***Refer No 21 & 22**

43 OTHER NOTES

(a) 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.

(b) The Company's accumulated losses have exceeded the share capital and reserves and its net worth has been fully eroded.These conditions indicate the existence of material uncertainty that may normally cast doubt about the Company's ability to continue as a going concern.However, the functioning of the Company is not likely to be adversely affected by the losses in view of the assured continued support from the holding company.

(c) No provision is made for income tax liability during the current year in the absence of taxable profits.

(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 than property, plant and equipment, 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) Previous year figures have been regrouped and re-arranged wherever necessary to make them comparable with current year figures.

"Signatures to Notes 1 to 43"

"As per our Report of even date"

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

PURI & ASSOCIATES ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

JYOTI SUBARWAL
Partner
Membership Number: 080654

Place: New Delhi
Date: 26·08·2020

ON BEHALF OF BOARD OF DIRECTORS OF FABCAFE FOODS PRIVATE LIMITED

SUNIL CHAUHAN
Managing Director
DIN:02614920
Place: Delhi
Date: 25/08/20

VINEY SINGH
Director
DIN:00932145
Place: BANGALORE
Date: 25/8/2020

VIVEK RISHI
Chief Financial Officer
Place: NEW DELHI
Date: 25/08/2020

ARVIND KUMAR KUMAWAT
Company Secretary
Membership No: A26333
Place: Jaipur
Date: 25/08/2020