A Puri & Associates
Chartered Accountants
2H, Vandhna Building
11, Tolstoy Marg,
New Delhi

MSKA & Associates
Chartered Accountants
The Palm Springs Plaza
Office No. 1501-B, 15th Floor
Sector-54, Golf Course Road
Gurugram, Haryana

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Fabindia Limited

Report on the Audit of the Special Purpose Interim Consolidated Financial Statements

Opinion

We have audited the accompanying Special Purpose Interim Consolidated Financial Statements of Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited") (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Special Purpose Interim Consolidated Balance Sheet as at September 30, 2021, Special Purpose Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Special Purpose Interim Consolidated Statement of Cash Flows for the six months period then ended, Special Purpose Interim Consolidated Statement of Changes in Equity and notes to the Special Purpose Interim Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information and disclosure ("Special Purpose Interim Consolidated Financial Statements"). The Special Purpose Interim Consolidated Financial Statements have been prepared by the Management of the Group and its associates in accordance with IND AS 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

In our opinion, the accompanying Special Purpose Interim Consolidated Financial Statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India of the financial position of the Group and its associates as at September 30, 2021, and of its financial performance and its cash flow for the six months period then ended in accordance with the requirement of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('the SEBI ICDR Regulations').

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Special Purpose Interim Consolidated Financial Statements section of our report. We are independent of the Group and its associates 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 Special Purpose Interim Consolidated Financial Statements, 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.

Emphasis of Matter

We draw attention to Note 52(f) to the Special Purpose Interim Consolidated Financial Statements which states that the Management of Holding Company has made an assessment of the impact of COVID-19 on the Holding Company's operations, financial performance and position as at and for the six months period ended September 30, 2021 and accordingly made a provision of ₹ 90.73 Million and ₹ 0.86 Million towards 'slow and non-moving stock' and 'allowance for credit losses', respectively.

Our opinion is not modified in respect of this matter.

Basis of Accounting & Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Interim Consolidated Financial Statements on the basis of accounting which states that the financial statements have been prepared in accordance with Ind AS 34 except for disclosure of comparatives which is exempt as per SEBI ICDR Regulations. The Special Purpose Interim Consolidated Financial Statements are prepared to assist the company for the purpose of preparation of restated financial statements to be included in Offer Document of the company in relation to its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. As a result, the Special Purpose Interim Consolidated Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of the Holding Company to comply with the requirement of SEBI ICDR Regulations and should not be distributed to or used by any other parties. MSKA & Associates and A Puri & Associates shall not be liable to the Group and its associates or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of Management and Those charged with Governance for Special Purpose Interim Consolidated Financial Statements

Management of Holding Company is responsible for the preparation and fair presentation of these Special Purpose Interim Consolidated Financial Statements in accordance with the financial reporting provisions of IND AS 34 "Interim Financial Reporting", specified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and presentation requirements of Division II of Schedule III to the Act; and this includes design, implementation and maintenance of such internal control as Management determines is necessary to enable the preparation of Special Purpose Interim Consolidated Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Interim Consolidated Financial Statements, the Management of Holding Company is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Management either intends to liquidate the group or to cease operations or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Interim Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Special Purpose Interim Consolidated Financial Statements.

We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Special Purpose Interim Consolidated Financial Statements.

Other Matter

1. The audit of Special Purpose Interim Financial Statements of three Indian subsidiaries namely Organic India Private Limited, Fabcafe Foods Private Limited and Biome Life Sciences Private Limited as included in the Special Purpose Interim Consolidated Financial Statements of the Group and its associates as at and for the six months period ended September 30, 2021, have been audited by one of the Joint Auditor - A Puri & Associates. The share of total assets, total revenues (including other income) and net cash outflows and Group's share of net profit in its associate included in the Special Purpose Interim Financial Statements of such Indian subsidiaries, for the relevant period is tabulated below:

(₹ in Million)

Particulars	As at and for the six months period ended September 30, 2021
Total assets	4,957.35
Total revenues (including other income)	2,049.98
Net cash outflows	(-) 35.46
Group's share of net profit in its associate	(-) 2.26

The above table also include:

- Two step-down foreign subsidiaries namely "Organic India LLC USA" and its downstream subsidiary "The Clean Program Corp" (together referred as "Consolidated Financial Statements of Organic India LLC USA"), for which special purpose audit have been performed by one of the Joint Auditor - MSKA & Associates for six months period ended September 30, 2021 and which has been relied by the one of Joint Auditor - A Puri & Associates.

- Share of loss in respect of associate of Organic India Private Limited namely Nutriwel Health (India) Private Limited audited by Lodha & Company for the six months period ended September 30, 2021.

In so far as it relates to the amounts and disclosures included in respect of these components for the relevant period, are based solely on the individual reports of Joint Auditors and other auditors. Our opinion on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of these matters.

We did not audit the Special Purpose Interim Financial Statements of two associates namely Rangsutra Craft India Limited and Orissa Artisans and Weavers Limited of the Holding Company whose share of profit included in the Special Purpose Interim Consolidated Financial Statements of the Group as at and for the six months period ended September 30, 2021, which have been audited by "Daiya Tiwari & Soni" and "Laldash & Company" respectively and whose reports have been furnished to us by the Holding Company's Management and Our opinion in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the said auditors:

(₹ in Million)

Particulars	As at and for the six months period ended September 30, 2021
Group's share of net profit in its associate	2.29

Our opinion on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of these matters.

2. We did not audit the Consolidated Management Accounts of an overseas wholly-owned subsidiary - Fabindia International Pte. Ltd ("Consolidated Fabindia International Accounts") of the Holding Company (comprising its step-down subsidiary - Indigo Origins Pte. Ltd. Singapore and two associates - Weaver India General Trading LLC and Fabindia S.r.l. Italy) whose share on a consolidated basis of total assets, total revenues and net cash inflows and Group's share of net profit in its associate included in the Special Purpose Interim Consolidated Financial Statements of the Company as at and for six months period ended September 30, 2021, for the relevant period is tabulated below:

(₹ in Million)

Particulars	As at and for the six months period ended September 30, 2021
Total assets	154.01
Total revenues (including other income)	32.08
Net cash inflows	8.00
Group's share of net profit in its associates	4.32

These Consolidated Fabindia International Accounts have been furnished to us by the Management. These Consolidated Fabindia International Accounts have been converted to accounting principles generally accepted in India and have been compiled by the Management from the standalone financial statements of Fabindia International Pte. Ltd, Singapore, Indigo Origins Pte. Ltd., Singapore and Weaver India General Trading LLC, Dubai which have been prepared in accordance with accounting principles generally accepted in their respective host countries and audited by Fides Pac (for Fabindia International Pte. Ltd, Singapore and Indigo Origins Pte. Ltd., Singapore) and Axis Line International (for Weaver India General Trading LLC, Dubai) at their respective host countries, whose reports have been furnished to us by the Management.

In respect of Fabindia S.r.l. Italy, the Management has prepared the Management Accounts on the basis of accounting principle generally accepted in India. Our opinion in so far as it relates to the amounts and disclosures of such entity included in Consolidated Fabindia International Accounts of Fabindia International Pte. Ltd Group is based solely on such Management accounts as the audit of same in the host country is not mandated as per the local requirements as informed to us by the Management.

In our opinion and according to the information and explanations given to us by the Management, the Consolidated Fabindia International Accounts of Fabindia International Pte. Ltd are: (i) not material to the Restated Consolidated Financial Statements in accordance with the SEBI ICDR Regulations; and (ii) not required to be audited under the local regulations of relevant jurisdiction.

Our opinion on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of these matters

For **A Puri & Associates**
Chartered Accountants
ICAI Firm Registration No.: 009203N

Jyoti Subarwal
Partner
Membership No.: 080654
UDIN: 22080654AAAAAM7225
Place: New Delhi
Date: January 20, 2022

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Amit Mitra
Partner
Membership No.: 094518
UDIN: 22094518AAAAAI5743
Place: Gurugram
Date: January 20, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE SPECIAL PURPOSE INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FABINDIA LIMITED (FORMERLY KNOWN AS "FABINDIA PRIVATE LIMITED" AND "FABINDIA OVERSEAS PRIVATE LIMITED")

Auditors' Responsibilities for the Audit of the Special Purpose Interim Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the Special Purpose Interim Consolidated 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 expressing our opinion on whether the Group has internal financial controls with reference to Special Purpose Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Special Purpose Interim Consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Special Purpose Interim Consolidated Financial Statements, including the disclosures, and whether the Special Purpose Interim Consolidated 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.

For **A Puri & Associates**
Chartered Accountants
ICAI Firm Registration No.: 009203N

Jyoti Subarwal
Partner
Membership No.: 080654
UDIN: 22080654AAAAAM7225
Place: New Delhi
Date: January 20, 2022

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Amit Mitra
Partner
Membership No.: 094518
UDIN: 22094518AAAAAI5743
Place: Gurugram
Date: January 20, 2022

Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
Special Purpose Interim Consolidated Statement of Assets and Liabilities
(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	As at September 30, 2021
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3A	1,430.34
Capital work-in-progress	3A	283.04
Right-of-use assets	3B	5,437.05
Goodwill on consolidation	3C	601.63
Intangible assets	3C	4,490.10
Intangible assets under development	3C	51.97
Financial assets		
Investments	4	219.48
Loans	5	87.26
Other financial assets	6	554.42
Income tax assets (net)	7	350.47
Other non-current assets	8	237.80
TOTAL NON-CURRENT ASSETS		15,743.56
CURRENT ASSETS		
Inventories	9	4,319.56
Financial assets		
Trade receivables	10	880.68
Cash and cash equivalents	11	1,077.44
Bank balances other than cash and cash equivalents	12	101.89
Loans	13	33.14
Other financial assets	14	154.16
Other current assets	15	940.32
TOTAL CURRENT ASSETS		7,502.19
TOTAL ASSETS		23,245.75
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	16	147.78
Other equity	17	5,055.40
Non-controlling interest	17	2,174.28
TOTAL EQUITY		7,377.46
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial liabilities		
Borrowings	18	1,041.45
Lease Liabilities	19	4,701.17
Other financial liabilities	20	53.12
Provisions	21	208.09
Deferred tax liabilities (net)	22	54.82
Other non-current liabilities	23	1.23
TOTAL NON-CURRENT LIABILITIES		6,059.88
CURRENT LIABILITIES		
Financial liabilities		
Borrowings	24	6,033.82
Lease Liabilities	25	1,023.38
Trade payables	26	
total outstanding dues of micro enterprises and small enterprises		614.11
total outstanding dues of creditors other than micro enterprises and small enterprises		1,305.69
Other financial liabilities	27	292.31
Other current liabilities	28	369.10
Provisions	29	170.00
TOTAL CURRENT LIABILITIES		9,808.41
TOTAL EQUITY AND LIABILITIES		23,245.75
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the Special Purpose Interim Consolidated Financial Information	1-52	

As per our report of even date.

For A Puri & Associates
Chartered Accountants

Firm Registration Number: 009703N

Jyoti Subarwal
Partner
Membership number: 080654

Place: New Delhi
Date 20-01-2022

For MSKA & Associates
Chartered Accountants

Firm Registration Number: 105047W

Amit Mitra
Partner
Membership number: 094518

Place: Gurugram
Date 20-01-2022

For and on Behalf of the Board Of Directors of
Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)

CIN: U74899DL1976PLC008436

William Randa Bissell
Executive Vice-Chairman and Director
DIN: 00012819

Place: New Delhi
Date: 20-01-2022

Gopal Mishra
Chief Financial Officer and Chief Operating Officer

Place: Noida
Date: 20-01-2022

Viney Singh
Managing Director
DIN: 00932145

Place: Bangalore
Date: 20-01-2022

Monika Uppal Arora
Company Secretary and Compliance Officer

Membership number: A17485

Place: New Delhi
Date 20-01-2022

Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
Special Purpose Interim Consolidated Statement of Profit and Loss
(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	For the period April 01, 2021 to September 30, 2021
INCOME		
Revenue from operations	30	5,560.40
Other income	31	100.28
TOTAL INCOME		5,660.68
EXPENSES		
Cost of materials consumed	32	1,550.15
Cost of contract manufactured goods	33	1,586.91
(Increase) in inventories of finished goods and stock-in-trade	34	(1,148.62)
Excise Duty		-
Employee benefits expense	35	1,129.34
Finance costs	36	196.32
Depreciation and amortization expense	3A, 3B, 3C	975.88
Impairment losses	3A	3.60
Other expenses	37	1,892.60
TOTAL EXPENSES		6,386.18
(Loss) before share of accumulated (loss) in associate companies, exceptional items and tax		(725.50)
Share of accumulated profit in associate companies		4.58
(Loss) before exceptional items and tax		(720.92)
TAX EXPENSE:		
Current tax	38	(26.30)
Earlier years tax	38	-
Deferred tax	27	229.97
(Loss) for the period (I)		(517.25)
OTHER COMPREHENSIVE INCOME		
A. Items that will not be re-classified to statement of profit and loss		
Actuarial (loss)on defined benefit obligation		(67.74)
Income tax relating to items that will not be re-classified to statement of profit and loss		13.97
Share of other comprehensive (loss) in associates		(0.22)
B. Items that will be re-classified to statement of profit and loss		
Foreign currency translation differences		0.29
Income tax relating to items that will be re-classified to statement of profit and loss		(0.50)
Share of other comprehensive (loss) in associates		(2.26)
Other comprehensive loss for the period		(51.46)
Total comprehensive (loss) for the period		(568.71)
(Loss) for the period attributable to		
Owners of the Company		(456.46)
Non-controlling interests		(60.79)
Other comprehensive (loss) for the period attributable to		
Owners of the Company		(50.92)
Non-controlling interests		(0.54)
Total comprehensive (loss) for the period attributable to		
Owners of the Company		(507.38)
Non-controlling interests		(61.33)
Earnings per equity share (in ₹)	45	
Basic		(3.10)
Diluted		(3.10)
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the Special Purpose Interim Consolidated Financial Information	1-52	

As per our report of even date

For A Puri & Associates
Chartered Accountants

Firm Registration Number: 009203N

Jyoti Subarwal
Partner
Membership number: 080054

Place: New Delhi
Date: 20-01-2022

For MSKA & Associates
Chartered Accountants

Firm Registration Number: 105047W

Amit Mitra
Partner
Membership number: 094518

Place: Gurugram
Date 20-01-2022

For and on Behalf of the Board Of Directors of
Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)

CIN: U74899DL1976PLC008430

William Nanda Bissell
Executive Vice-Chairman and Director
DIN: 00012819

Place: New Delhi
Date: 20-01-2022

Gopal Mishra
Chief Financial Officer and Chief Operating Officer

Place: Noida
Date 20-01-2022

Vinay Singh
Managing Director
DIN: 00912195

Place: Bangalore
Date: 20-01-2022

Monika Uppal Arora
Company Secretary and Compliance Officer
Membership number: A17485

Place: New Delhi
Date: 20-01-2022

Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
Special Purpose Interim Consolidated Statement of Cash Flows
(All amounts in ₹ million, unless otherwise stated)

Particulars		For the period April 01, 2021 to September 30, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) before tax and after exceptional items from continuing operations		(720.92)
Adjustments to reconcile (loss) before tax to net cash flows:		
Depreciation and amortization expense		975.88
Interest expense		166.18
Interest expense on lease liabilities		223.30
Interest income		(53.32)
Rental income		(0.67)
Employee stock options compensation expense (refer note no. 48(b))		11.64
Employee share purchase scheme expense (refer note no. 48(b))		42.57
Loss on property, plant and equipment and intangible assets sold/ discarded (net)		28.54
Obsolete stock written off		1.85
(Gain) on right-of-use assets (net)		(27.30)
Loss on sale of government scrips		0.11
Loss arising on derivatives measured at FVTPL		27.36
Share of accumulated (loss) in associate company		(4.58)
Bad debts/ advances written off		3.24
Allowance for credit losses/ doubtful advances/ (written back)		2.06
Provision for impairment of investments		2.77
Provision for impairment loss on property, plant and equipment		3.59
Provision/ liability no longer required (written back)		(199.36)
Provision for asset retirement obligation/ (written back)		(5.07)
Provision for sales returns/ (written back)		(1.78)
Provision for rent equalisation		(0.01)
Provision for non-moving inventory/ (written back)		93.94
Provision for gratuity and leave encashment		(34.88)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		535.12
Adjustments for changes in working capital:		
(Increase) in trade receivables		(154.82)
(Increase) in inventories		(1,190.98)
(Increase) in loans and other assets		(150.66)
Increase in trade payables		826.41
Increase in other liabilities		63.16
(Decrease) due to foreign exchange translation		(37.58)
CASH GENERATED FROM OPERATIONS		(109.35)
Income tax paid (net of refund received)		(65.47)
NET CASH (USED IN) OPERATING ACTIVITIES		(174.82)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets		(307.49)
Proceeds from sale of property, plant and equipment and intangible assets		6.58
Purchase of non-current investments		(2,637.93)
Proceeds from bank deposits (with original maturity over 12 months)		0.50
Proceeds from bank deposits (with original maturity over 3 months)		20.11
Principal receipts of lease rentals		(0.02)
Interest received on lease rentals		2.02
Interest received		22.88
NET CASH (USED IN) INVESTING ACTIVITIES		(2,893.35)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings		4,408.94
Repayment of long-term borrowings		(233.97)
Proceeds from issue of shares (including share premium)		31.53
Principal payment of lease liabilities		(278.50)
Interest paid on lease liabilities		(223.30)
Interest paid		(142.33)
NET CASH FROM FINANCING ACTIVITIES		3,562.37
NET INCREASE IN CASH AND CASH EQUIVALENTS		494.19
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD		495.08
CASH AND CASH EQUIVALENT AT PERIOD END		989.27
NET INCREASE IN CASH AND CASH EQUIVALENTS		494.19

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 period consist of cash on hand and balance with banks as follows:

	As at September 30, 2021
Cash on hand	20.33
Cheque in hand	0.06
Balance with banks	
- in current accounts	468.14
- in deposit with original maturities upto three months	583.91
Bank overdrafts used for cash management purpose	(83.17)
TOTAL CASH AND CASH EQUIVALENTS	989.27

Summary of significant accounting policies	2
The accompanying notes are an integral part of the Special Purpose Interim Consolidated Financial Information	1-52

As per our report of even date

For A Purl & Associates
Chartered Accountants
Firm Registration Number: 009705N
Jyoti Subarwal
Partner
Membership number: 080654
Place: New Delhi
Date 20-01-2022

For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W
Amit Mittal
Partner
Membership number: 094518
Place: Gurugram
Date: 20-01-2022

For and on Behalf of the Board Of Directors of
Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
CIN: U74899DL1976PLC008336

William Nanda Bissell
Executive Vice-Chairman and Director
DIN: 00012819
Place: New Delhi
Date: 20-01-2022

Gopal Mishra
Chief Financial Officer and Chief Operating Officer
Place: Noida
Date: 20-01-2022

Amit Jhingran
Managing Director
DIN: 00932145
Place: Bangalore
Date 20-01-2022

Monika Uppal Arora
Company Secretary and Compliance Officer
Membership number: A17485
Place: New Delhi
Date 20-01-2022

Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
Special Purpose Interim Consolidated Statement of Changes In Equity
(All amounts in ₹ million, unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance at the beginning of the reporting period	16	147.36
Changes in equity share capital due to prior reporting errors		-
Restated balance at the beginning of the reporting period		147.36
Changes in equity share capital during the period		0.42
Balance at the end of the reporting period		147.78

B. Other equity

Particulars	Reserves and surplus								Other comprehensive income		Attributable to the owners of the parent	Non-controlling interest	Total
	Capital reserve	General reserve	Securities premium	Treasury Shares	Export profits reserve	Capital redemption reserve	Stock option outstanding account	Retained earnings	Remeasurements of the net defined benefit plans (net of tax)	Foreign currency translation reserve			
Balance as at April 01, 2021	81.37	3,071.00	2,159.00	-	6.72	-	26.25	2,033.31	2.06	45.19	7,424.90	2,959.31	10,384.21
(Loss) for the period	-	-	31.57	-	-	-	-	(517.25)	(0.21)	(4.09)	(489.98)	-	(489.98)
Profit transferred to non-controlling interest	-	-	-	-	-	-	-	60.79	1.13	(0.59)	61.33	(61.33)	-
Addition on account of issue of equity shares	-	-	-	(0.04)	-	-	-	-	-	-	(0.04)	-	(0.04)
Employee stock options compensation (refer note no. 48(b))	-	-	-	-	-	-	11.64	-	-	-	11.64	-	11.64
(Deletion) during the period	(1,905.28)	-	-	-	-	-	-	-	-	-	(1,905.28)	(726.25)	(2,631.53)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(48.79)	-	(48.79)	-	(48.79)
Other comprehensive income*	-	-	-	-	-	-	-	-	-	1.63	1.63	2.55	4.18
Balance as at September 30, 2021	(1,823.91)	3,071.00	2,190.57	(0.04)	6.72	-	37.89	1,576.84	(45.81)	42.14	5,055.40	2,174.28	7,229.68

* Other comprehensive income for the non-controlling interest represents the exchange translation arising on the translation of the amount of non-controlling interest based on the audited consolidated financial statements of Organic India Private Limited.

Summary of significant accounting policies	2
The accompanying notes are an integral part of the Special Purpose Interim Consolidated Financial Statements	1-52

As per our report of even date

For A Purl & Associates
Chartered Accountants
Firm Registration Number: 009703N

Jyoti Subarwal
Partner

Membership number: 080654

Place: New Delhi

Date 20-01-2022

For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Amit Mitra
Partner

Membership number: 094518

Place: Gurugram

Date 20.01.2022

For and on Behalf of the Board Of Directors of
Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
CIN: U74899DL1976PLC008436

William Nanda Bissell
Executive Vice- Chairman and Director

DIN: 00012819

Place: New Delhi

Date: 20-01-2022

Vinay Singh
Managing Director

DIN: 00932145

Place: Bangalore

Date: 20-01-2022

Gopal Mishra
Chief Financial Officer and Chief Operating Officer

Place: Noida

Date: 20-01-2022

Monika Uppal Arora
Company Secretary and Compliance Officer

Membership number: A17485

Place: New Delhi

Date: 20-01-2022

Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited")
Notes annexed to and forming part of the Special Purpose Interim Consolidated Financial Statements

1. Group Information

Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited") ('the Holding Company' or 'Parent Company') is domiciled in India and incorporated under the provisions of the Companies Act, 1956, then applicable in India. These Special Purpose Interim Consolidated Financial Statements comprise the Holding Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The registered office of the Holding Company is located at Plot No.10, Local Shopping Complex, Sector B Pocket-7, Vasant Kunj, New Delhi South Delhi, India - 110070.

Fabindia Limited (the "Holding Company") was originally incorporated as 'Fabindia Overseas Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated December 14, 1976 issued by the Registrar of Companies, Delhi and Haryana (the "RoC"). Subsequently, the name of the Holding Company was changed to 'Fabindia Private Limited' and a fresh certificate of incorporation dated October 13, 2021 was issued by the "RoC". Thereafter, the Holding Company was converted into a public limited company, consequent to which its name was changed to 'Fabindia Limited', pursuant to the resolution passed by the Board of Directors on September 2, 2021.

The Holding Company is engaged in the business of designing, contract manufacturing, and sale by way of retailing of crafts and fabrics, garments and accessories, home furnishings, furniture, organic food, handicraft/ imitation jewellery, leather items, body care products and other similar products through its stores and e-commerce sites.

The subsidiaries and associates considered in these Special Purpose Interim Consolidated Financial Statements are as below: -

(a) Organic India Private limited (OIPL), a subsidiary company incorporated in India, is engaged in the business of processing, manufacturing/ contract manufacturing and marketing of certified organic Tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices.

(b) Organic India USA LLC, a wholly owned subsidiary company of OIPL, domiciled in United States of America which is engaged in the marketing and the trading of the organic products.

(c) The Clean Program Corp, a subsidiary company of Organic India USA, LLC, domiciled in United States of America. Organic India USA, LLC owns 50.01% of its voting power as on September 30, 2021 and is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.

(d) Nutriwel Health (India) Private Limited, deemed associate of OIPL, domiciled in India. OIPL owns 11% of its voting power as on September 30, 2021. The associate is engaged in the business of general medical consultancy aimed at weight loss, enhancement of health and fitness status, general wellbeing and improving the quality of life of individuals.

(e) Fabcafe Foods Private Limited, a subsidiary company incorporated in India, is engaged in the business of running café/ restaurants under a single brand name "Fabcafe".

(f) Biome Life Sciences India Private Limited, a subsidiary company incorporated in India, is engaged in the business of contract manufacturing, consulting and selling of Drugs and Medicines, Health Supplements, Food, Cosmetics and Toilet Preparations, Ayurveda and Life Sciences products.

(g) Fabindia International Pte. Limited (FIPL), a wholly owned subsidiary company incorporated and domiciled in the Republic of Singapore, is engaged in the business of investment holding.

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(h) Indigo Origins Pte. Limited, a wholly owned subsidiary of FIPL, incorporated and domiciled in the Republic of Singapore, is engaged in the business of retail trading of garments and related products.

(i) Fabindia S.r.l, an associate of FIPL, domiciled in the Republic of Italy, is engaged in the business of retail trade of garments.

(j) Weavers India General Trading LLC, an associate of FIPL, domiciled in Dubai, is engaged in the business of retail trade of garments.

(k) Orissa Artisans and Weavers Limited, an associate company, incorporated in India, is engaged in the business of sale of readymade garments and made-up articles of textiles and home furnishing items.

(l) Rangsutra Crafts India Limited, an associate company, incorporated in India, is engaged in the business of sale of readymade garments and made-up articles of textiles and home furnishing items.

The Special Purpose Interim Consolidated Financial Statements were approved and authorized for issue by the Holding Company's Board of Directors on December xx, 2021.

2. Significant accounting policies

a) Basis of preparation of Special Purpose Interim Consolidated Financial Statements and Statement of Compliance

These Special Purpose Interim Consolidated 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, and presentation requirements of Division II of Schedule III to the Companies Act, 2013. These Special Purpose Interim Consolidated Financial Statements have been prepared for filing of an offer document for proposed issue of equity shares (the "Equity Shares") by the Holding Company with the Securities and Exchange Board of India ("SEBI") and the Registrar of Companies, New Delhi.

The Special Purpose Interim Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined benefit pension plans - plan assets measured at fair value.
- Contingent consideration
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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

All amounts disclosed in the Special Purpose Interim Consolidated Financial Statements and notes have been rounded off to the nearest "Million upto two decimal places", unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these Special Purpose Interim Consolidated Financial Statements.

b) Significant accounting estimations, judgements, and assumptions

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The preparation of Special Purpose Interim Consolidated 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 Group's accounting policies and that have the significant effect on the amount recognized in the Special Purpose Interim Consolidated 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. 43.

(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 Group 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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 will be realized.

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

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

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

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

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

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

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Group's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the period, the Group's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and its resultant impact on the operations of the Group. The advent of second wave of COVID-19 in April 2021- May 2021 resulted in further lockdowns. The Group continues to monitor the situation and will take appropriate action as considered necessary in due compliance with the applicable regulations as the situation normalizes.

c) **Current vs non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,

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- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

d) Principles of consolidation

The Special Purpose Interim Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) - 34 on "Interim Financial Statements" and Indian Accounting Standards (Ind AS) - 28 on "Investments in Associates and Joint Ventures".

These Special Purpose Interim Consolidated Financial Statements comprise the Special Purpose Interim Standalone Financial Statements of the Holding Company and the following subsidiaries:

Name of the Company	Country of incorporation	Effective % of Holding
		As at September 30, 2021
Fabindia International Pte. Ltd. (FIPL)	Singapore	100.00%
Indigo Origins Pte. Limited (subsidiary through FIPL)	Singapore	100.00%
Organic India Private Limited (OIPL)	India	63.79%
Fabcafe Foods Private Limited	India	68.46%
Biome Life Sciences India Private Limited (w.e.f. August 01, 2020)	India	50.01%
Organic India USA, LLC (subsidiary through OIPL i.e.,63.79% of 100.00%,)	United States of America	63.79%
The Clean Program Corp. (w.e.f. April 25, 2018) (subsidiary through OIPL i.e., 63.79% of 50.01%,)	United States of America	31.90%

And the following associates: -

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Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited")
Notes annexed to and forming part of the Special Purpose Interim Consolidated Financial Statements

Name of the Company	Country of Incorporation	Effective % of Holding
		As at September 30, 2021
FABINDIA S.r.l. (associate through FIPL)	Italy	45.00%
Weavers India General Trading, LLC (associate through FIPL)	Dubai (UAE)	49.00%
Rangsutra Crafts India Limited	India	31.77%
Orissa Artisans and Weavers Limited	India	33.55%
East Lifestyle Limited (associate through FIPL i.e., 100% of 20%)	United Kingdom	20.00%
Nutriwel Health (India) Private Limited (w.e.f. 6th March 2019) (associate through OIPL i.e.,63.79% of 11.00%,) *	India	7.02%

*Deemed Associate by way of exercising of significant influence through representation of one third of voting power on the board of Nutriwel Health (India) Private Limited.

Control is achieved when the Company is exposed to or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiaries and associates acquired or disposed off during the period are included in the Special Purpose Interim Consolidated Financial Statements of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

These Special Purpose Interim Consolidated Financial Statements have been prepared on the following basis:

- The Special Purpose Interim Standalone Financial Statements of the Holding Company, Special Purpose Interim Consolidated Financial Statements of Organic India Private Limited, its Indian Subsidiary Company (consolidated with its subsidiaries and associate company), Special Purpose Interim Standalone Financial Statements of Fabcafe Foods Private Limited, its Indian Subsidiary Company, Special Purpose Interim Standalone Financial Statements of Biome Life Sciences India Private Limited, its Indian Subsidiary Company and Special Purpose Consolidated Management Accounts of Fabindia International Pte. Limited, its wholly-owned Overseas Subsidiary Company (consolidated with its subsidiary company and associate companies) have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra Group balances and intra Group transactions, if any.

- Further, East Lifestyle, United Kingdom, an overseas associate company of the wholly owned Overseas Subsidiary Company had gone into administration (winding up process) been fully provided as diminution in the value of investment / impairment loss of assets and has not been considered as associate for consolidation.

- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the Special Purpose Interim Consolidated Financial Statements as Goodwill or Capital Reserve or as appropriate as the case may be.

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- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

- Associates are those enterprises over which the Group has significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognized at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

- When the Group's share of losses exceeds the carrying value of the associate, the carrying value of its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

e) Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognized in the consolidated statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income ("OCI") and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Goodwill acquired in a business combination is tested annually for impairment irrespective of indicators.

f) Property, plant and equipment

(i) Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, construction and expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will

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flow to the Group and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

(ii) The Group 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 except in case of buildings where written down value method is used, over the useful life as specified under Schedule II of the Act, and given below:

Particulars	Useful life
Building	60 Years
Building non-RCC structure	30 Years
Leasehold Premises / Right of Use Assets	Over the period of lease
Furniture and fixtures	10 Years
Plant and equipment	3 Years to 15 Years
Office equipment's	5 Years
Electrical installation and equipment's (including Air conditioner and cooling equipment's)	10 Years
Vehicle	8 Years
Computers	3 Years
Servers	6 Years

Double shift depreciation is provided for the eligible assets as per Schedule II of the Act as the factory is being operated on double shift basis.

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

(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".

(vii) Leasehold land includes land acquired under finance lease from Delhi Development Authority on July 07, 1992 for a period of 99 years and land acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for a period of 90 years which have been reclassified as right-of-use assets as per Ind AS 116 "Leases". 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.

(viii) The present value of the expected cost for the de-commissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recorded asset retirement obligation.

g) Intangible assets

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

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

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

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

Particulars	Useful life
Computer software	5 years
Trademarks (except for Patents which has been taken as infinite)	10 years (i.e. from the date of application for registration of brand name as specified on the registration certificate)
Brand Value, Formulas and Other Intangible Rights / Information	30 Years (i.e. from the date of acquisition)

h) Impairment of non-financial assets- property, plant and equipment and intangible assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or

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have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i) 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

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling of financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) is recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. The Group's financial assets at amortized cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Investment in subsidiaries and associates

The Group has elected to account for its equity investments in subsidiaries and associates under Ind AS 27 on "Separate Financial Statements", at cost. At the end of each reporting period the Group assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

Other investments

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

Impairment of financial assets

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The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

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

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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This category generally applies to borrowings. For more information refer note no. 18.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 "Financial Instruments" and the amount recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 "Revenue from Contracts with Customers".

(iii) Treasury shares

The Holding Company and Organic India Private Limited (OIPL), its Indian Subsidiary company, have created Fabindia Overseas Private Limited Employees Benefit Trust and Organic India Employees Welfare Trust, respectively, for the administration of providing share-based payment to the eligible employees, and thus the Trust(s) have been treated as their extension(branch) and accordingly, all the assets and liabilities of the Trust(s) are accounted as assets and liability of the Holding Company and OIPL after eliminating the treasury shares of the Holding Company and OIPL held by the Trust(s), respectively, on the basis that the Trust(s) are merely acting as an agent of the Holding Company and OIPL.

Own equity instruments that are re-acquired (treasury shares) are recognized at cost and disclosed under Other Equity as "Treasury Share". No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Holding Company's and OIPL's own equity instruments. Any difference between the carrying amount and the consideration, if re-issued, is recognized in general reserve. Share options exercised during the peiod are satisfied with treasury shares.

Derecognition

A financial liability is derecognized when the obligation under the liability 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.

(iv) 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.

(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 realize 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 Group or the counterparty.

j) Inventories

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Inventories (including stock-in-transit) are stated at lower of cost or net realizable value. Cost is determined on 'Weighted Average' basis. Due to a large number and diverse nature of inventory items, cost is estimated as near as possible for each stock keeping unit including freight and applicable taxes, etc.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

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

An inventory provision is recognized for cases where the realizable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete/ slow-moving inventory items.

In the Special Purpose Interim Consolidated Financial Statements unrealized profit on unsold stock at the year-end lying with the subsidiaries and associates have been adjusted.

k). Foreign currency transactions

The functional currency of the Holding Company is the Indian Rupee. These Special Purpose Interim Consolidated 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 (OCI) or Statement of Profit or Loss are also recognized in OCI 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.

l). Revenue recognition

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

(i) Sales of goods:
Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of

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goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Loyalty points programme:
The Holding Company has a loyalty points programme, "Fabfamily", which allows customers to accumulate points that can be redeemed for future purchase, or any other experience as specified under the loyalty points programme policy. The loyalty points will have a validity of 36 months from the time of earning. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as a contract liability until the points are redeemed.

Presently, in the absence of historical trend/ experience of 36 months, the Holding Company on conservative basis provides for 100% in respect of the accumulated loyalty points as on September 30, 2021. In future, post 36 months experience the provisioning to be considered would be based on the actual trend and industry standards.

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

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

(v) Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(vi) Insurance claims/ government claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the insurance companies/ government authorities.

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

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

(ix) Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory and a corresponding adjustment is made in cost of sales. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(x) A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities at the end of each reporting period

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m). 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 Holding Company and its Indian Subsidiary Companies pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Holding Company and its Indian Subsidiary Companies makes specified monthly contribution towards provident fund. The contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

All employees are covered under employees' Gratuity Scheme which is a defined benefit plan. The Holding Company and its Indian Subsidiary Company contributes to an approved Employees' Gratuity Fund maintained on behalf of the Holding Company and its Indian Subsidiary Company which is subsequently paid by the fund to the Future Generali India Life Insurance Company Limited and Life Insurance Corporation (LIC) respectively as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

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

Defined benefit costs are recognized 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 Holding Company and its Indian Subsidiary Company's leave rules. The Holding Company contributes to the Future Generali India Life Insurance Company Limited as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

n). Share-based payments

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i. Employee stock option plan (ESOP):

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. 48(b).

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 Group`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that the cumulative expenses reflect 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.

ii. Employee share purchase scheme (ESPS):

These are in the nature of employee benefit wherein the select employees shall be allowed to purchase the Company's equity shares at the fair value on the grant cum allotment date on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. These are recognized at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in note no. 48(a).

o). **Tax expense**

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 Group 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 Group has considered, for example;

(a) How it prepares its income tax filings and supports tax treatments; or
(b) 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 Group 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 Special Purpose Interim Consolidated Financial Statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. 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.

p). Earnings per share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding 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 Holding 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.

q). Provisions and contingent liabilities

Provisions

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

Sales returns provision
The Group has developed a statistical model for forecasting sales returns. The model used the historical return data to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

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

Gift voucher provision
The liability for gift vouchers represents the value of outstanding gift vouchers not yet redeemed.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group 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 Holding Company's Board of Directors.

t). Government grants

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

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

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

Export benefits arising from duty entitlement passbook (DEPB scheme), scrips and duty drawback scheme are recognized as and when the same are processed and admitted by the concerned authorities and are received during the peiod. Income on sale of import licenses is accounted for

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at the time of sale due to uncertainties involved. However, all losses on account of such sales affected before the finalization of accounts have been accounted for following the conservative accounting principle.

u). 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.

As a lessee
Effective April 01, 2019, the Group had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 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., April 01, 2019 and same amount is recognized for ROU assets. The Group had used a single discount rate to a portfolio of leases with similar characteristics.

For transition, the Group 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 Group recognized the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group 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 Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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 recognized 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 recognized 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.

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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.

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

Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all sub-lease contracts existing on April 01, 2019 using the Modified Retrospective Approach under which the Lease receivables are recognized based on incremental borrowing rate on the initial application date i.e., April 01, 2019 and ROU assets created on the original lease are derecognized proportionately on the carpet area basis. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

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

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

v). **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.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the Special Purpose Interim Consolidated 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.

For assets and liabilities that are recognized in the Special Purpose Interim Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

w). Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financials instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

x). 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 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.

y). Research and development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalized. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. The amount capitalized comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

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Expenditure on development activities in relation to formulations is capitalized, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

z). Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of Management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortized.
A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations, or

ii) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, Or

iii) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Recent accounting pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

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Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
Notes annexed to and forming part of the Special Purpose Interim Consolidated Financial Statement
(All amounts in ₹ million, unless otherwise stated)

3A. Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Leasehold land	Building	Leasehold improvements	Furniture and fixtures	Office equipments	Air conditioner and cooling equipments	Electrical installation and equipments	Vehicles	Computers	Total tangible assets
Gross carrying value											
As at April 01, 2021	546.09	-	1,235.96	924.83	1,121.76	326.77	216.35	1,129.38	4.89	246.47	5,752.50
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	-	-	-
Add: additions made during the period	-	-	1.04	65.30	22.46	8.18	13.44	27.96	-	11.22	149.60
Add: foreign currency translation reserve	-	-	0.11	-	0.06	0.06	-	0.07	-	0.12	0.42
Less: disposals/ adjustments during the period	-	-	-	33.89	31.63	2.48	5.51	16.48	-	1.00	90.99
As at September 30, 2021	546.09	-	1,237.11	956.24	1,112.65	332.53	224.28	1,140.93	4.89	256.81	5,811.53
Accumulated depreciation											
As at April 01, 2021	-	-	335.87	485.61	459.85	202.07	90.86	407.95	4.83	195.65	2,182.69
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	-	-	-
Add: depreciation charge for the period	-	-	22.35	68.32	53.32	23.24	10.05	58.46	0.02	14.43	250.19
Add: impairment losses for the period*	-	-	-	1.55	0.89	0.12	0.51	0.53	-	-	3.60
Add: foreign currency translation reserve	-	-	0.11	-	0.02	0.05	-	0.04	-	0.08	0.30
Less: on disposals/ adjustments during the period**	-	-	-	23.31	17.16	2.30	3.10	8.94	-	0.78	55.59
As at September 30, 2021	-	-	358.33	532.17	496.92	223.18	98.32	458.04	4.85	209.38	2,381.19
Net carrying value											
As at September 30, 2021	546.09	-	878.78	424.07	615.73	109.35	125.96	682.89	0.04	47.43	3,430.34

Notes:

1. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment as per the details given below:

Particulars	Freehold land	Leasehold land	Building	Leasehold improvements	Furniture and fixtures	Office equipments	Air conditioner and cooling equipments	Electrical installation and equipments	Vehicles	Computers	Total tangible assets
Gross carrying value	108.45	152.15	1,148.80	432.36	632.16	109.65	133.93	336.74	3.77	136.57	3,194.58
Accumulated depreciation	-	-	125.38	206.81	201.86	61.21	49.94	102.23	2.98	111.32	861.73
Net carrying value	108.45	152.15	1,023.42	225.55	430.30	48.44	83.99	234.51	0.79	25.25	2,332.85

2. Capital work-in-progress includes:

Particulars	Development of visual merchandising and display prototype in progress	Construction/ development of stores	Building/ factory under construction	Plant and machinery under erection and other incidental expenses pending capitalisation	Depreciation not charged to statement of profit and loss	Total
	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021
As at the beginning of the year	0.70	301.44	-	0.07	0.01	302.22
Add: additions made during the period	1.11	-	-	0.03	-	1.14
Less: capitalisation/ disposals/ adjustments during the period/year	-	20.29	-	0.03	-	20.32
As at the end of the period	1.81	281.15	-	0.07	0.01	283.04

For Capital-work-in progress, the ageing schedule is as given below:

Particulars	As at September 30, 2021
Projects in progress:	
Less than 1 year	1.87
1-2 years	0.01
2-3 years	0.02
More than 3 years	281.14
Total	283.04

For Capital-work-in progress whose completion is overdue, the completion ageing schedule is as given below:

Particulars	As at September 30, 2021
Projects in progress:	
Less than 1 year	281.14
1-2 years	-
2-3 years	-
More than 3 years	-
Total	281.14

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Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
Notes annexed to and forming part of the Special Purpose Interim Consolidated Financial Statement
(All amounts in ₹ million, unless otherwise stated)

3A. Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Leasehold land	Building	Leasehold improvements	Furniture and fixtures	Office equipments	Air conditioner and cooling equipments	Electrical installation and equipments	Vehicles	Computers	Total tangible assets
Gross carrying value											
As at April 01, 2021	546.09	-	1,235.96	924.83	1,121.76	326.77	216.35	1,129.38	4.89	246.47	5,752.50
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	-	-	-
Add: additions made during the period	-	-	1.04	65.30	22.46	8.18	13.44	27.96	-	11.22	149.60
Add: foreign currency translation reserve	-	-	0.11	-	0.06	0.06	-	0.07	-	0.12	0.42
Less: disposals/ adjustments during the period	-	-	-	33.89	31.63	2.48	5.51	16.48	-	1.00	90.99
As at September 30, 2021	546.09	-	1,237.11	956.24	1,112.65	332.53	224.28	1,140.93	4.89	256.81	5,811.53
Accumulated depreciation											
As at April 01, 2021	-	-	335.87	485.61	459.85	202.07	90.86	407.95	4.83	195.65	2,182.69
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	-	-	-
Add: depreciation charge for the period	-	-	22.35	68.32	53.32	23.24	10.05	58.46	0.02	14.43	250.19
Add: impairment losses for the period*	-	-	-	1.55	0.89	0.12	0.51	0.53	-	-	3.60
Add: foreign currency translation reserve	-	-	0.11	-	0.02	0.05	-	0.04	-	0.08	0.30
Less: on disposals/ adjustments during the period**	-	-	-	23.31	17.16	2.30	3.10	8.94	-	0.78	55.59
As at September 30, 2021	-	-	358.33	532.17	496.92	223.18	98.32	458.04	4.85	209.38	2,381.19
Net carrying value											
As at September 30, 2021	546.09	-	878.78	424.07	615.73	109.35	125.96	682.89	0.04	47.43	3,430.34

Notes:

1. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment as per the details given below:

Particulars	Freehold land	Leasehold land	Building	Leasehold improvements	Furniture and fixtures	Office equipments	Air conditioner and cooling equipments	Electrical installation and equipments	Vehicles	Computers	Total tangible assets
Gross carrying value	108.45	152.15	1,148.80	432.36	632.16	109.65	133.93	336.74	3.77	136.57	3,194.58
Accumulated depreciation	-	-	125.38	206.81	201.86	61.21	49.94	102.23	2.98	111.32	861.73
Net carrying value	108.45	152.15	1,023.42	225.55	430.30	48.44	83.99	234.51	0.79	25.25	2,332.85

2. Capital work-in-progress includes:

Particulars	Development of visual merchandising and display prototype in progress	Construction/ development of stores	Building/ factory under construction	Plant and machinery under erection and other incidental expenses pending capitalisation	Depreciation not charged to statement of profit and loss	Total
	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021	As at September 30, 2021
As at the beginning of the year	0.70	301.44	-	0.07	0.01	302.22
Add: additions made during the period	1.11	-	-	0.03	-	1.14
Less: capitalisation/ disposals/ adjustments during the period/year	-	20.29	-	0.03	-	20.32
As at the end of the period	1.81	281.15	-	0.07	0.01	283.04

For Capital-work-in progress, the ageing schedule is as given below:

Particulars	As at September 30, 2021
Projects in progress:	
Less than 1 year	1.87
1-2 years	0.01
2-3 years	0.02
More than 3 years	281.14
Total	283.04

For Capital-work-in progress whose completion is overdue, the completion ageing schedule is as given below:

Particulars	As at September 30, 2021
Projects in progress:	
Less than 1 year	281.14
1-2 years	-
2-3 years	-
More than 3 years	-
Total	281.14



3A. Property, plant and equipment and capital work-in-progress

3. Capital work-in-progress includes a property owned by the Holding Company located in a society registered in terms of the provisions of Maharashtra Co-operative Societies Act, 1960, being a member of the said society. The said property had been vacated by the Holding Company and handed over to developer as per the redevelopment agreement entered into. In terms of the said re-development agreement, the developer shall hand over the reconstructed premises, i.e., the residential apartments/ commercial units, to the respective existing members (including Holding Company) and the society, within a certain agreed period of time. Further, in terms of the said re-development agreement, the Holding Company had received a lump-sum upright fee towards development right of ₹ 7.79 million and entitlement to receive a monthly compensation for arranging alternate accommodation w.e.f. 1st August, 2014 till the handover of reconstructed premises. The written down value amounting to ₹ 13.26 million as on July 31, 2014 was transferred from Building to Capital-work-progress. Further, on the date of transition to Ind AS, the Holding Company, based on the report by a Certified Valuer, had revalued the said property by adopting appropriate method, on April 01, 2016 at ₹ 281.14 million. The same had resulted in an increase in the value of Capital work-in-progress of an amount of ₹ 267.88 million, an equivalent amount had been credited to the Retained Earnings. Basis evaluation of current market price of similar property in the same locality no impairment/ write down is expected.

4. All immovable properties are held in the erstwhile name of the Holding Company i.e., "Fabindia Overseas Private Limited". However, the Management in due course will get these registered in its new name.

***Provision for impairment loss on property, plant and equipments**

Fabcafe Foods Private Limited, Indian Subsidiary Company, has recognised an impairment loss of ₹ 15.46 million relating to leasehold improvements and of ₹ 3.36 million relating to electrical installations in respect to some cafes which have been closed during the period as Management is doubtful of recovery of the carrying amount of the said assets. The Management has estimated the recoverable amount as "Nil" considering these will be demolished/ discarded at the time of handover of the cafes.

**The Holding Company previously presented Land & Building as a single line item under the line item "Building". As land and building are two separately identifiable assets, on April 01, 2020, the Holding Company presented the Gross block and accumulated depreciation of Land separately from Building with net impact taken to other miscellaneous income under other income in the Statement of Profit and Loss.



3B. Right-of-use Asset

Particulars	Leasehold land	Leasehold vehicles	Leasehold stores	Total rights-of-use assets
Gross carrying value				
As at April 01, 2021	224.99	-	6,753.89	6,978.88
Add: additions made during the period	-	2.65	1,258.37	1,261.02
Add: foreign currency translation reserve	-	-	0.48	0.48
Less: disposals/ adjustments during the period	-	-	556.57	556.57
As at September 30, 2021	224.99	2.65	7,456.17	7,683.81
Accumulated depreciation				
As at April 01, 2021	8.60	-	1,994.56	2,003.16
Add: depreciation charge for the period	1.44	0.22	616.36	618.02
Add: foreign currency translation reserve	-	-	0.07	0.07
Less: disposals/ adjustments during the period	-	-	374.49	374.49
As at September 30, 2021	10.04	0.22	2,236.50	2,246.76
Net carrying value				
As at September 30, 2021	214.95	2.43	5,219.67	5,437.05

Notes:

1.The leasehold land represents the land taken under finance lease from Delhi Development Authority on July 07, 1992 for a period of 99 years and land acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for a period of 90 years. Revalued amount of leasehold land had been taken as deemed cost as on April 01, 2016. The same are being depreciated over the balance period of life with effect from April 01, 2016.

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

3. Ind AS 116 Leases:

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

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and for leases with variable rentals.

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standard only to contracts that were previously identified as leases under Ind AS 17.

(e) Applied the practical expedient by considering the sub lease which covers the substantial period of time of original lease term as Finance Leases.

(f) Applied the practical expedient by not considering rent concessions occurring as a direct consequence of the Covid-19 pandemic that meets the conditions in paragraph 46B of Ind AS - 116 as lease modifications. The amount of ₹ 183.23 million (net of rent concessions given for sub lease)has been recognised in the Statement of Profit and Loss to reflect the change in lease payments for the reporting period that arise for the said rent concessions.

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

(ii) The following is the carrying value of lease liability on the date of transition and movement thereof during the period ended September 30, 2021 :

Particulars	Amount
As at April 01, 2021	5,184.77
Add: Adjustment on account of restatement of Ind AS 116	-
Restated Balance as at April 01, 2021	5,184.77
Additions during the period	1,222.99
Finance cost accrued during the year	223.58
Deletions	(219.64)
Foreign currency translation reserve	0.32
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(185.76)
Payment of lease liabilities	(501.73)
Balance as at September 30, 2021	5,724.54



3B. Right-of-use Asset

(iii) The following is the carrying value of lease receivables on the date of transition and movement thereof during the period ended September 30, 2021:

Particulars	Amount
As at April 01, 2021	50.33
Add: Adjustment on account of restatement of Ind AS 116	-
Restated Balance as at April 01, 2021	50.33
Additions during the period	6.39
Interest income accrued during the period	2.02
Gain on right-of-use Assets (net)	0.39
Deletions	(2.49)
Reversal of lease receivables on sub-leases (on account of rent concessions due to COVID-19)	(2.54)
Receipts of lease rentals	(1.99)
Balance as at September 30, 2021	52.11

(iv) The weighted average incremental borrowing rate applied to lease liabilities is 8.0% p.a.

(v) Rental expense recognised under note no. 37 is as follows:

	(₹ In million)
	For the period April 01, 2021 to September 30, 2021
Short-term leases	97.27
Leases with variable rent	16.02

(vi) The Group 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.



3C. Intangible assets and intangible assets under development

(₹ In million)

Particulars	Goodwill on consolidation	Brand value, formulas and other intangible rights/ information	Product formulations	Computer software	Brand name/ trade marks	Total intangible assets (other than goodwill on consolidation)	Development of modules for business operation softwares	Expenses of application for registrations of brand name/ trademarks/ patents	Total intangible assets under development
Gross carrying value									
As at April 01, 2021	594.97	5,250.00	12.11	366.52	188.15	5,816.78	3.19	6.92	10.10
Add: additions made during the period	-	-	-	19.24	-	19.24	40.48	1.33	41.81
Add: foreign currency translation reserve	6.66	-	-	0.24	1.63	1.87	0.06	-	0.06
Less: disposals/ adjustments during the period	-	-	-	0.23	-	0.23	-	-	-
As at September 30, 2021	601.63	5,250.00	12.11	385.77	189.78	5,837.66	43.73	8.25	51.97
Accumulated amortization									
As at April 01, 2021	-	831.25	-	311.59	96.55	1,239.41	-	-	-
Add: amortization charge for the period	-	87.50	-	13.64	6.53	107.67	-	-	-
Add: foreign currency translation reserve	-	-	-	0.17	0.54	0.71	-	-	-
Less: disposals/ adjustments during the period	-	-	-	0.23	-	0.23	-	-	-
As at September 30, 2021	-	918.75	-	325.17	103.62	1,347.56	-	-	-
Net carrying value									
As at September 30, 2021	601.63	4,331.25	12.11	60.60	86.16	4,490.10	43.73	8.25	51.97

Notes:

1. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at April 01, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Intangible Assets as per the details given below:

Particulars	Goodwill on consolidation	Brand value, formulas and other intangible rights/ information	Product formulations	Computer software	Brand name/ trade marks	Total intangible assets (other than goodwill on consolidation)
Gross carrying value	104.72	-	-	248.21	124.06	372.27
Accumulated amortization	98.70	-	-	166.93	58.01	224.94
Net carrying value	6.02	-	-	81.28	66.05	147.33

2. For intangible assets under development, the ageing schedule is as given below:

Particulars	As at September 30, 2021
Projects in progress:	
Less than 1 year	44.28
1-2 years	-
2-3 years	1.01
More than 3 years	6.68
Total	51.97

There are no projects as on each reporting period where activity has been suspended. Also there are no projects as on each reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

3. Goodwill on consolidation represents:

	As at September 30, 2021
- on acquisition of 50.01% shares of Biome Life Sciences India Private Limited by Fabindia Overseas Private Limited	0.28
- on acquisition of 100% shares of Organic India USA LLC by Organic India Private Limited	333.43
- on acquisition of 50.01% shares of Clean Program Corp. by Organic India USA LLC.	241.47
- on acquisition of 100% shares of Indigo Origins Pte. Limited by Fabindia International Pte. Limited, Singapore	6.71
- on acquisition of additional shares of Organic India Private Limited	19.74
	601.63



16 Equity share capital

	As at September 30, 2021	
	No. of shares	Amount
Authorised share capital		
Equity shares of ₹ 1/- each	150,000,000	150.00
	150,000,000	150.00
Issued, subscribed and paid up		
Equity shares of ₹ 1/- each	147,779,475	147.78
	147,779,475	147.78

*Shareholders approved vide Extra-ordinary general meeting dated June 8, 2021, sub-division of the authorised share capital consisting of 15,000,000 equity shares of the Holding Company having face value of ₹ 10 each has been sub-divided into 150,000,000 equity shares of face value of ₹ 1 each w.e.f., June 8, 2021, without altering the aggregate amount of the same.
Further, the issued, subscribed and paid-up share capital consisting of 14,736,378 equity shares of the Holding Company having face value of ₹ 10 each shall stand sub-divided into 147,363,780 equity shares having face value of ₹ 1 each w.e.f., June 8, 2021 without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Holding Company.

a) Terms/ rights attached to Equity Shares

The Holding Company has only one class of equity shares having a par value of ₹ 1/- 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 Holding Company declares and pays dividend after obtaining shareholders approval. The Holding Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Holding Company, the equity shareholders are eligible to receive the remaining assets of the Holding Company, after distribution of all preferential amounts, in proportion to their shareholding.

b) (i) The details of shareholders holding more than 5% shares as at September 30, 2021 is set out below:

Name of shareholder	As at September 30, 2021	
	Shares held (nos.)	Shares held (%)
Equity shares of ₹ 1/- each fully paid up		
William Nanda Bissell	23,001,400	15.56%
JLB Partners Holding Inc., USA	32,438,160	21.95%
Pf Opportunities Fund - I	30,106,560	20.37%
Madhukar Khera	8,875,080	6.01%
Bimla Nanda Bissell	12,215,420	8.27%

As per records of the Holding 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.

(ii) The details of shareholding of promoters as at September 30, 2021 is set out below:

Name of promoter shareholder	As at September 30, 2021		
	Shares held (nos.)	Shares held (%)	% change during the year
Equity shares of ₹ 1/- each fully paid up			
JLB Partners Holding Inc.	32,438,160	21.95%	0.00%
William Nanda Bissell	23,001,400	15.56%	0.00%
Monsoon Latane Bissell	2,733,000	1.85%	0.00%
Bimla Nanda Bissell	12,215,420	8.27%	0.00%
Anjali Kapoor Bissell	1,377,420	0.93%	0.00%
Sara Kamla Bissell N/G William Nanda Bissell	130,200	0.09%	0.00%
Master John Varun Bissell N/G William Nanda Bissell	19,200	0.01%	0.00%
Vijai Kumar Kapoor	61,260	0.04%	0.00%
Mini Kapoor	144,000	0.10%	0.00%
Nikhil Khera	336,360	0.23%	0.00%
Madhukar Khera	8,875,080	6.01%	0.00%

c) The reconciliation of the number of shares outstanding and amount as at September 30, 2021 is set out below:

Particulars	As at September 30, 2021	
	No. of shares	Amount
Equity shares of ₹ 1/- each fully paid up		
Number of shares in the beginning	14,736,378	147.36
Add: Equity Shares arising on share split from ₹ 10 to ₹ 1 per share*	132,627,402	-
Add: shares issued during the period/year**	415,695	0.42
Add: bonus shares issued during the period/year	-	-
Number of shares at the end	147,779,475	147.78

*The issued, subscribed and paid-up share capital consisting of 14,736,378 equity shares of the Holding Company having face value of ₹ 10 each shall stand sub-divided into 147,363,780 equity shares having face value of ₹ 1 each w.e.f., June 8, 2021 without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Holding Company.

** During the period ended September 30, 2021, the Holding Company has issued and allotted 4,15,695 equity shares of nominal value of ₹ 1/- each at a premium of ₹ 81.28/- per equity share to employees through FOPL Employees Benefit Trust pursuant to FABINDIA LIMITED ESPS. Out of the said allotted equity shares, 36,000 equity shares held by FOPL Employees Benefit Trust as on September 30, 2021 for issuance to employees of the Holding Company under FABINDIA LIMITED ESPS have been treated as treasury shares and shown under other equity. (Refer Note 48(a)).

d) Shares reserved for issue under FABINDIA LIMITED Employee Share Purchase Scheme (ESPS) 2021 (FABINDIA LIMITED ESPS) (formerly known as Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021 (FOPL ESPS))

Refer note no. 48 (a) and 48 (b) in respect of details of shares reserved for issue under the above schemes.

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4 Non-current investments	As at September 30, 2021
Investments measured at cost (except otherwise stated)	
Investment in equity instruments (fully paid up)	
Unquoted	
Investment in Associate Companies	
201,135 Equity Shares of ₹ 10/- each of Rangsutra Crafts India Limited	6.76
20,130 Equity Shares of ₹ 100/- each of Orissa Artisans and Weavers Limited	2.01
1,529,546 Equity Shares of GBP 1 each of East Lifestyle Limited, United Kingdom**	142.52
45 Equity Shares of Euro 313.50 each of Fabindia S.r.l, Italy	0.62
147 Equity Shares of Dirham 1,000/- each of Weavers India General Trading, LLC, Dubai#	1.82
2,328 Equity shares of ₹ 10/- each fully paid up of Nutriwel Health (India) Private Limited	1.39
Total investments measured at Cost	155.12
Less: share of accumulated (Loss) of associate companies	(116.42)
Less: share of accumulated other comprehensive (loss) of associate companies	(0.13)
Less: dividend received from associate companies	(4.09)
Total investments measured at Cost	34.48
Investments measured at fair value through profit or loss	
Investment in equity instruments (fully paid up)	
Unquoted	
2,500 Shares of ₹ 10/- each of the Saraswat Cooperative Bank Limited	0.03
20 Shares (March 31, 2021: 20, March 31, 2020: 20, March 31, 2019: 20) of ₹ 50/- each of the Noble House Co-operative Housing Society Limited	-
Investment in debentures	
Investment in associate companies	
9% 11,908,623 Optional Convertible Debentures of ₹ 10/- each of Nutriwel Health (India)	200.42
Total investments measured at fair value through profit or loss	200.45
Add: share of accumulated (Loss) of associate companies	(10.09)
Add: share of other comprehensive (loss) of associate companies	(0.02)
Total investments measured at fair value through profit or loss	190.34
Investments measured at amortised Cost	
Investment in others	
6% 5,687,538 Optionally Convertible Debentures of Rs 10 each of Composite Interceptive Med-Science Laboratories Private Limited	45.42
Total investments measured at amortised Cost	45.42
Less: Impairment in value of investments	(50.76)
Total non-current investments	219.48
Aggregate amount of unquoted investments	235.76
Aggregate amount of impairment in the value of investments	50.76

Particulars	As at September 30, 2021
Category-wise non-current investments (excluding impairment)	
Financial assets carried at amortized cost	45.42
Financial assets measured at cost	-
Financial assets measured at fair value through other comprehensive income	-
Financial assets measured at fair value through profit or loss	190.34
Total non-current investment	235.76

**East Lifestyle is under winding up process through administration and have not been consolidated and have been fully impaired.
held in the name of a nominee

5 Non-current loans	As at September 30, 2021
(Secured, considered good unless otherwise stated)	
Loans*	8.67
(Unsecured, considered good unless otherwise stated) Carried at amortized cost	
Loan to employees	78.59
	87.26
*Includes due from Related Parties (refer Note 42):	
- Sunil Chauhan (The loan is pledged against 25,000 equity shares)	8.67

6 Other non-current financial assets	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Security deposits	493.59
Deposits with original maturity of more than twelve months*	14.23
Interest accrued on loans and deposits	0.05
Options recoverable	0.77
Lease receivables	45.78
	554.42
* under lien against bank guarantees and forward contracts with banks	14.23

Refer Note No. 39 for detailed disclosure on fair value of financial assets carried at Amortized cost.

7 Income tax assets (net)	As at September 30, 2021
Balance at the beginning	311.30
Less: current tax payable for the period	(26.30)
Add: taxes paid (net of refund received)	65.47
Add: earlier years taxes	-
Advance income tax (net of provision of tax)	350.47



8 Other non-current assets

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Capital advances	90.52
Lease equalization asset	3.23
ESPS deferred payments	127.35
Other prepaid expenses	16.70
	237.80

9 Inventories

	As at September 30, 2021
Finished goods (at lower of cost or net realisable value)	
Manufactured	3,228.86
Traded	186.03
Raw material (at cost)	668.45
Packing material	91.42
Work-in-progress	112.12
Consumables and promotional items	14.59
Provisions and beverages	10.45
Crockery and cutlery	7.15
Stock-in-transit	
Finished goods - manufactured (at lower of cost or net realisable value)	405.47
Raw material and packaging (at cost)	-
	4,724.54
Less: provision for slow and non-moving inventory	(404.98)
Total inventories	4,319.56

- As per inventory taken, valued and certified by the Management.

10 Trade receivables

	As at September 30, 2021
Unsecured	
Considered good	880.68
Having significant increase in credit risk	56.34
Trade receivables - credit impaired	-
	937.02
Less: allowance for credit losses	(56.34)
	880.68
Includes due from related parties (refer Note 42):	
Weavers India General Trading LLC, Dubai - an associate company	4.06
M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	1.20
M/s LEV True Wellness Private Limited	25.65
M/s Organic India Farmers Producer Co.Limited	0.01
Nutriwel Health India Private Limited	5.16
Total trade receivables from related parties	36.08
*Less: allowance for credit losses	-
Net trade receivables from related parties	36.08

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 Group's trade receivables have been assessed for indications of impairment. Certain trade receivables were found to be impaired and an allowance of credit losses of ₹ 56.34 million has been recorded.

For trade receivables outstanding, the ageing schedule is as given below:

As at September 30, 2021

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	743.16	110.51	20.33	0.22	6.46	880.68
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	40.08	11.44	3.32	0.69	0.81	56.34
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

11 Cash and cash equivalents

	As at September 30, 2021
Balances with banks	
In current accounts	468.14
In deposits with original maturity upto three months*	583.91
Cheque in hand	0.06
Cash on hand	20.33
	1,072.44
* under lien against bank guarantees and forward contracts with banks	53.05

12 Bank balances other than cash and cash equivalents

	As at September 30, 2021
Deposits with original maturity of more than three months but less than twelve months*	101.83
Earmarked balances with banks	
Unpaid dividend	0.06
	101.89
* under lien against bank guarantees, letter of credits and forward contracts with banks	101.23



13 Current loans

	As at September 30, 2021
Secured (Considered good)	
Loans*	0.33
Unsecured (Considered good)	
Loan to employees	26.11
Accrued interest on loan*	0.15
Other Loans	6.55
	33.14
*Includes due from related parties (refer Note 42):	
Sunil Chauhan	0.49

* The loan is pledged against 25,000 equity shares

14 Other current financial assets

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Security deposits	132.30
Interest accrued on loans and deposits*	2.35
Options recoverable	11.60
Lease receivables	6.33
Other Receivables*	1.58
Having significant increase in credit risk	
Other Receivables	30.03
Less: allowance for doubtful advances	(30.03)
	154.16
* Includes Due from related parties (refer Note 42):	
Mukesh Kumar Chauhan, Director	0.68
Viney Singh, Managing Director	0.15
*Includes due from employees	1.26

15 Other current assets

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
ESPS deferred payments	69.50
Other prepaid expenses	107.74
Advance to supplier*	
- Considered good	123.36
- Considered doubtful	2.07
- Having Significant increase in credit risk	-
Advance sales tax	8.47
Goods and services tax (GST) input credit	455.52
Recoverable from government authorities	24.08
Duty drawback receivable	1.50
MEIS scrips receivable	37.89
Other advances**	
- Considered good	112.26
- Considered doubtful	0.39
	942.78
Less: allowance for doubtful advances	(2.46)
	940.32
*Includes Due from associate companies (refer Note 42):	
Rangsutra Crafts India Limited	0.01
Orissa Artisans And Weavers Limited	0.45
**Includes GST unavailed balances	67.16



17 Other equity

	As at September 30, 2021
Summary of other equity balance	
Reserves and surplus	
Capital reserve	(1,823.91)
General reserve	3,071.00
Securities premium	2,190.57
Treasury Shares	(0.04)
Export profits reserve	6.72
Stock Option outstanding account	37.89
Retained earnings	1,576.84
Other comprehensive income	
Foreign currency translation reserve	42.14
Remeasurements of the net defined benefit plans (net of tax)	(45.81)
Non-controlling interest	2,174.28
	7,229.68

Nature and purpose of reserves:

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

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

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

d) Treasury Shares
Treasury shares held by FOPL Employees Benefit Trust (acting as an agent of the Holding Company) for issuance to eployees of the company under FABINDIA LIMITED Employee Share Purchase Scheme (ESPS) 2021 (formerly known as Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021 (" FOPL ESPS")).

e) Exports profit reserve
This represents the reserve created as per the requirements of Income Tax Act, 1961.

f) Stock option outstanding account
Stock option outstanding account consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognized in the Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. Upon exercise of options, such account is recognized to security premium reserve or general reserve as the case may be.

g) Retained earnings
Retained earnings are the profits that the Group has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders.

h) Foreign currency translation reserve
Exchange differences arising on translation of assets, liabilities, incomes and expenses of the Group's foreign subsidiaries are recognized in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognized are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

i) Remeasurements of net defined benefit plans
Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.



18 Non-current financial liabilities - borrowings

	As at September 30, 2021
Secured	
From banks:	
Citi Bank NA	777.53
Standard Chartered Bank	422.46
HDFC Bank	445.24
Unsecured	
Loans from related parties:	
OI (US) Holdings LLC	126.04
Less: adjustment for processing and other charges	(6.83)
	1,764.44
Less: current maturity of long-term debt (refer note no. 24)	(722.99)
	1,041.45

*(i) Details of term loans for Fabindia Overseas Private Limited ("FOPL"), the Holding Company are as follows:

Particulars	Purpose and terms of repayment	Securities provided	Rate of interest	Maturity amount (net of processing charges)		
				Upto 1 year	1-5 years	Total
CITI Bank N.A.	(a) Purpose: for reimbursement of Capex done over last two years i.e financial year 2018-19 and 2019-20 or capex proposed in financial year 2020-21. (b) Repayable in 12 equal quarterly instalments of ₹ 43.33 mn each commencing from October 2021 and ending July 2024. (c) Prepayment charges: No prepayment allowed for first 12 months. Thereafter, Nil prepayment penalty subject to the Company giving a prior 15 days notice to Bank. (d) Penal Charge: 4% over and above the agreed rate of interest.	(a) Exclusive charge on Company owned stores located at: -54, II Block, Corporation Division, No. 66-A, Koramangala, Bangalore, and -Shop NO. 2, Navroze Apartment 66, Pali Hill, Bandra (W), Mumbai (maintaining a Fixed Asset Cover Ratio of 1.1x)	7.85% p.a. (Linked to 3 Month Tbill + Applicable Spread)	173.33	346.67	520.00
Standard Chartered Bank	(a) Purpose: For financing cash flow mismatches, capital expenditure and reimbursement of transaction expenses like fee etc. (b) Repayable in 11 equal quarterly instalments of ₹ 36.36 mn each commencing from August 2021 and ending February 2024. (c) Prepayment Charges: 2% on the amount prepaid provided that the Bank receives notice of such prepayment at two banking days prior to the date of proposed prepayment.	Exclusive charge over immovable fixed assets located at following locations with 1.1x cover: -18th Road, Khar West, Bandra, Mumbai Maharashtra, and -Sakar 10-building, opposite Jehangir Nursing Home, Sassoon Road, Pune.	8.25% p.a (Upto 15th November 2020) 8.10% p.a (w.e.f 16th November 2020)	145.44	218.20	363.64
HDFC Bank	(a) Purpose: For reimbursement of Capex done over last two years or capex proposed in financial year 2020-21 and thereafter. (b) Repayable in 42 equal monthly instalments of ₹ 13.10 mn each commencing from February 2021 and ending July 2024. (c) Prepayment Charges: 2% plus applicable taxes. (d) Penal Charge: 2% over and above the agreed rate of interest.	(a) Exclusive charge on Company owned stores located at: -Plot No. 9, LSC in Sector B-7, Vasant Kunj, New Delhi, -Plot No. 10, LSC in Sector B-7, Vasant Kunj, New Delhi, and -Property No. 3-4, Huda Sector 15-II, Gurugram	8.05% (1 Year MCLR + 0.60%) - Annual Reset	157.14	288.10	445.24

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(ii) Details of Term Loans for Organic India Private Limited ("OIPL"), the Indian Subsidiary Company are as follows:

Particulars	Purpose and terms of repayment	Securities provided	Rate of interest	Maturity amount (net of processing charges)		
				Upto 1 year	1-5 years	Total
CITI Bank N.A	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during financial year 2017-2018. (b) Repayable in 16 equal quarterly instalments of USD 537,109 each commencing from November 2018 and ending August 2022.	(a) First Pari passu charge on entire movable fixed assets of OIPL (Present and future) (b) First Pari passu charge on entire immovable fixed assets of OIPL (Present and future)	2.9% p.a. including hedging of Libor.	157.33	78.66	235.99
Standard Chartered Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during financial year 2017-2018. (b) Repayable in 17 equal quarterly instalments of ₹ 11.76 million each commencing from October 2018 and ending January 2022.	(a) first pari passu charge by way of equitable mortgage over factory land & building situated at Agro Park, UPSIDC Near Kursi Road Barabanki. (b) over entire movable fixed assets of OIPL along with those created at new plant. (c) first pari passu charge by way of equitable mortgage over land and building at Plot no 266, Faizabad road, Kamta, Post Chinhat, Lucknow - 227105	The loan carry interest rate of 6.1% per annum. The Company has further entered in to a cross currency swap agreement with the bank and converted its loan to a equivalent foreign currency loan with interest rate @ 2.9% on the outstanding foreign currency amount.	47.06	35.29	82.35
OI (US) Holdings LLC	(a) Purpose: For meeting working capital requirements. (b) Repayable at the end of five years from the date on which loan was taken i.e. 27th March 2015 which have been further extended by five years in March 2020.	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.	-	126.04	126.04

The holding company has been regular in payment of principal and interest as stipulated in respect of the above mentioned loans and has registered the charges with the Registrar of Companies, within the stipulated period prescribed under the Companies Act,2013.

(iii) Details of Term Loans for Fabcafe Foods Private Limited, the Indian Subsidiary Company are as follows:

Particulars	Purpose and terms of repayment	Securities provided	Rate of interest	Maturity amount (net of processing charges)		
				Upto 1 year	1-5 years	Total
CITI Bank N.A	(a) Purpose: for financing Capital Expansion Requirement of the Company for a period of 5 years including moratorium of 15 months commencing from March 2019. (b) The loan is repayable in 45 equal monthly principal instalments commencing from 16th month i.e July 2020.	(a) Exclusive charges on present and future current assets and movable fixed assets (property, plant and equipment) of the Borrower (b) Corporate guarantees of Fabindia Limited (formerly known as Fabindia Overseas Private Limited) (c) Demand promissory note and letter of continuity	6.30% p.a. to 8.90% p.a. (previous year 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.	40.72	57.51	98.23

19 Non-current financial liabilities - lease liabilities

	As at September 30, 2021
Lease liabilities	4,701.17
	4,701.17

20 Other non-current financial liabilities

(Unsecured, considered good unless otherwise stated)	As at September 30, 2021
Security deposits received	44.05
Forward contracts/ options and swap payables	9.07
	53.12

21 Non-current provisions

	As at September 30, 2021
Provision for employee benefits	
- Gratuity	15.57
- Leave encashment	21.09
Provision for Rent Equalization	(0.01)
Provision for asset retirement obligation	48.88
Loyalty programme obligation*	122.56
	208.09



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

Movement in provision asset retirement obligation during the period:	
Balance at the beginning	46.93
Provision during the period	5.01
Addition on account of OIPL	-
Amounts utilized/ written back during the period	(3.06)
Amounts reclassified as liabilities directly related with discontinued operations	-
Balance at the end	48.88
***Movement of loyalty programme obligation**	
Balance at the beginning	166.93
Addition during the period	-
Amounts utilized/ written back during the period	(44.37)
Balance at the end	122.56
Movement in Provision for Rent Equalisation during the period:	
Balance at the beginning	-
Addition during the period	(0.01)
Amounts utilized/ written back during the period	-
Balance at the end	(0.01)

22 **Deferred tax liabilities (net)**

	Increase/ (decrease)	As at September 30, 2021
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment, ROU and intangible assets	68.96	2,541.26
Lease receivables as per Ind AS 116	(52.68)	29.42
Exchange difference on translation of foreign operations*	(18.06)	-
Deferred tax assets		
Provision for employee benefits*	(15.51)	(37.64)
Provision for doubtful debts/ advances	(0.21)	(21.54)
Lease Liabilities as per Ind AS 116	(84.58)	(1,453.19)
Carried forward business losses and depreciation	(86.36)	(328.06)
Impairment loss in value of investment	12.42	(397.41)
Provision for slow and non-moving inventory	(23.73)	(101.85)
Fair value change in derivative instruments	3.14	0.17
Stock reserve on inter-group sales	(20.72)	(54.31)
Provision for Rent Equalization	(0.01)	(0.01)
Other timing differences	(25.74)	(122.02)
	(243.08)	54.82
Less: asset disposed on sale of subsidiary	(0.36)	-
Total deferred tax assets associated with continuing operations	(243.44)	54.82

* Impact has been taken to other comprehensive income.
Also refer note no. 38

23 **Other non-current liabilities**

	As at September 30, 2021
Rent received in advance	1.23
	1.23

24 **Short-term borrowings**

	As at September 30, 2021
Secured	
Current maturity of long-term debt (refer note no. 18)	722.99
Working capital demand loan (WCDL) from:	
Kotak Mahindra Bank	590.00
Hong Kong and Shanghai Banking Corporation Limited	150.00
Axis Bank	285.03
Citibank, N.A.	399.50
Standard Chartered Bank	150.00
HDFC Bank	882.94
9.25 % 25,000 Non Convertible Debentures of ₹ 100,000 each ^	2,500.00
Secured	
Bank overdraft from:	
Standard Chartered Bank	83.17
Packing credit foreign currency (PCFC)	
Citibank	84.83
Cash credit	
Citibank	185.36
	6,033.82



The Holding Company has the following credit facilities taken from various banks :
a) Maximum borrowing sanctioned limits in respect of all facilities from Banks:

	As at September 30, 2021
Carrying interest rate range	4.90% to 13.95% p.a.
Standard Chartered Bank	500.00
Kotak Mahindra Bank	700.00
Hong Kong and Shanghai Banking Corporation Limited	750.00
Citibank, N.A	1,100.00
HDFC Bank	830.00

b) Nature of security provided to said banks:
First charge on pari passu basis on all present and future inventories and book debts of the Holding Company.

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

d) The Holding Company has not defaulted on repayment of above loans/credit facilities and interest during the period.

^ The broad terms and conditions of 9.25 % Non Convertible Debentures are as follows:

Particulars	Purpose and terms of repayment	Securities provided	Rate of interest	Upto 1 year	1-5 years	Total
Azim Premji Trust represented by its trustee Azim Premji Trust Services Private Limited	(a) Purpose: For general corporate purposes, capital expenditure and operating expenses of the business. (b) Repayment terms: Repayable on the expiry of one year from the deemed date of the allotment. (c) Prepayment charges: No prepayment allowed for first 9 months. Thereafter, Nil prepayment penalty subject to the Company giving a prior 7 days notice to the debenture holder after 9 months. (d) Penal Charge: 2% over and above the agreed rate of interest. (e) Nature: Secured, Unlisted, Unrated, Redeemable debentures. (f) Date of issue: September 09, 2021.	(i) First ranking exclusive pledge over 10,627,432 fully paid-up, unencumbered equity shares of Organic India Private Limited owned by the Company, in favour of the debenture trustee (acting for the benefit of the Debenture holder) ("Security") pursuant to an unattested deed of pledge dated September 06, 2021 executed between the Company and Vistra ITCL (India) Limited in relation thereto ("Deed of Pledge"). (ii) Two post dated cheques (dated 9 months and 12 months from the deemed date of allotment for ₹250 million each (iii) First ranking pari passu pledge over 50,31,092 equity shares of Fabindia Limited, owned by Mr. William Nanda Bissell, as an interim security for a period upto three months i.e. till the date Organic India Private Limited becomes a party to the Deed of Pledge	(i) 9.25% p.a. (ii) Coupon payment : December 09, 2021 ,March 09, 2022 ,June 09, 2022 and September 09, 2022 or earlier, if any.	2,500.00		2,500.00

The details of credit facilities taken by Organic India Private Limited (OIPL), Indian Subsidiary Company and Organic India USA, LLC, Step Down Subsidiary Company are as follows:
a) Axis Bank:
OIPL had been sanctioned secured cash credit, working capital demand loan and export credit limits (pre shipment and post shipment) from Axis Bank Ltd amounting to ₹ 300.00 million during the year for financing the short term working capital requirements. The said facilities are secured by first pari-passu charge on present and future current assets of the OIPL and second pari-passu charge on fixed assets (movable and immovable) of the OIPL. The interest rate for the said facilities is as below:
a. Pre shipment credit - 3 Month MCLR + 0.25% p.a.
b. Post shipment credit - 3 Month MCLR + 0.25% p.a.
c. WCDL - 3 Month MCLR + 0.05% p.a
d. Cash Credit - 3 Month MCLR + 0.85% p.a
The OIPL has been regular in payment of principal and interest as stipulated.

b) Citibank N.A.:
OIPL has been sanctioned secured cash credit, working capital demand loan and packing credit facilities from Citibank N.A. for financing short term working capital requirements amounting to ₹ 200.00 million. The said facilities are secured against first pari-passu charge on present and future stocks and book debts of the OIPL and second pari-passu charge on fixed assets (movable and immovable) of the OIPL. The interest rate for the said facilities is as below:
a. Packing credit - Libor + 90bps
b. WCDL - 313 bps per annum
The OIPL has been regular in payment of principal and interest as stipulated.

Organic India USA LLC has been sanctioned secured Line of credit from Citibank N.A. for financing short term working capital requirements amounting to USD 3.00 million. The said credit carries an interest rate of 2% above the base rate as defined in the agreement payable quarterly and is secured against the inventory of the said Step down Subsidiary Company.

c) HDFC Bank:
OIPL has been sanctioned secured cash credit, working capital demand loan and export credit limits from HDFC Bank Limited to ₹ 150 million during the year for financing short term working capital requirements. The said facilities carry interest rate between 7.30% to 8.00% p.a. and are secured against first pari-passu charge on current assets present and future of the OIPL and second pari-passu charge on fixed assets (movable and immovable) of the OIPL.
The OIPL has been regular in payment of principal and interest as stipulated.

d) Standard Chartered Bank:
OIPL has been sanctioned secured cash credit, bank overdraft, working capital demand loan and export credit limits amounting to ₹ 50 million from Standard Chartered Bank which has been further increased to ₹ 100 million during the previous year for financing short term working capital requirements. The said facilities carry interest rate based on 1-6 Month MCLR as on the date of availment of the facility and are secured against first pari-passu charge on present and future stocks and book debts of the OIPL and second pari-passu charge on fixed assets (movable and immovable) of OIPL.
The OIPL has been regular in payment of principal and interest as stipulated.

OIPL and Organic India USA LLC have not defaulted on repayment of above loans/credit facilities and interest during the year.

The Group avails short term credit facility from banks, such loans are taken on the basis of security of certain current assets. Though the Group has filed necessary returns/statements with its bankers, it did not had a formal process of reconciliation of the returns/statements with its books of accounts since the disclosure requirements got mandated during the period effective from April 01 2021 only. The Group will start the process of quarterly reconciliation with effect from Q3 of financial year 2021-22. However, no queries have been received from the any of the bankers in respect of such returns/statements submitted during the period.

25 Current financial liabilities - lease liabilities



	As at September 30, 2021
Lease liabilities	1,023.38
	1,023.38

26 Trade payables

	As at September 30, 2021
For Goods and Services	
Total outstanding dues of micro enterprises and small enterprises (refer note no. 50)	614.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,305.69
	1,919.80

For trade payables outstanding, the ageing schedule is as given below:

As at September 30, 2021

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Unbilled due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	408.03	206.08	-	-	-	614.11
(ii) Others	184.40	1,098.17	21.54	0.29	1.29	1,305.69
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - OTHERS	-	-	-	-	-	-

The Group's exposure to credit and currency risks, and loss allowance related to trade payables are disclosed in Note No. 40.

27 Other current financial liabilities

	As at September 30, 2021
Security deposits received	56.28
Payables for capital goods*	43.18
Commission payable to Directors	3.76
Interest accrued but not due	15.88
Unpaid/ unclaimed dividend	0.06
Forwards contracts/ options and swap payables	2.61
Employee related payable	168.40
Other liabilities	2.14
	292.31
* Includes amount payable to micro and small enterprises (refer note no. 50)	0.81

28 Other current liabilities

	As at September 30, 2021
Advance from customers	187.41
Statutory liabilities	109.19
Refund liabilities*	19.81
Rent received in advance	0.89
Other liabilities	51.80
	369.10
* Movement of refund liabilities	
Balance at the beginning	17.37
Add: additions during the period	11.12
Less: utilised during the period	8.69
Balance at the end	19.80

29 Current provisions

	As at September 30, 2021
Provision for employee benefits	
Gratuity*	62.08
Leave encashment*	3.53
Provision for sales returns	43.42
Provision for asset retirement obligations	4.56
Loyalty programme obligation	56.41
	170.00

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

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

Movement in provisions during the period	As at September 30, 2021
Provision for sales returns	
Balance at the beginning	3.85
Provision during the period	39.57
Amounts utilized/ written back during the period	-
Balance at the end	43.42
Provision for asset retirement obligations	
Balance at the beginning	5.79
Provision during the period	2.79
Amounts utilized/ written back during the period	(4.02)
Balance at the end	4.56
Loyalty programme obligation	
Balance at the beginning	15.46
Addition during the period	40.95
Amounts utilized/ written back during the period	-
Balance at the end	56.41
	97.36



30 Revenue from operations

	For the period April 01, 2021 to September 30, 2021
Revenue from contract with customers:	
Sale of products	5,219.00
Sale of food and beverages	88.68
	5,307.68
Other operating revenue	
Provisions/ liabilities no longer required written back**	199.38
Government grants*	18.75
Rental income relating to operations	25.33
Royalty income	0.07
Miscellaneous operating income	9.19
	252.72
	5,560.40
Disaggregation of revenue based on products:	
Bed linen	185.81
Bath linen	29.30
Table linen	151.50
Garments	2,466.86
Body care	69.58
Floor coverings	27.30
Curtain	63.05
Furniture	211.31
Organic foods	55.54
Upholstery	24.66
Herbal infusions	684.65
Ayurvedic medicines (Formulations)	537.16
Psyllium	103.76
Dehydrated fruits and vegetables	77.46
Personal care products	83.16
Food and beverages	88.68
Miscellaneous	447.90
	5,307.68
Reconciliation of revenue with contract price:	
Revenue as per contracted price	5,878.75
Adjustments:	
Discounts and sales return	524.38
Rebate for expiry	11.12
Customer loyalty programme	35.57
	571.07
Total revenue from contract with customers	5,307.68

*Refer note no. 46 for disclosure on government grants.
** Includes lease liabilities written back on account of rent concession on lease arrangements (Refer note no. 38)

31 Other income

	For the period April 01, 2021 to September 30, 2021
Interest income	
Bank deposits	19.04
Loan	0.45
Debentures	10.10
Leased Deposits measured at amortized cost	19.85
Lease receivables	1.72
Others	2.17
Gain on right-of-use assets (net)	27.30
Provision for asset retirement obligation written back	5.07
Gain arising on investments measured at FVTPL	10.23
Net gain on foreign currency transactions and translations	0.03
Loyalty Points Obligation Written Back	3.41
Other miscellaneous income	0.91
	100.28

32 Cost of materials consumed

	For the period April 01, 2021 to September 30, 2021
Raw materials consumed:	
Opening stock	745.54
Add: purchases	1,154.57
Add: Job work charges	434.96
	2,335.07
Less: closing stock	784.92
	1,550.15

33 Cost of contract manufactured goods

	For the period April 01, 2021 to September 30, 2021
Purchase of finished goods - contract manufactured*	1,571.99
Freight inwards	14.92
	1,586.91

* Includes inventory write off amounting to ₹ 28.98 million

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34 Decrease/ (increase) in inventories of finished goods and stock-in-trade

	For the period April 01, 2021 to September 30, 2021
Opening inventory	
Finished goods-manufactured	2,238.66
Finished goods-traded	144.45
Work-in-progress	134.12
Stock-in-transit	266.59
	2,783.82
Closing inventory	
Finished goods-manufactured	3,228.86
Finished goods-traded	186.03
Work-in-progress	112.12
Stock-in-transit	405.43
	3,932.44
Total (increase) in inventories of finished goods and stock-in-trade	(1,148.62)

35 Employee benefits expense

	For the period April 01, 2021 to September 30, 2021
Salaries, wages and bonus	970.48
Contribution to provident and other funds	53.58
Defined benefit plan expense (refer note no. 43)	10.60
Employee stock options compensation expense (refer note no. 48(b))	11.64
Employee share purchase scheme expense (refer note no. 48(a))	42.57
Staff welfare expense	40.47
	1,129.34

36 Finance Costs

	For the period April 01, 2021 to September 30, 2021
Interest expense	
Term loan	13.45
Loan processing charges	2.83
WCDL / Bank Overdraft	22.45
Banking facilities	108.35
Micro, small and medium enterprises	7.22
Financial liabilities measured at amortized cost	14.53
Unwinding of discount on asset retirement obligation	2.16
Unwinding of Lease liabilities	223.30
Others	2.03
	396.32

37 Other expenses

	For the period April 01, 2021 to September 30, 2021
Rent	113.29
Advertisement and publicity	104.93
Legal and professional charges	217.69
Payment to auditors*	11.50
Postage, telex and telephones	13.44
Traveling and conveyance	40.79
Consumption of crockery and cutlery	0.07
Consumable office supplies	19.18
IT support service charges	92.04
Rates and taxes	23.26
Insurance (net of recovery)	30.62
Processing expenses	2.76
Power and fuel	91.07
Repair and maintenance	
Building	4.45
Common area maintenance charges	49.77
Computers, air conditioners, machinery and other equipments	30.23
Others	24.74
Directors' sitting fee	0.17
Security and housekeeping charges	155.46
Packing, freight, clearing and forwarding	187.16
Sales promotion	312.45
Samples	33.95
Commission on sales	75.59
Loss on sale/ discard of property, plant and equipment (net)	28.54
Loss arising on derivatives measured at FVTPL	39.83
Corporate social responsibility (CSR) expenditure	1.90
Allowance for credit losses/ doubtful advances	2.06
Provision for non-moving inventory	93.94
Obsolete stock written off	1.85
Bad debts written off	0.42
Debit balances written off	2.82
Provision for impairment of investment	2.77
Testing and certification charges	18.91
Product liability	2.97
Community development expenses	0.03
Research and development expenses	0.14
Royalty paid	0.14
Fines and penalties	0.04
Loss on sale of government incentive scrips	0.11
Net loss on foreign currency transactions and translations	2.98
Bank charges	35.26
Miscellaneous expenses	23.28
	1,892.60



*Payments to auditors	
Statutory auditors	
As audit fee	10.83
Goods and services tax audit fee	0.52
For other services	
Certification and consultancy services	0.15
Total	11.50

38 Tax expense

	For the period April 01, 2021 to September 30, 2021
(a) Tax expense recognized in statement of profit and loss	
Current tax	
In respect of the current year	26.30
Total (A)	26.30
Deferred tax	
Origination and reversal of temporary differences (refer note no. 22)	(229.97)
Total (B)	(229.97)
Total (A+B)*	(203.67)
*Includes	
Tax expense attributable to continuing operations	(203.67)
(b) Amounts recognized in other comprehensive income	
The tax (charge)/credit arising on income and expenses recognized in other comprehensive income is as follows:	
On items that will not be reclassified to Statement of Profit and Loss	
Exchange difference on translation of foreign operations	0.50
Remeasurements (loss) of the defined benefit plans	(13.97)
Total	(13.47)
(c) Reconciliation of effective tax rate	
The income tax expenses for the year can be reconciled to the accounting profit as follows:	
Profit before exceptional items and tax	(720.92)
Tax using the Holding Company's domestic tax rate @ 25.168%	(185.22)
Reduction in tax rate	
Tax effect of:	
Unrecognized tax losses of associates	(0.96)
Effect of tax related to expenses not deductible for income tax	9.89
Effect of tax due to different tax rate on certain items	(0.59)
Effect of tax due to indexation	(7.46)
Effect of tax on elimination of stock reserve	(8.70)
Effect of deferred tax asset created/ not created on balances brought forward from earlier years on first time creation of deferred rax	3.24
Others (including interest)	(13.87)
Income tax recognized in Profit or Loss	(203.67)

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39 Financial instruments - fair value measurement

Financial instruments by category

Particulars	As at September 30, 2021		
	FVTPL	FVOCI	Amortized Cost
Financial assets			
Investments (non-current)	190.34	-	29.14
Loans (non-current)	-	-	87.26
Other financial assets (non-current)	0.77	-	553.65
Trade receivables (current)	-	-	880.68
Cash and cash equivalents (current)	-	-	1,072.44
Bank balances other than cash and cash equivalents (current)	-	-	101.89
Loans (current)	-	-	33.14
Other financial assets (current)	11.60	-	142.56
Total	202.71	-	2,900.76
Financial liabilities			
Lease liabilities (non-current)	-	-	4,701.17
Lease liabilities (current)	-	-	1,023.38
Borrowings (non-current)	-	-	1,041.45
Borrowings (current)	-	-	6,033.82
Trade payables (current)	-	-	1,919.80
Provision for reinstatement cost	-	-	1.91
Other financial liabilities (non-current)	20.78	-	32.34
Other financial liabilities (current)	3.42	-	288.89
Total	24.20	-	15,042.76

Financial instruments by category

Particulars	Total carrying value As at September 30, 2021
Financial assets	
Investments (non-current)	219.48
Loans (non-current)	87.26
Other financial assets (non-current)	554.42
Trade receivables (current)	880.68
Cash and cash equivalents (current)	1,072.44
Bank balances other than cash and cash equivalents (current)	101.89
Loans (current)	33.14
Other financial assets (current)	154.16
Total	3,103.47

Particulars	Total carrying value As at September 30, 2021
Financial liabilities	
Lease liabilities (non-current)	4,701.17
Lease liabilities (current)	1,023.38
Borrowings (non-current)	1,041.45
Borrowings (current)	6,033.82
Trade payables (current)	1,919.80
Provision for reinstatement cost	1.91
Other financial liabilities (non-current)	53.12
Other financial liabilities (current)	292.31
Total	15,066.96

(i) Fair value hierarchy:

Financial assets and liabilities measured at fair value as at September 30, 2021:

Particulars	Fair value measurement using			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	219.48	219.48
Total	-	-	219.48	219.48

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at September 30, 2021:

Particulars	Fair value measurement using			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	120.40	120.40
Trade receivables	-	-	880.68	880.68
Cash and cash equivalents	-	-	1,072.44	1,072.44
Bank balances other than above	-	-	101.89	101.89
Other financial assets	-	12.37	696.21	708.58
Total	-	12.37	2,871.62	2,883.99

Particulars	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Lease liabilities			5,724.55	5,724.55
Borrowings	-	-	7,075.27	7,075.27
Trade payables	-	-	1,919.80	1,919.80
Other financial liabilities	-	24.20	323.14	347.34
Total	-	24.20	15,042.76	15,066.96

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(ii) Measurement of fair values

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.
- Level 3: Unobservable inputs for the asset or liability.

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

(iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis/ net asset value method.

The fair valuation of swaps and options are based on valuations performed by an accredited external independent valuer. The valuer is a specialist in valuing these types of instruments. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The fair valuations of foreign currency option is determined based on the option pricing model (eg. Black-Scholes model), and fair valuation of cross currency swap is determined based on the present value of the estimated future cash flows taking observable inputs for the valuations.

(iv) Significant unobservable inputs:

The independent valuer has made detailed study based on standards methodology for valuation and have not taken any significant unobservable inputs for valuation of options and swaps on reporting date.

Notes:
1. Trade receivables comprise amounts receivable from the sale of goods, services, food and other beverages. 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 Group. 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 comprises of loan from banks and convertible debentures and the fair value is considered to be same as the carrying value being at market rates.
5. Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.
6. Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.
7. Borrowings comprises of loan from banks and non-convertible debentures issued and the fair value is considered to be same as the carrying value being at market rates.
8. Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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40 Financial risk management

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

Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Group 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 Group activities. The Group's Board of Directors oversees how the Management monitors compliance with Group's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Credit Risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's maximum exposure to credit risk associated with the trade and other receivables.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee/ letter of credit or security deposits.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivables from the date, credit was initially granted upto the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the Management believes that there is no further credit provision required in excess of the allowance for doubtful debts. Management has assessed the advances and other receivables for impairment and has concluded that appropriate provision has been made for the doubtful advances and balance are fully recoverable in the normal course of business.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	September 30, 2021
Trade and other receivable	1,057.42
Less: allowance for expected credit loss	(56.34)
	1,001.08

Note: The above figures does not include assets classified as held for sale for disposal group.

Movement in the allowance for impairment in respect of trade receivables	September 30, 2021
Opening Balance	596.79
Add: allowance created during the period	2.06
Less: allowance written back during the period	-
Closing Balance	598.85

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.
Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks.

(b) Liquidity Risk:

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents or another financial asset and funds available by way of committed credit facilities from banks. The Group's approach to manage liquidity is to ensure, availability of funding through an adequate amount of credit facilities to meet obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

Maturities of financial liabilities
The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Group's financial liabilities based on contractual undiscounted cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

The details of the contractual maturities of financial liabilities as of September 30, 2021 are as follows:

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Long-term borrowings	682.27	1,041.45	-	1,723.72
Short-term borrowings	5,351.55	-	-	5,351.55
Trade payables	1,919.80	-	-	1,919.80
Security deposits received	56.28	44.05	-	100.33
Forwards contracts/ options and swap payables	2.61	9.07	-	11.68
Payables for capital goods	43.18	-	-	43.18
Commission payable to Directors	3.76	-	-	3.76
Interest accrued but not due	15.88	-	-	15.88
Lease liabilities	1,023.38	3,280.85	1,420.32	5,724.55
Provision for reinstatement cost	1.91	-	-	1.91
Unpaid/ unclaimed dividend	0.06	-	-	0.06
Other Liabilities	2.14	-	-	2.14
Employee related payable	168.40	-	-	168.40
Total	9,271.22	4,375.42	1,420.32	15,066.96

(c) Market Risk:
Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The Group interest rate risks are covered by interest rate swaps. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

(d) Currency Risk
The Group operates internationally and transacts in foreign currencies and consequently the Group is exposed to foreign exchange risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group's exposure in respect of foreign currency are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Group enters in to derivative financial instruments i.e. forward foreign exchange contracts for foreign currency risk mitigation.



Exposure to Currency Risk

The amount of foreign currency exposure of financial assets and financial liabilities as at September 30, 2021 that are not hedged by a derivative instrument or otherwise is as under:

Particulars	As at September 30, 2021 (₹ in million)	As at September 30, 2021 USD	As at September 30, 2021 EURO	As at September 30, 2021 AUD	As at September 30, 2021 NZD	As at September 30, 2021 SGD	As at September 30, 2021 AED
Financial assets							
Trade receivables	211.92	1.92	0.58	0.31	0.06	-	-
Cash and cash equivalents	84.70	0.76	0.04	-	-	0.46	-
Other receivables	11.05	0.15	-	-	-	-	-
Other financial assets	6.90	-	-	-	-	0.13	-
Total	314.57	2.83	0.62	0.31	0.06	0.59	-
Financial liabilities							
Trade payables	23.69	0.03	0.06	0.19	-	0.09	0.04
Other Accruals	1.90	-	-	-	-	0.03	-
Short-term borrowings	-	-	-	-	-	-	-
Long-term borrowings	259.38	3.50	-	-	-	-	-
Lease Liabilities	42.17	-	-	-	-	0.77	-
Provision for reinstatement	1.91	-	-	-	-	0.04	-
Credit balance of trade receivables	1.90	0.03	-	-	-	-	-
Total	330.95	3.56	0.06	0.19	-	0.93	0.04
Net receivable/ (payable)	(16.38)	(0.73)	0.56	0.12	0.06	(0.34)	(0.04)

The following exchange rates have been applied during the year:

Currency	Period-end Spot Rate As at September 30, 2021
USD	74.14
EURO	85.92
AUD	53.50
NZD	51.24
SGD	54.52
AED	20.18

Sensitivity Analysis

A reasonably possible strengthening/ weakening of the Indian Rupee (INR) against US Dollars (USD), Great British Pound (GBP), EURO, United Arab Emirates Dirham (AED), Hong Kong Dollars (HKD), Australian Dollars (AUD), New Zealand (NZD), Singapore Dollar (SGD) and Malaysian Ringgit (MYR) at September 30, 2021 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

(₹ in million)

Effect in INR	Profit or Loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
September 30, 2021				
5% movement				
USD	2.72	(2.72)	2.04	(2.04)
EURO	(2.39)	2.39	(1.79)	1.79
AUD	(0.34)	0.34	(0.25)	0.25
NZD	(0.15)	0.15	(0.11)	0.11
SGD	1.29	(1.29)	0.96	(0.96)
AED	0.04	(0.04)	0.03	(0.03)
	1.17	(1.17)	0.88	(0.88)

Derivative financial instruments

The Organic India Private Limited (OIPL), the Indian Subsidiary Company holds derivative financial instruments such as cross currency swaps, foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

The details of outstanding cross currency swaps and foreign currency forward and options contracts as at September 30, 2021 are as follows:

Type of Derivative	As at September 30, 2021	
	Amount in foreign currency	Amount
Cross currency swap		
- in USD	0.91	67.47
	0.91	67.47
Forward contracts		
To sell		
- in USD	12.26	949.56
	12.26	949.56
To buy		
- in USD	2.15	159.53
	2.15	159.53
To sell		
- in USD	0.40	29.70
	0.40	29.70



The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at September 30, 2021,:

September 30, 2021

Particulars	Cross currency swaps		Option contracts to buy		Option contracts to sell	
	In USD	Amount	In USD	Amount	In USD	Amount
Not later than one year	0.73	53.98	2.15	159.53	0.40	29.70
Later than one year but not later than two year	0.18	13.49	-	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	0.91	67.47	2.15	159.53	0.40	29.70

The table below analyses the relevant maturity groupings of the forward exchange contracts based on the remaining period as at September 30, 2021,:

Particulars	September 30, 2021	
	In USD	Amount
To sell		
Not later than one year	9.56	735.98
Later than one year but not later than two year	2.70	213.57
Later than two year but not later than three year	-	-
Total	12.26	949.55

41 Capital Management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder's value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. No changes were made in the objectives, policies or processes for managing capital during the period ended September, 2021 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19.

The Group'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. Capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder's value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seek to maintain a balance of higher returns by sound capital composition. The Group has availed long term borrowings and short term credit facilities from banks during the period ended September 30, 2021.

The Fabcafe Foods Private Limited, the Indian Subsidiary Company, has recently commenced its operations and is in process of establishing new cafes at various places and is to recoup its initial fixed costs through operating revenue and hence, has not proposed/ declared any dividend during the period.

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

Capital	As at September 30, 2021
Long-term borrowings	1,041.46
Short-term borrowings	6,033.82
Total debt*	7,075.28
Equity share capital	147.78
Other equity	5,055.42
Non-controlling interest	2,174.28
Total equity	7,377.48
Debt-equity ratio	0.96

*Lease liabilities recognised as per Ind AS 116 is not included in total debt.



42 Related party disclosures

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

A. List of related parties where control exists:

(i) List of related parties who have control over the Group (either individually or with others)
- JLB Partners Holding Inc., USA
- William Nanda Bissell, Executive Vice-Chairman and Director w.e.f. November 24, 2021 (Executive Chairman and Director upto November 23, 2021)
- Monsoon Latane Bissell (Director and relative of Executive Vice-Chairman and Director)

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

(i) Associates

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

(ii) Key Management Personnel (KMP)

- William Nanda Bissell	-	Executive Vice-Chairman and Director w.e.f. November 24, 2021 (Executive Chairman and Director upto November 23, 2021)
- Viney Singh	-	Managing Director
- Charu Sharma	-	Director
- Monsoon Latane Bissell	-	Director and relative of Executive Vice-Chairman and Director
- Madhukar Khera	-	Erstwhile Director (ceased to be director w.e.f. September 2, 2021)
- Vijai Kumar Kapoor	-	Director
- William Sean Sovak	-	Erstwhile Director (ceased to be director w.e.f. May 11, 2021)
- Prakash Parthasarathy	-	Director
- Rahul Garg	-	Director
- Tekkethalakkal Kurien Kurien	-	Director
- Steve Bookoff	-	Director
- Vinita Bali	-	Erstwhile Director (ceased to be director w.e.f. June 1, 2021)
- Yoav Lev	-	Director
- Aditya Ghosh	-	Director
- Sunil Chauhan	-	Managing Director of Indian Subsidiary
- Ajay Kapoor	-	Director of Indian Subsidiary
- Dinesh Kumar	-	Director of Indian Subsidiary
- Vikram Singh	-	Director of Indian Subsidiary
- Mukesh Kumar Chauhan	-	Director of Indian Subsidiary
- Elizabeth Nanda	-	Director of Indian Subsidiary
- Subrata Dutta	-	Managing Director of Indian Subsidiary
- Pankaj Pachauri	-	Director of Indian Subsidiary
- Laurent Chappuis	-	Director of Indian Subsidiary
- Holly B Lev	-	Director of Indian Subsidiary
- Alejandro Junger	-	Director of Indian Subsidiary
- Richard Celeste	-	Director of Indian Subsidiary
- Dipali Patwa	-	Director of Indian Subsidiary
- Santa Arora Jain	-	Managing Director of Indian Subsidiary
- Shantanu Jain	-	Director of Indian Subsidiary
- Richard Baskin	-	Director of Indian Subsidiary

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

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

(iv) Entities controlled by Directors and Shareholders and those exercising significant influence

- Ganga Yamuna Agro Technologies and Plantation Private Limited
- LEV True Wellness Private Limited
- Organic India Farmers Producer Company Limited
- Organic India Foundation
- OI (US) Holdings, LLC
- Homage Advisers LLP

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

(₹ in million)

Nature of transaction	Enterprises where control exists	Associates and Others	Key management personnel and their relatives	Entities controlled by Directors or their relatives	Total
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
Issue and allotment of equity shares (ESOP)	-	-	0.03	-	0.03
Sale of goods/ samples	-	19.29	-	-	19.29
Purchase of finished goods - contract manufactured	-	27.53	-	-	27.53
Purchase of raw material	-	55.72	-	-	55.72
Remuneration (included under salary, wages and bonus)	-	-	73.96	-	73.96
Professional charges	-	0.20	2.26	18.00	20.46
Commission to Directors (included under salary, wages and bonus)	-	-	3.76	-	3.76
Director's sitting fees	-	-	2.37	-	2.37
Corporate social responsibility expenses	-	1.90	-	-	1.90
Interest income	-	5.37	1.06	-	6.43
Dividend income	-	2.01	-	-	2.01
Reimbursement of expenses receipts	-	0.62	-	-	0.62
Reimbursement of expenses paid	-	0.84	0.28	-	1.12
Staff Welfare Expenses	-	0.02	-	-	0.02
Reimbursement of Staff Welfare Expenses	-	0.02	-	-	0.02
Tax paid on belaf of Director	-	0.45	-	-	0.45
Reimbursement of Tax paid on belaf of Director	-	0.45	-	-	0.45
Reimbursement of fixed assets purchased	-	-	0.05	-	0.05
Royalty paid	-	-	0.08	-	0.08
Freight outward	-	0.41	-	-	0.41
Loan given	-	-	5.00	-	5.00
Interest on loan given	-	2.55	0.21	-	2.76

Outstanding Balances	Enterprises where control exists	Associates and Others	Key management personnel and their relatives	Entities controlled by Directors or their relatives	Total
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
Outstanding Payables	-	141.43	17.85	3.24	162.52
Outstanding Receivables	-	181.17	55.03	-	236.20

Terms and conditions:

1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
4. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0".

Compensation of Key Management Personnel:

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

Particulars	April 01, 2021 to September 30, 2021
Short-term benefits	72.22
Post-employment benefits	71.74
Share-based payments	3.88
Total compensation paid to key management personnel	147.84



D. Disclosure in respect of all related party transactions:

Particulars	*(Amount in ₹ million)* April 01, 2021 to September 30, 2021
Issue and allotment of equity shares (ESOP)	
Dinesh Kumar	0.03
Sale of goods/ samples	
Nutriwel Health (India) Private Limited	8.74
M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	0.05
Organic India Foundation	0.02
M/s LEV True Wellness Private Limited	0.04
Weavers India General Trading LLC, Dubai	10.23
Rangsutra Crafts India Limited	0.21
Purchase of finished goods - contract manufactured	
Orissa Artisans and Weavers Limited	16.95
Rangsutra Crafts India Limited	10.58
Purchase of raw material	
Ganga Yamuna Agro Technologies and Plantation Private Limited	2.21
Organic India Farmers Producer Co. Limited	1.13
LEV True Wellness Private Limited	52.38
Staff Welfare Expenses	
Sania Arora Jain	0.01
Shantanu Jain	0.01
Reimbursement of Staff Welfare Expense	
Sania Arora Jain	0.01
Shantanu Jain	0.01
Tax paid on behalf of Director	
Shantanu Jain	0.45
Reimbursement of Tax paid on behalf of Director	
Shantanu Jain	0.45
Remuneration (included under salary,wages and bonus)	
William Nanda Bissell	30.50
Viney Singh	12.55
Mukesh Kumar Chauhan	2.65
Dinesh Kumar	1.13
Subrata Dutta	13.13
Dr Alejandro Junger	8.67
Sunil Chauhan	3.42
Sania Arora Jain	1.91
Professional charges	
Nutriwel Health (India) Private Limited	0.20
Homage Advisers LLP	18.00
Vikram Singh	0.60
Pankaj Pachauri	0.60
Dipali Patwa	1.06
Commission to Directors (included under salary,wages and bonus)	
Sania Arora Jain	3.76
Director's sitting fees	
Madhukar Khera	0.03
Monsoon Latane Bissell	0.03
Vijai Kumar Kapoor	0.03
Prakash Parthasarathy	0.03
Vinita Bali	0.01
Yoav Lev	0.03
Nikhil Khera	0.01
Gyanendra Nath Gupta	0.01
Amb. Richard Frank Celeste	0.01
Ms. Dipali Patwa	0.78
Mr. Richard Celeste	1.40
Corporate social responsibility expenses	
Organic India Foundation	1.90
Interest income	
Viney Singh	0.15
Mukesh Kumar Chauhan	0.68
Nutriwel Health (India) Private Limited	5.37
Dr Alejandro Junger	0.23



D. Disclosure in respect of all related party transactions:

Particulars	*(Amount in ₹ million)* April 01, 2021 to September 30, 2021
Dividend income	
Rangsutra Crafts India Limited	2.01
Reimbursement of expenses receipts	
Weavers India General Trading LLC, Dubai	0.62
Reimbursement of expenses paid	
M/s LEV True Wellness Private Limited	0.82
Rangsutra Crafts India Limited	0.02
Sania Arora Jain	0.16
Shantanu Jain	0.12
Reimbursement of fixed assets purchased	
Shantanu Jain	0.05
Royalty paid	
Alejandro Junger	0.08
Freight outward	
Nutriwel Health (India) Private Limited	0.41
Loan given	
Sunil Chauhan	5.00
Interest on loan given	
Sunil Chauhan	0.21
M/s OI (US) Holdings, LLC	2.55
Outstanding payables	
Orissa Artisans and Weavers Limited	5.13
Rangsutra Crafts India Limited	8.85
OI (US) Holdings, LLC	127.33
Nutriwel Health (India) Private Limited	0.12
Homage Advisers LLP	3.24
William Nanda Bissell	11.30
Richard Frank Celeste	0.01
Viney Singh	1.02
Yoav Lev	0.02
Sunil Chauhan	0.32
Mukesh Kumar Chauhan	0.52
Vikram Singh	0.09
Pankaj Pachauri	0.27
Sania Arora Jain	4.13
Shantanu Jain	0.17
Outstanding receivables	
Nutriwel Health (India) Private Limited	149.79
Ganga Yamuna Agro Technologies and Plantation Private Limited	1.20
Weavers India General Trading LLC, Dubai	4.06
Orissa Artisans and Weavers Limited	0.45
Rangsutra Crafts India Limited	0.01
M/s Organic India Farmers Producer Co.Limited	0.01
LEV True Wellness Private Limited	25.65
Dinesh Kumar	0.24
Sunil Chauhan	9.15
Viney Singh	3.54
Mukesh Kumar Chauhan	15.68
Subrata Dutta	26.42



43 Employee benefits

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

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

An amount of ₹ 38.71 million has been recognized as an expense in respect of the Group's contribution to Provident Fund/ Pension Scheme deposited with the relevant authorities and has been shown under personnel expenses in the Statement of Profit and Loss.

M/s Organic India USA LLC, the step down subsidiary company, sponsors a 401(k) profit-sharing plan available to defined eligible employees in which eligible participants are allowed to make contributions up to statutory limits. The step down subsidiary company makes a matching contributions equal to the participant's contribution up to 5 percent of the participant's compensation. Such amounts vest immediately. The step down subsidiary company has made matching contributions of ₹ 2.59 million for the period ended September 30, 2021

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

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

The Group 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 Group 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 September 30, 2021. 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 Group 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 6.93 % 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.

In case of Holding Company, following assumptions and discount rates for the actuarial valuation has been taken as follows:

Particulars	Gratuity (funded)	Compensated absences earned leave (funded)
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
Discount rate (per annum)	6.93%	6.93%
Future salary increase (per annum)	FY 2021-22: Nilthereafter 5%	FY 2021-22: Nil thereafter 5%
Expected rate of return on plan assets	0.00%	
In service mortality	IALM (2012-14)	IALM (2012-14)
Retirement age	58 years	58 years
Withdrawal rates : ages/ withdrawal rate		0.00%
- upto 30 years	3.00%	3.00%
- upto 44 years	2.00%	2.00%
- above 44 years	2.00%	2.00%

In case of Indian Subsidiary Companies, following assumptions and discount rates for the actuarial valuation has been taken as follows:

Particulars	Organic India Private Limited	
	Gratuity (funded)	Compensated absences earned leave (funded)
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
Discount rate (per annum)	6.60%	6.60%
Future salary increase (per annum)	8.00%	8.00%
Expected rate of return on plan assets	6.60%	0
In service mortality	IALM (2012-14)	IALM (2012-14)
Retirement age	60 years	60 years
Withdrawal rates : ages/ withdrawal rate	10.00%	10.00%
- upto 30 years		
- upto 44 years		
- above 44 years		

Particulars	Fabcafe Foods Private Limited	
	Gratuity (unfunded)	Compensated absences earned leave (unfunded)
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
Discount rate (per annum)	6.93%	6.93%
Future salary increase (per annum)	7.00%	7.00%
Expected rate of return on plan assets		
In service mortality	IALM (2012-14)	IALM (2012-14)
Retirement age	58 years	58 years
Withdrawal rates : ages/ withdrawal rate		
- upto 30 years	5.00%	5.00%
- upto 44 years	3.00%	3.00%
- above 44 years	2.00%	2.00%

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Particulars	Biome Life Sciences India Private Limited	
	Gratuity (unfunded)	Compensated absences earned leaves (unfunded)
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
Discount rate (per annum)	6.93%	6.93%
Future salary increase (per annum)	3.50%	3.50%
Expected rate of return on plan assets		
In service mortality	IALM (2012-14)	IALM (2012-14)
Retirement age	58 years	58 years
Withdrawal rates : ages/ withdrawal rate		
- upto 30 years	3.00%	3.00%
- upto 44 years	2.00%	2.00%
- above 44 years	1.00%	1.00%

Particulars	Gratuity (funded)	Gratuity (unfunded)
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
1. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the period	168.65	2.69
Interest cost	5.57	0.09
Current service cost	12.55	0.79
Past service cost	-	-
Curtailment of benefit	-	-
Benefits paid	(9.08)	-
Actuarial (gain)/ loss on obligation	60.43	(0.63)
Defined Benefit Obligation at the end of the period	238.12	2.94
2. Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the period	138.17	-
Expected return on Plan Assets	5.62	-
Employer contribution	24.18	-
Benefits paid	(1.86)	-
Actuarial (loss) on plan assets	(2.93)	-
Fair value of plan assets at the end of the period	163.18	-
3. Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	163.18	-
Present value of Obligation	238.12	2.94
Amount recognized in balance sheet (deficit)	(74.94)	(2.94)
Less Liabilities classified as Held for sale for discontinued operations	-	-
Amount recognized in balance sheet for continuing operations (deficit)	(74.94)	(2.94)
4. Expenses recognized in Statement of Profit and Loss		
Current service cost	12.55	0.79
Net interest cost	(0.05)	0.09
Curtailment of benefit	-	-
Past service cost	-	-
Net actuarial (gain) /loss recognized in the period	-	-
Net expense	12.50	0.88
5. Expenses recognized in Other Comprehensive Income		
Actuarial loss/ (gain) for the period on Obligation	60.43	(0.63)
Actuarial loss for the period on Plan Assets	2.93	-
Net (income)/Loss in OCI	63.36	(0.63)

Particulars	Compensated absences earned leave (funded)	Compensated absences earned leave (unfunded)
	April 01, 2021 to September 30, 2021	April 01, 2021 to September 30, 2021
1. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the period	34.59	20.00
Interest cost	1.17	0.65
Current service cost	3.03	2.83
Past service cost	-	-
Curtailment of benefit	-	-
Benefits paid	(4.50)	(1.58)
Actuarial (loss) on obligation	1.38	2.25
Defined Benefit Obligation at the end of the period	35.67	24.15
2. Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the period	13.12	-
Expected return on Plan Assets	0.44	-
Employer contribution	21.47	-
Benefits paid	-	-
Actuarial gain on plan assets	0.16	-
Fair value of plan assets at the end of the period	35.19	-
3. Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	35.19	-
Present value of Obligation	35.67	24.15
Amount recognized in balance sheet (deficit)	(0.48)	(24.15)
Amount recognized in balance sheet (deficit)	(0.48)	(24.15)
4. Expenses recognized in Statement of Profit and Loss		
Current service cost	3.03	2.83
Net interest cost	0.73	0.65
Curtailment of benefit	-	-
Past service cost	-	-
Net actuarial loss recognized in the period	1.22	2.25
Net expense	4.98	5.73
5. Expenses recognized in Other Comprehensive Income		
Actuarial (gain) for the period on Obligation	-	-
Actuarial (gain) for the period on Plan Assets	-	-
Net (income) in OCI	-	-



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

In case of Holding Company, following are the major categories of plan assets (as percentage of total plan assets):

	April 01, 2021 to September 30, 2021
Government securities	47.90%
Corporate bonds	47.96%
Money market	4.14%
Total	100.00%

In case of Organic India Private Limited (Indian Subsidiary Company), following are the major categories of plan assets (as percentage of total plan assets):

	April 01, 2021 to September 30, 2021
Government of India Securities	0.00%
High quality corporate bonds	0.00%
Equity Shares of Listed Companies	0.00%
Real estate/ property	0.00%
Cash (including special deposit)	0.00%
Others (including assets under schemes of insurance)	100.00%
Total	100.00%

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

Particulars	April 01, 2021 to September 30, 2021	
	Increase by 0.50%	Decrease by 0.50%
Impact of the change in discount rate (0.50% movement)	(49.05)	52.69
Impact of the change in salary increase rate (0.50% movement)	52.68	34.40

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

8. Description of risk exposures:
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

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



44 Contingent liabilities and commitments

A Contingent Liabilities:	As at September 30, 2021
(a) Claims against the Group not acknowledged as debts:	108.42
- Income Tax demands under appeal ^	17.78
- Value Added Tax demands under appeal#	0.12
- Employees' Provident Fund demands under appeal	3.00
- FSSAI Demands not provided for*	6.17
- Labour laws demands under appeal**	1.31
- Central Excise/ Service Tax demand under appeal	7.40
- Others***	

^ Income Tax demands under appeals not provided for includes the following:

a) Demand under Section 156 of Income Tax Act, 1961 received by Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, for the Assessment Year 2016-17 amounting to ₹ 85.26 million, out of which ₹17.05 million had been deposited with the department on February 27, 2020 and an appeal against the said order had been filed before Commissioner of Income Tax (Appeal). No provision has been made in the books of OIPL as OIPL is hopeful to get a favourable order in this regard.

b) Demand under Section 156 of Income Tax Act, 1961 received by Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, for the Assessment Year 2017-18 amounting to ₹ 22.87 million out of which ₹ 4.57 million had been deposited with the department on February 27, 2020 and an appeal against the said order had been filed before Commissioner of Income Tax (Appeal). No provision has been made in the books of OIPL as OIPL is hopeful to get a favourable order in this regard.

Value Added Tax demands under appeals not provided for:

a) Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, had filed an application with Commissioner in previous years for clarification of the applicable rates under Value Added Tax Act with respect to certain products, for which the order was received and was challenged by OIPL by filing an appeal with the Commercial Tax Tribunal. During the previous year, the said Tribunal had upheld the order as passed by the Commissioner, which had been further challenged by OIPL in Honourable High Court. No provision has been made in the books of OIPL in this regard as OIPL is hopeful of getting a favourable order in the said matter. However, if the said order is not in the favour of the OIPL, liability amounting to ₹ 17.50 million (as estimated by the OIPL) may arise in this regard in addition to interest and penalties as may be applicable.

* Demands had been received from Food Safety and Standards Authority of India (FSSAI) by Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, in the previous years against which adverse orders had been received by OIPL. However, no provision has been made for demand as the final order has not yet been issued by FSSAI and OIPL is hopeful to get the order quashed as the same is time barred.

** Few ex-employees of the Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, had filed complaints in Industrial/Labour Court of Lucknow against OIPL challenging their termination and no provision has been made for the said demands in the books of OIPL as OIPL has represented to the authorities and is hopeful of getting a favourable order in this regard.

*** A vendor had filed a recovery suit against the Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, for non payment of the goods rejected and returned to them and no provision has been made for the said demands in the books of OIPL as OIPL has represented to the authorities and is hopeful of getting a favourable order in this regard.

*** includes ₹ 6.88 million on account of recovery of alleged dues by one of the landlords of an erstwhile store of the Holding Company located at Soul City, Dwarka. The matter is currently ongoing in Hon'ble High Court of Delhi.

(b) Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, falls under the Section 3(2) of the Biodiversity Act, 2002 and had applied for seeking approval for the Prior access and Future access of Biological Resources with National Biodiversity Authority. Accordingly, during the earlier year, the OIPL had suo motto deposited an amount of ₹ 2.31 million with respective State Biodiversity Board as required under the said Act for the financial year 2015-16 to the financial year 2017-18 pending to the approval from the National Biodiversity Authority. OIPL has received an approval for the Future access of Biological Resources till 2023-24 vide letter dated March 23, 2021. and is hopeful to receive approval for Prior access of Biological Resources shortly. Any liability that may arise in excess of the amount deposited in this regard, shall be provided in the books as and when the said approval/ order/ demand is received from the said authority.

(c) Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, had received a notice from the Enforcement Directorate, FEMA Lucknow for investigation under the provisions of Foreign Exchange Management Act, 1999 with respect to the Foreign Direct Investments (FDI) received for the Financial Year 2006-07 to Financial Year 2008-09. No liability may arise in this regard as OIPL had replied satisfactorily against the notice received from the said authority.

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

(e) A commercial suit had been filed against the Holding Company by Khadi and Village Industries Commission ("KVIC") in the year 2018 before the Hon'ble Bombay High Court seeking damages for alleged infringement and passing off and unfair trading by using the mark "Khadi" during the period from July 2015 to April 2017. KVIC has claimed damages of ₹ 5,250 Million allegedly suffered by it on account of the Holding Company's aforesaid actions. Basis the statement made by the Holding Company that it was not using the word 'Khadi' (at the relevant time when the order dated August 27, 2018 was passed) and that a written notice of four weeks would be given to KVIC should the Holding Company intend to use the word 'Khadi', an interim order dated August 27, 2018, was passed by the Bombay High Court disposing of notice of motion filed by KVIC.
The suit is still at a nascent stage and the time for ascertaining claim in the suit has not come. There has been no material movement in the case proceedings since the date of the last order referred to above.
Though the final outcome of the litigation/ proceeding cannot be predicted, the Management is confident that the case and the matter will not result in any material claim considering that the contention of the complainant is not justified and tenable. Management is being advised by an eminent law firm on the matter. No provision has been made pending settlement/ court verdict.

B Commitments:

(a) The Group has outstanding capital commitments of ₹251.38 million as at as at September 30, 2021 on account of setting up of new stores, offices and factory.



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

	As at September 30, 2021
(i) Finance sub-leases	
Minimum lease payment	
a. Not later than one year	10.10
b. Later than one year but not later than five years	34.82
c. Later than five years	24.90
Present value of minimum lease payments	
a. Not later than one year	6.17
b. Later than one year but not later than five years	24.16
c. Later than five years	21.80
(ii) Operating sub-leases	
Minimum lease payment	
a. Not later than one year	20.44
b. Later than one year but not later than five years	52.28
c. Later than five years	4.13

(c) Revenue commitment:
The future commitment (excluding GST) in respect of agreement entered with certain service providers is as follows:

Financial Year	As at September 30, 2021
From October 2021 to September 2022	89.52
From October 2022 to September 2023	39.25
From October 2023 to September 2024	23.36
From October 2024 to September 2025	0.97

(d) The Holding Company has given support letter to support the activities of the Fabcafe Foods Private Limited for foreseeable future and to settle their obligation as and when they fall due for a period not less than 12 months from the period end.

45 Earnings per equity share (EPS)

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

Diluted EPS amounts has been calculated by dividing the profit attributable to equity holders of the Holding Company as adjusted by the after tax amount of dividends and interest recognized in the period in respect of dilutive potential equity shares by the weighted average number of Equity shares outstanding during the period/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.

Particulars	For the period April 01, 2021 to September 30, 2021
(Loss) after tax from continuing operations attributable to equity holders of the company	(456.46)
(Loss) after tax from discontinued operations attributable to equity holders of the company	-
(Loss) after tax from continuing and discontinued operations attributable to equity holders of the company	(456.46)
Weighted average number of equity shares (Nos.)	147,370,708
Nominal value of equity shares (in ₹)	1.00
Earnings per equity share	
- basic	(3.10)
- diluted	(3.10)
Weighted average number of equity shares for Diluted EPS	
Number of shares considered as weighted average shares outstanding for Basic EPS	147,370,708
Add: effect of stock options granted	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for diluted EPS	147,370,708

46 Government grants
The Group has recognized ₹ 18.75 million for Duty Drawback/ Export incentives in the Statement of Profit and Loss. In case of export sales, the Group gets a certain percentage of FOB value of exports on selected items as benefit. There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognized in the Statement of Profit and loss.



47 Segment information

The Managing Committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in Ind AS- 108 "Operating Segments".

(i) Business in India
The Group's activities fall within a single primary business segment being the core business segment as "Contract Manufacturing/ Manufacturing and Retailing of garments and accessories, crafts and fabrics, home furnishings, furniture, certified organic tulsi herbal infusions, herbal supplements, ayurvedic medicines, body care products and other similar products" catering mainly to the needs of domestic market.

(ii) Overseas Business namely Business in United Kingdom, United States of America and Singapore through its Subsidiaries
The activities of Holding Company's Subsidiaries in United Kingdom, United States of America and Singapore falls within a single primary business segment as per the above specified categories of products. None of the other business is reportable under this.

The Managing Committee has identified two primary reportable geographical segments as disclosed below:
- Sales within India
- Sales outside India

Revenue from external customers	April 01, 2021 to September 30, 2021
Within India	4,706.34
Outside India	854.06
Total	5,560.40

Non-current assets (excluding non-current financial assets)	As at September 30, 2021
Within India	14,123.04
Outside India	408.87
Total	14,531.91

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Revenue comprises:	April 01, 2021 to September 30, 2021
Sale of products	5,219.00
Sale of food and beverages	88.68
Other operating revenue	
Rental income	25.33
Provisions/ liabilities no longer required written back	199.38
Government grants	18.75
Royalty income	0.07
Miscellaneous Income	9.19
Total	5,560.40



48 (a) Employee Share Purchase Scheme

(i) FABINDIA LIMITED Employee Share Purchase Scheme (ESPS) 2021 (FABINDIA LIMITED ESPS) (formerly known as Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021 (FOPL ESPS))

The members of the Holding Company had approved FABINDIA LIMITED Employee Share Purchase Scheme (ESPS) 2021 (FABINDIA LIMITED ESPS) (formerly known as Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021 (FOPL ESPS)) in their meeting held on March 09, 2021. The FABINDIA LIMITED ESPS provides for issue of equity shares of the Holding Company to the eligible employees, including Directors of the Holding Company and its present and future Subsidiary Companies (except independent directors), as determined by the Nomination and Remuneration (NRC) of the Board of Directors of the Holding Company from time to time, in accordance with Applicable Laws, subject to terms and conditions as specified in the ESPS Agreement and FABINDIA LIMITED ESPS.

The implementation of FABINDIA LIMITED ESPS is done through FOPL Employees Benefit Trust ("FOPL Trust"), a registered trust. As per FABINDIA LIMITED ESPS, the select employees shall be allowed to purchase the Holding Company's equity shares on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. The equity shares shall be eligible for purchase based on the eligibility criteria of respective eligible employee where certain percentage of equity shares shall be unlocked as determined by the NRC. The equity shares so purchased shall be under the lock-in period as per FABINDIA LIMITED ESPS and would be released to the eligible employee upon meeting the performance and other conditions as set forth. During the lock-in period, the employee will remain the beneficial owner of the equity shares and the legal ownership will be with the designated trustee of the FOPL Trust till the completion of the condition subsequent set out in the ESPS Agreement.

FABINDIA LIMITED ESPS provides for allotment of a maximum of 3% of the issued share capital of the Holding Company, on a fully diluted basis, i.e. a maximum of 436,342 equity shares can be allotted in one or multiple tranches.

During the period ended September 30, 2021, the Company had issued and allotted 415,695 equity shares of nominal value of ₹ 1/- each at a premium of ₹ 81.28/- per share aggregating to ₹ 34,203,385 fully paid up to the FOPL Trust for onward transfer of such shares to the eligible employees as per terms of FABINDIA LIMITED ESPS.

a) Movement of Equity Shares allotted to the FOPL Trust and transferred by FOPL Trust to eligible employees as on September 30, 2021:

Particulars	FOPL Trust
	Number of Shares
	September 30, 2021
Opening at the beginning of the period	-
Add: equity shares allotted to FOPL trust by the Holding Company during the period	415,695
Less: equity shares transferred to the eligible employee by the FOPL Trust during the period	(379,695)
Outstanding at the end of the period	36,000

b) Details of Equity Shares transferred to the eligible employees and are held under lock-in period by FOPL Trust, for the benefit of employees under FABINDIA LIMITED ESPS, as on September 30,2021 :

Particulars	FOPL Trust
	Number of Shares
	September 30, 2021
Opening balance at the beginning of the period	191,634
Add: equity shares slotted during the period	379,695
Add: Equity Shares arising on share split from ₹ 10 to ₹ 1 per share	1,724,706
Less: equity shares unlocked during the period	-
Total equity shares unlocked at the end of the period	2,296,035

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

Particulars	April 01, 2021 to September 30, 2021
	Amount
Expense arising from employee share-based payment plan	28.17
Deferred expense arising from employee share-based payment plan:	-
Non-current	94.60
Current	47.42

(ii) Organic India Private Limited Employee Share Purchase Scheme 2021 (OIPL ESPS)

The members of the Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, has approved Organic India Private Limited Employee Share Purchase Scheme 2021 (OIPL ESPS) in their meeting held on December 10, 2020. The OIPL ESPS provides for issue of equity shares of OIPL to the eligible employees, including Directors of OIPL and the employees and directors of its Subsidiary Companies, as determined by the Remuneration & Compensation Committee of the Board of Directors from time to time, in accordance with Applicable Laws, subject to terms and conditions as specified in the ESPS Agreement and OIPL ESPS.

The implementation of the OIPL ESPS is done through Organic India Employees Welfare Trust" (OIPL Trust), a registered trust. As per the OIPL ESPS, the select employees shall be allowed to purchase OIPL's equity shares on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. The equity shares shall be eligible for purchase based on the eligibility criteria of respective eligible employee where certain percentage of equity shares shall be unlocked as determined by the Remuneration and Compensation Committee of OIPL. The equity shares so purchased shall be under the lock-in period as per the scheme and would be released to the eligible employee upon meeting the performance and other conditions as set forth. During the lock-in period, the employee will remain to be the beneficial owner of the equity shares and the legal ownership will be transferred to the OIPL Trust till the completion of the condition subsequent set out in the ESPS Agreement.

The OIPL ESPS provides for allotment of a maximum of 4% of the paid up equity share capital of OIPL on fully diluted basis i.e. a maximum of 3,341,304 Equity Shares can be allotted in one or multiple tranches.

a) Movement of Equity Shares allotted to the OIPL Trust and transferred by OIPL Trust to eligible employees as on September 30, 2021

Particulars	OIPL Trust
	Number of Shares
	September 30, 2021
Opening at the beginning of the period	41,550
Add: shares allotted during the period	-
Add: Equity Shares transferred by employees to Trust on termination	17,500
Less: transferred to the eligible employee during the period	(28,500)
Outstanding at the end of the period	30,550

b) Details of Equity Shares transferred to the eligible employees and are held under lock-in period by OIPL Trust, for the benefit of employees under OIPL ESPS, as on September 30, 2021:

Particulars	OIPL Trust
	Number of Shares
	September 30, 2021
Opening balance at the beginning of the period	2,469,647
Add: shares allotted during the period	-
Add: Equity Shares transferred by employees to Trust on termination	(17,500)
Less: shares unlocked during the period	-
Total balance at the end of the period	2,452,147

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

Particulars	April 01, 2021 to September 30, 2021
	Amount
Expense arising from employee share-based payment plan	14.40
Deferred expense arising from employee share-based payment plan:	
Non-current	32.75
Current	22.08

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48 (b) Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016

(i) The members of the Group had approved Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') at the 39th Annual General Meeting held on September 29, 2016, Organic India Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') at the Annual General Meeting held on September 30, 2016 and Fabcafe Foods Private Limited Employee Stock Option Plan (ESOP) 2019 ('the Plan') in the Extra Ordinary General Meeting held on July 15, 2019. The Plans provide for grant of Stock Options to the eligible employees including Directors of the Holding Company, Organic India Private Limited (OIPL) and Fabcafe Foods Private Limited (Fabcafe) other than Promoters/ Persons belonging to Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% of outstanding equity shares of the Holding Company, OIPL and Fabcafe as determined by the respective Committees of the Board of Directors from time to time, subject to terms and conditions specified in the Plans and Employee Stock Option Agreements/Grant Letters. The number of Stock Options of Holding Company were increased vide approval received from Shareholders of the Holding Company in their Extra-ordinary General Meeting held on October 01, 2019 in order to make appropriate adjustments consequent to Bonus Issue in the ratio of 5:1 approved by the shareholders in the same meeting. However, the Holding Company and OIPL has discontinued the said plan from the current year and has shifted to FABINDIA LIMITED ESPS and OIPL ESPS respectively. Further during the period ended September 30, 2021, the said plan has been terminated by the Group.

Information in respect of the Employee Stock Options granted upto September 30, 2021 under the Plans:

Scheme	Year	Date of Grant	Numbers of options granted	Vesting period	Exercise period	Exercise price (₹) per share	Weighted average exercise price (₹) per share
Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016	2016 - 2017	October 18, 2016	9,000	One year from the date of grant i.e. Upto October 18, 2017	15 days from the date of vesting	10	10
Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016	2017 - 2018	August 17, 2017	10,510	One year from the date of grant i.e. Upto August 17, 2018	15 days from the date of vesting	10	10
	2017 - 2018	October 12, 2017	490	One year from the date of grant i.e. Upto October 12, 2018	15 days from the date of vesting	10	10
	2017 - 2018	February 22, 2018	600	One year from the date of grant i.e. Upto February 22, 2019	15 days from the date of vesting	10	10
Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016	2018 - 2019	August 22, 2018	13,100	One year from the date of grant i.e. Upto August 22, 2019	15 days from the date of vesting	10	10
Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016	2019 - 2020	August 22, 2019	14000 (post Bonus Issue of 5:1 made on 12th October 2019, these have been adjusted to 84000 options)	One year from the date of grant i.e. Upto August 22, 2020	Minimum 15 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2016 - 2017	October 01, 2016	476,584	One year from the date of grant i.e. Upto September 30, 2017	30 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2017 - 2018	May 01, 2017	248,453	One year from the date of grant i.e. Upto April 30, 2018	60 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2018 - 2019	May 01, 2018	279,833	One year from the date of grant i.e. up to April 30, 2019	60 days from the date of vesting	10	10
Fabcafe Foods Private Limited ESOP 2019	2019 - 2020	August 01, 2019	22,481	One year from the date of grant i.e. Up to July 31, 2020	15 days from the date of vesting	10	10

a) Movement in Employee Stock Options during the period:

Holding Company

Particulars	As at September 30, 2021	
	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period	-	1
Granted during the period	-	1
Forfeited during the period	-	1
Exercised during the period	-	1
Expired/ lapsed during the period	-	1
Outstanding at the end of the period	-	1
Exercisable at the end of the period	-	1

Organic India Private Limited, Indian Subsidiary Company

Particulars	As at September 30, 2021	
	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period	-	1
Granted during the period	-	1
Forfeited during the period	-	1
Exercised during the period	-	1
Expired/ lapsed during the period	-	1
Outstanding at the end of the period	-	1
Exercisable at the end of the period	-	1

Fabcafe Foods Private Limited, Indian Subsidiary Company

Particulars	As at September 30, 2021	
	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period	-	1
Granted during the period	-	1
Forfeited during the period	-	1
Exercised during the period	-	1
Expired/ lapsed during the period	-	1
Outstanding at the end of the period	-	1
Exercisable at the end of the period	-	1

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b) Fair Value on the Grant Date:

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

	Holding Company	Organic India Private Limited, Indian Subsidiary Company	Fabcafe Foods Private Limited, Indian Subsidiary Company
Fair Value at Grant Dates	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
October 01, 2016	-	20.67	
May 01, 2017	-	24.22	-
August 17, 2017	5,952.96	-	-
October 12, 2017	6,357.78	-	-
February 22, 2018	6,400.63	-	-
May 01, 2018	-	27.62	-
August 22, 2018	7,654.38	-	-
August 01, 2019	-	-	19.27
August 22, 2019 (Adjusted to Post Bonus Issue Value)	1,162.00	-	-

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

	2019-2020	2018-19	2017-18		
In case of Holding Company:	August 22, 2019	August 22, 2018	August 17, 2017	October 12, 2017	February 22, 2018
Risk-free interest rate	5.46%	6.49%	6.25%	6.25%	6.25%
Expected life of option (in years)	1	1	1	1	1
Volatility of underlying stock	48.12%	33.05%	38.91%	36.96%	35.41%
Dividend yield	1.43%	1.29%	1.24%	1.16%	1.54%

	2019-20	2018-19
In case of Organic India Private Limited (Indian Subsidiary Company):	-	May 01, 2018
Risk-free interest rate	0.00%	7.60%
Expected life of option (in years)	-	1
Volatility of underlying stock	0.00%	62.16%
Dividend yield	0.00%	0.00%

	2019-20	2018-19
In case of Fabcafe Foods Private Limited (Indian Subsidiary Company):	August 01, 2019	-
Risk-free interest rate	4.58%	0.00%
Expected life of option (in years)	1	-
Volatility of underlying stock	51.72%	0.00%
Dividend yield	0.00%	0.00%

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



48 (b) Employee Stock Option Plan

(ii) Organic India USA, LLC 2020 Employee Equity Bonus Plan

During the year ended March 31, 2021, the members of Organic India USA LLC (OI USA), the step down subsidiary company has approved the Organic India USA, LLC 2020 Employee Equity Bonus Plan (the Plan). The Plan permits the granting of awards to employees of OI USA as designated by the Board of Directors who are either in a Management position or higher, or who have been employed by OI USA for at least 12 consecutive months. As defined in the Plan document, an award shall mean the granting of shares, or non-voting units of OI USA, as further defined in OI USA's operating agreement. The shares shall generally vest in five tranches every 18 months, commencing on the vesting commencement date, subject to the fulfilment of certain applicable performance milestone requirements, as further set forth in the award agreements and Plan document.

Information in respect of the Employee Stock Options granted upto September 30, 2021 under the Plan:

Scheme	Year	Date of grant	Tranches	Numbers of options granted	Vesting period	Exercise period	Exercise price (₹) per share	Fair value of option on grant date
2020 Employee Equity Bonus Plan	2020-21	November 26, 2020	I	577.44	September 30, 2021	30 days from the date of Vesting	272.33	276.89
			II	721.81	March 30, 2023	30 days from the date of Vesting	272.33	277.74
			III	1,010.53	September 30, 2024	30 days from the date of Vesting	272.33	279.83
			IV	1,299.25	March 30, 2026	30 days from the date of Vesting	272.33	282.48
			V	1,587.97	September 30, 2027	30 days from the date of Vesting	272.33	288.97

a) Movement in employee stock options during the period:

Particulars	As at September 30, 2021	
	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period	5,197	272.33
Granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Expired/ lapsed during the period	-	-
Outstanding at the end of the period	5,197	272.33
Exercisable at the end of the period	577	272.33

b) Fair Value on the grant date:

The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share and the risk free interest rate for the term of the option.

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

	Tranche				
Particulars	I	II	III	IV	V
Risk-free interest rate	0.11%	0.17%	0.30%	0.39%	0.65%
Expected life of option (in years)	0.85	2.34	3.85	5.34	6.84
Volatility of underlying stock	12.50%	12.50%	12.50%	12.50%	12.50%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the US Treasury Market rates derived from the website of US Department of Treasury.

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

	April 01, 2021 to September 30, 2021
	(₹ in million)
Expense arising from employee share-based payment plan	11.64
Liability arising from employee share-based payment plan	37.89



49 Impairment

(i) The Company has recognized loss on impairment in respect of assets of the Company in terms of Indian Accounting Standard (Ind AS) - 32 on "Financial Instruments"/ 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. Accordingly, company has provided impairment in value of its investment in Optionally convertible Preference shares (Cumulative) in Fabcafe Foods Private Limited "

50 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 period April 01, 2021 to September 30, 2021**
Principal amount due to micro and small enterprises	556.05
Interest due on above	-
Amount of interest paid by the buyer in terms of Section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006.	6.86
Amount of interest accrued and remaining unpaid at the end of each financial year	6.86
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2016.	-

51 Other notes

(a) As per provision of Section 135 of the Companies Act, 2013 read with Companies Amendment Act, 2019, the Company has to spend atleast 2% of the average profits of the preceding three years towards CSR. The CSR committee of the Company provides an oversight of CSR policy execution to ensure that CSR objectives of the Company are met as per Schedule VII of the Companies Act, 2013.

The financial details as sought by the Act are as follows:

Particulars	**For the period April 01, 2021 to September 30, 2021**
Average net profits of the Company for last three financial years	435.26
Prescribed CSR expenditure (2% of the average net profit)	8.71
Details of CSR expenditure during the period:	
Total amount required to be spent by the Company during the year	8.71
Amount of expenditure incurred	-
Shortfall at the end of the period*	8.71
Total of previous years shortfall	-

i) As a responsible corporate, over the years, the Company has been contributing for various CSR activities (as prescribed under the law and otherwise) for the benefit of the society as well as for the economically underprivileged sections of the society and has been fulfilling its mandatory requirement of CSR expenditure, in line with the CSR Policy of the Company.

For Movement in CSR, refer below:

Particulars	**For the period April 01, 2021 to September 30, 2021**
Opening Balances	-
Gross amount to be spent during the year	8.71
Actual Spent	-
(Excess)/Short spent*	8.71

*To be determined at the end of financial year

(b) 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 non-current investments, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet. On account of outbreak of COIVD-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.

(c) The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and its resultant impact on the operations of the Company. The advent of second wave of COVID-19 in April 2021- May 2021 resulted in further lockdowns. The Company continues to monitor the situation and will take appropriate action as considered necessary in due compliance with the applicable regulations as the situation normalises.

The Management has assessed the impact of COVID-19 on the Company's operations, financial performance and position as at and for the half year ended September 30, 2021. Basis the same, the Company has created a provision of ₹ 90.73 Million and ₹ 0.86 Million towards 'slow and non-moving stock' and 'allowance for credit losses ', respectively. Further, on account of outbreak of second wave of COVID-19, there may be delays in recovery of certain debit balances. However, it is not likely to have any material impact on the financial position of the Company.

As per our report of even date

For A Puri & Associates
Chartered Accountants
Firm Registration Number: 009203N

Jyoti Subarwal
Partner
Membership number: 080654

Place: New Delhi
Date: January 20, 2022

For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Amit Mitra
Partner
Membership number: 094518

Place: Gurugram
Date: January 20, 2022

For and on Behalf of the Board Of Directors of
Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited")
CIN: U74899DL1976PLC008486

William Nanda Bissell
Executive Vice-Chairman and Director
DIN: 00012819

Place: New Delhi
Date: January 20, 2022

Gopal Mishra
Chief Financial Officer and Chief Operating Officer

Place: Noida
Date: January 20, 2022

Viney Singh
Managing Director
DIN: 00932145

Place: Bangalore
Date: January 20, 2022

Monika Uppal Arora
Company Secretary and Compliance Officer
Membership number: A17485

Place: New Delhi
Date: January 20, 2022

52(a) Annexure A

(a) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Special Purpose Interim Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

(i) For the period ended September 30, 2021

Name of Entity	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or (loss)	Amount (₹)	As % of consolidated other comprehensive income	Amount (₹)	As % of consolidated total comprehensive income	Amount (₹)
Parent								
Fabindia Overseas Private Limited	79.89	5,893.60	98.42	(449.25)	89.79	(45.74)	97.55	(494.99)
Subsidiaries								
Indian								
1 Organic India Private Limited	24.54	1,810.57	(3.88)	17.69	3.67	(1.87)	(3.12)	15.82
2 Fabcafe Foods Private Limited	(5.28)	(389.40)	16.75	(76.44)	(0.90)	0.46	14.97	(75.98)
3 Biome Life Sciences India Private Limited	0.88	64.77	(6.79)	30.98	-	-	(6.11)	30.98
Foreign								
1 Fabindia International Pte. Limited, Singapore	2.28	167.94	(0.88)	4.01	-	-	(0.79)	4.01
2 Organic India USA, LLC, United States of America*	4.15	305.88	(4.80)	21.89	-	-	(4.31)	21.89
3 The Clean Program Corp., United States of America***	2.01	148.29	9.86	(45.02)	-	-	8.87	(45.02)
4 Indigo Origins Pte. Limited, Singapore**	0.36	26.46	(0.21)	0.95	(1.22)	0.62	(0.31)	1.57
Minority Interests in all subsidiaries	29.47	2,174.28	13.32	(60.79)	1.06	(0.54)	12.09	(61.33)
Associates								
Indian								
1 Rangsutra Crafts India Limited	0.06	4.69	(0.43)	1.96	0.41	(0.21)	(0.34)	1.75
2 Orissa Artisans and Weavers Limited	0.02	1.30	(0.12)	0.54	-	-	(0.11)	0.54
3 Nutriwel Health (India) Private Limited	(0.16)	(11.50)	0.49	(2.24)	0.04	(0.02)	0.45	(2.26)
Foreign								
1 Weavers India General Trading, LLC, Dubai****	0.13	9.65	(0.49)	2.24	-	-	(0.44)	2.24
2 Fabindia S.r.l , Italy****	0.10	7.22	(0.46)	2.09	-	-	(0.41)	2.09
Consolidated adjustments/ eliminations	(38.45)	(2,836.26)	(20.80)	94.93	7.15	(3.64)	(17.99)	91.29
Total	100.00	7,377.49	100.00	(456.46)	100.00	(50.94)	100.00	(507.40)

* Subsidiary Company through Organic India Private Limited.
** Subsidiary Company through Fabindia International Pte. Limited, Singapore.
*** Subsidiary Company through Organic India USA, LLC, United States of America.
****Associate Company through Fabindia International Pte. Limited, Singapore

Note:
A. East Lifestyle Limited, United Kingdom, an associate company, which is under administration (winding up process), hence the same has not been consolidated.
B. Biome Life Sciences India Private Limited became a subsidiary company w.e.f. August 01, 2020



