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 Standalone Financial Statements

Opinion

We have audited the accompanying Special Purpose Interim Standalone Financial Statements of Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited") ("the Company"), which comprise the Special Purpose Interim Standalone Balance Sheet as at September 30, 2021, Special Purpose Interim Standalone Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Interim Standalone Statement of Cash Flows for the period then ended, Special Purpose Interim Standalone Statement of Changes in Equity and notes to the Special Purpose Interim Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information and disclosure ("Special Purpose Interim Standalone Financial Statements"). The Special Purpose Interim Standalone Financial Statements have been prepared by the Management of the Company 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 Standalone 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 Company as at September 30, 2021, and of its financial performance and its cash flow for the six months 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Interim Standalone 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 51(c) to the Special Purpose Interim Standalone Financial Statements which states that the Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the 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 and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Interim Standalone Financial Statements 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 Standalone 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 Standalone Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of the 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 Company 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 Standalone Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Interim Standalone Financial Statements in accordance with 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 Standalone Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Interim Standalone Financial Statements, the Management is responsible for assessing the Company'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 company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Standalone 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 Standalone Financial Statements.

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

Other Matter

The Special Purpose Interim Standalone Financial Statements of Fabindia Employees Benefit Trust ("the Trust") reflect total assets of ₹ 3.13 million as at September 30, 2021 and the total revenue of ₹ Nil for the six months period ended on that date, as considered in the Special Purpose Interim Financial Statements of the company have been audited by one of the Joint Auditor - A Puri & Associates and our opinion in so far as it relates to the amounts and disclosures included in respect of Trust, is based solely on the report of A Puri & Associates.

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

Jyoti Subarwal
Partner
Membership No.: 080654
UDIN: 22080654AAAAAL1238

Place: New Delhi
Date: January 20, 2022

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

Amit Mitra
Partner
Membership No.: 094518
UDIN: 22094518AAAAAG1692

Place: Gurugram
Date: January 20, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE SPECIAL PURPOSE INTERIM STANDALONE 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 Standalone 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 Standalone 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 company 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Special Purpose Interim Standalone 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 Company to cease to continue as a going concern.

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





A Puri & Associates
Chartered Accountants

MSKA & Associates
Chartered Accountants

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: 22080654AAAAAL1238

Place: New Delhi
Date: January 20, 2022

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

Amit Mitra
Partner
Membership No.: 094518
UDIN: 22094518AAAAAG1692

Place: Gurugram
Date: January 20, 2022

Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited")
Special Purpose Interim Standalone Balance Sheet
(All amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	As at September 30, 2021
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3A	2,259.65
Capital work-in-progress	3A	281.14
Right-of-use assets	3B	4,963.46
Intangible assets	3C	37.48
Intangible assets under development	3C	36.01
Financial assets		
Investments	4	4,267.92
Loans	5	49.72
Other financial assets	6	767.30
Income tax assets (net)	7	706.17
Deferred tax assets (net)	8	974.78
Other non-current assets	9	193.58
TOTAL NON-CURRENT ASSETS		14,037.21
CURRENT ASSETS		
Inventories	10	3,622.06
Financial assets		
Trade receivables	11	204.35
Cash and cash equivalents	12	794.50
Bank balances other than cash and cash equivalents	13	97.09
Loans	14	8.57
Other financial assets	15	368.10
Other current assets	16	499.23
TOTAL CURRENT ASSETS		5,593.90
TOTAL ASSETS		19,631.11
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	17	147.78
Other equity	18	5,745.84
TOTAL EQUITY		5,893.62
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial liabilities		
Borrowings	19	846.13
Lease Liabilities	20	4,596.82
Other financial liabilities	21	26.23
Provisions	22	157.70
Other non-current liabilities	23	4.06
TOTAL NON-CURRENT LIABILITIES		5,630.94
CURRENT LIABILITIES		
Financial liabilities		
Borrowings	24	4,905.92
Lease liabilities	25	963.78
Trade payables	26	
total outstanding dues of micro enterprises and small enterprises		556.05
total outstanding dues of creditors other than micro enterprises and small enterprises		1,029.22
Other financial liabilities	27	171.24
Other current liabilities	28	315.46
Provisions	29	165.38
TOTAL CURRENT LIABILITIES		8,106.55
TOTAL EQUITY AND LIABILITIES		19,631.11
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the Special Purpose Interim Standalone Financial Statements	1-51	

As per our report of even date

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

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: 038
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: U74899DL1976PLC008036

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: 00932145
Place: Bangalore
Date: 20-01-2022

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

Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited")
Special Purpose Interim Standalone 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	3,678.23
Other income	31	89.37
TOTAL INCOME		3,767.60
EXPENSES		
Cost of materials consumed	32	1,330.05
Cost of contract manufactured goods	33	1,479.78
Decrease/ (increase) in inventories of finished goods and stock-in-trade	34	(1,183.57)
Employee benefits expense	35	690.42
Finance costs	36	348.92
Depreciation and amortization expense	3A ,3B, 3C	735.79
Other expenses	37	1,169.15
TOTAL EXPENSES		4,370.54
(Loss) before exceptional items and tax		(602.94)
EXCEPTIONAL ITEMS		
Impairment loss in value of investment in wholly-owned overseas subsidiary /(written back)		-
(Loss) before tax		(602.94)
TAX EXPENSE:		
Current tax	38	-
Earlier years tax	38	-
Deferred tax	38	153.72
(Loss) for the period		(449.22)
OTHER COMPREHENSIVE INCOME		
A. Items that will not be re-classified to statement of profit and loss		
Actuarial (loss)/ gain on defined benefit obligation		(58.69)
Income tax relating to items that will not be re-classified to statement of profit and loss		12.95
Other comprehensive income for the period		(45.74)
Total comprehensive (loss) for the period		(494.96)
Earnings per equity share of (Nominal value: ₹1 each)	45	
Basic		(3.05)
Diluted		(3.05)
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the Special Purpose Interim Standalone Financial Statements	1-51	

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: 20-01-2022

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

Amit Mitra
Partner

Membership number: 094318

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

Viney 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")
Special Purpose Interim Standalone 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	(602.94)
Adjustments to reconcile (loss)/ profit before tax to net cash flows:	
Depreciation and amortization expense	735.80
Interest expense	124.39
Interest expense on lease liabilities	217.67
Interest income	(51.93)
Rental income	(0.67)
Employee share purchase scheme expense	28.17
Dividend income from investment	(2.01)
Loss on property, plant and equipment sold/ discarded (net)	28.54
(Gain)/ loss on right-of use assets (net)	(25.34)
Loss on fair value of investment in OCPS	91.76
Provision/ liability no longer required/ (written back)	(171.99)
Provision for slow and non-moving inventory	90.73
Bad debts/ advances written off	2.77
Allowance for credit losses/ doubtful advances/ (written back)	0.86
Provision for asset retirement obligation/ (written back)	(5.02)
Provision for sales returns/ (written back)	(1.78)
Provision for gratuity and leave encashment/ (written back)	(38.14)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	420.87
Adjustments for changes in working capital:	
(Increase) in trade receivables	(67.22)
(Increase) in inventories	(1,195.16)
(Increase) in loans and other assets	(161.23)
Increase in trade payables	772.78
Increase in other liabilities	81.95
(Decrease) in provisions	(3.41)
CASH GENERATED FROM OPERATIONS	(151.42)
Income tax paid (net of refund received)	(29.67)
NET CASH FROM OPERATING ACTIVITIES	(181.09)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment and intangible assets	(263.96)
Proceeds from sale of property, plant and equipment and intangible assets	6.58
Purchase of non-current investments	(2,692.93)
Proceeds from bank deposits (with original maturity over 3 months)	0.68
Principal receipts of lease rentals	(1.39)
Interest received on lease rentals	12.72
Interest received	19.03
Dividend received	2.01
NET CASH (USED IN) INVESTING ACTIVITIES	(2,917.26)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from short-term borrowings (net)	4,780.00
Repayment of long-term borrowings (net)	(114.93)
Proceeds from issue of shares (including share premium)	31.24
Principal payment of lease liabilities	(256.51)
Interest paid on lease liabilities	(217.67)
Interest paid	(102.13)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	3,620.00
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	521.64
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	272.86
CASH AND CASH EQUIVALENT AT YEAR END	794.50
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	521.64

MSKA & ASSOCIATES Gurugram Chartered Accountants

A. PURI & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

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

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" set out in the Ind AS - 7 "Statements of Cash Flows".
2 Figures in bracket indicate cash outflow.
3 Cash and cash equivalents at the end of the year consist of cash on hand and balance with banks as follows:

Particulars	As at September 30, 2021 *(₹ In Million)*
Cash on hand	19.41
Balance with banks	
- in current accounts	223.41
- in deposit with original maturities upto three months	551.68
Total cash and cash equivalents	794.50

Summary of significant accounting policies	2
The accompanying notes are an integral part of the Special Purpose Interim Standalone Financial Statements	1-51

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: 0[illegible]

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

Viney 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")
Special Purpose Interim Standalone Statement of Changes in Equity
(All amounts in ₹ Million, unless otherwise stated)

A. Equity share capital

Particulars	Note	As at September 30, 2021
Balance at the beginning of the reporting period	17	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

(In ₹ Million)

Particulars	Reserves and surplus									Other comprehensive income	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)	Other items of other comprehensive income	
Balance as at April 1, 2021	0.17	3,221.02	2,159.00	-	6.72	-	-	820.84	1.52	-	6,209.27
Increase on account of Employees Share Purchase Scheme	-	-	31.57	-	-	-	-	-	-	-	31.57
Issue of share capital				-0.04							(0.04)
(Loss) for the period	-	-	-	-	-	-	-	(449.22)	-	-	(449.22)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(45.74)	-	(45.74)
Balance as at September 30, 2021	0.17	3,221.02	2,190.57	-0.04	6.72	-	-	371.62	(44.22)	-	5,745.84

Summary of significant accounting policies — 2
The accompanying notes are an integral part of the Special Purpose Interim Standalone Financial Statements — 1-51

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: 20-01-2022

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

Amit Mitra
Partner
Membership number: 0[illegible]
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

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")
Notes annexed to and forming part of the Special Purpose Interim Standalone Financial Statements

1. General information

Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited") ("the Company") is domiciled in India, with its registered office situated at Plot No.10, Local Shopping Complex, Sector B Pocket-7, Vasant Kunj, New Delhi South Delhi, India - 110070. The Company was incorporated in year 1976 under the provisions of the Companies Act, 1956, then applicable in India.

Fabindia Limited (the "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 Company was changed to 'Fabindia Private Limited' and a fresh certificate of incorporation dated October 13, 2021 was issued by the "RoC". Thereafter, the 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 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 functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The Special Purpose Interim Standalone Financial Statements of the Company for the period ended September 30, 2021 were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on xxxxxx.

2. Significant Accounting Policies

Significant accounting policies adopted by the Company are as under:

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

These Special Purpose Interim Standalone Financial Statements have been prepared 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 ("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. These Special Purpose Interim Standalone Financial Statements prepared for filing of an offer document for proposed issue of equity shares (the "Equity Shares") by the company with the Securities and Exchange Board of India ("SEBI") and the Registrar of Companies, New Delhi.

The Special Purpose Interim Standalone 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), and

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.

MSKA & ASSOCIATES Gurugram Chartered Accountants
A. PURI & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

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

b) Significant accounting estimations, judgements and assumptions

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

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Company's accounting policies and that have the significant effect on the amount recognized in the Special Purpose Interim Standalone 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 Company adjudges taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

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

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

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

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

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

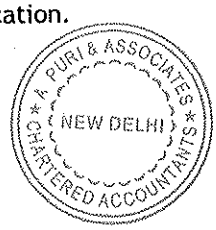
Estimation of uncertainties relating to the global health pandemic from COVID-19:

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 Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the period, 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 normalizes.

c) Current vs non-current classification

The Company 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,
- 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 Company 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 Company has identified twelve months as its operating cycle.

d) 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 flow to the Company and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the Special Purpose Interim Standalone Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

(ii) Depreciation is recognized on a straight-line basis except in case of buildings where written down value method is used, over the useful life as specified under Schedule II of the Act, and given below:

Particulars	Useful Life
Building	60 Years
Leasehold improvement	Over the period of lease
Furniture & fixtures	10 Years
Office equipments	5 Years
Electrical installation and equipments (including air conditioner and cooling equipments)	10 Years
Vehicle	8 Years
Computers	3 Years
Servers	6 Years

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

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(iv) Leasehold land is acquired under finance lease from Delhi Development Authority for perpetuity and has 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.

(v) Cost of property, plant and equipment not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".

(vi) 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.

e) Intangible assets

(i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably.

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

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

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

Particulars	Useful life
Computer software	5 Years
Brand name/ trade marks	10 Years (i.e. from the date of application for registration of brand name as specified on the registration certificate)

f) Impairment of non-financial Assets

The Company 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 Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's 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 Company 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.

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The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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 Company 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 Company 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 have decreased. If such indication exists, the Company 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.

g) Financial instruments

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

(i) Financial assets

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 Company'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.

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) are recognized on the trade date, i.e., the date that the Company 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

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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
- 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 Company'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 Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company 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 Company 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 Company assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

Other investments

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

Impairment of financial assets

The Company 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 Company 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company 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

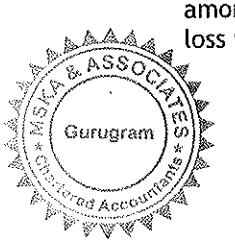
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

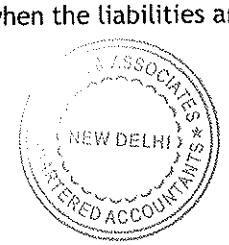
Financial liabilities at fair value through profit or loss

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 Company 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.

This category generally applies to borrowings. For more information, refer note no. 19.

Financial guarantee contracts

Financial guarantee contracts issued by the Company 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 Company has created an Fabindia Overseas Private Limited Employees Benefit Trust ("Trust") for the administration of providing share-based payment to the eligible employees, and thus the Trust has been treated as its extension(branch) and accordingly, all the assets and liabilities of the Trust are accounted as assets and liability of the Company after eliminating the treasury shares of the Company held by the Trust on the basis that the Trust is merely acting as an agent of the Company.

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 Company'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 period 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.

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 Company or the counterparty.

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h) Inventories

Inventories (including stock-in-transit) are stated at lower of cost and net realizable value. The cost is determined on 'Weighted Average' method. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the 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.

i) Foreign currencies transactions and translations

The functional currency of the Company is the Indian Rupee. These Special Purpose Interim Standalone 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 and Loss are also recognized in OCI or Statement of Profit and 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.

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

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

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significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) **Loyalty points programme:**
The Company has a loyalty points programme, "Fabfamily", which allows customers to accumulate points that can be redeemed for future purchase or any other experience as specified under the loyalty points programme policy. The loyalty points will have a validity of 36 months from the time of earning. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative standalone 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 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 Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. 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 Company's right to receive payment is established.

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

(ix) Right of return asset represents the 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 company 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 Company updates its estimates of refund liabilities at the end of each reporting period.

k) 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.

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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) and duty drawback scheme are recognized as and when the same are processed and admitted by the concerned authorities and are received during the period.

l) Employee benefits

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

(ii) Post-employment benefits

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

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

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

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

m) Share-based payments

i. Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016:

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 Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

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

ii. Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021 (FOPL 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).

n) Tax expenses

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

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

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

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

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(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.

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

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

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

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

o) Earnings per equity share

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

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

p) Leases

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

Company as a lessee

Effective April 01, 2019, the Company has 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 Company has used a single discount rate to a portfolio of leases with similar characteristics.

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

The Company has applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.
The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are 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. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Company as a lessor

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

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all sub-lease contracts existing on April 1, 2019 using the modified retrospective approach under which the Lease receivables are recognized based on incremental borrowing rate on the initial application date i.e. April 01, 2019 and ROU assets created on the original lease are derecognized proportionately on the carpet area basis. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

For transition, the Company has elected to apply the requirements of Ind AS 116 Leases to sub-leases covering the substantial period of the original lease term and considered as finance lease. The Company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term

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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.

q) Provisions and contingent liabilities

Provisions

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

Sales returns provision
The Company 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 Company.

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

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

Contingent liabilities

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

r) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an

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insignificant risk of changes in value. Bank overdrafts are shown under short-term borrowings in the Balance Sheet.

s) **Dividend distribution**

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

t) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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 Company 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.

All assets and liabilities for which fair value is measured or disclosed in the Special Purpose Interim Standalone Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Special Purpose Interim Standalone Financial Statements on a recurring basis, the Company 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 Company 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.

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u) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets 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.

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

Particulars	Freehold 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 1, 2021	385.08	784.96	738.57	1,035.96	226.66	202.16	502.73	2.91	196.24	4,075.27
Add: Additions made during the period	-	-	59.73	20.23	6.70	13.16	19.67	-	9.20	128.69
Less: disposals/ adjustments during the period	-	-	32.25	31.63	2.48	5.51	16.48	-	1.00	89.35
As at September 30, 2021	385.08	784.96	766.05	1,024.56	230.88	209.81	505.92	2.91	204.44	4,114.61
Accumulated depreciation										
As at April 01, 2021	-	274.79	390.58	436.55	160.64	87.86	219.92	2.87	164.85	1,738.04
Add: depreciation charge for the period	-	15.25	50.81	48.75	14.01	9.32	23.59	0.01	9.38	171.12
Less: disposals/ adjustments during the period	-	-	21.92	17.16	2.30	3.10	8.94	-	0.78	54.20
As at September 30, 2021	-	290.04	419.47	468.14	172.35	94.08	234.57	2.88	173.45	1,854.96
Net carrying value										
As at September 30, 2021	385.08	494.92	346.58	556.42	58.53	115.73	271.35	0.04	30.99	2,259.65

Notes:

1. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 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	1,047.29	432.36	610.49	109.65	133.93	325.85	3.77	136.57	3,060.51
Accumulated depreciation	-	-	95.58	206.81	199.68	61.21	49.94	100.45	2.98	111.32	827.97
Net carrying value	108.45	152.15	951.71	225.55	410.81	48.44	83.99	225.40	0.79	25.25	2,232.54

2. Capital work-in-progress includes:

Particulars	As at September 30, 2021
As at the beginning of the period	301.31
Add: additions made during the period	-
Less: Capitalisation/ adjustments during the period	20.17
As at the end of the period	281.14

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	-
1-2 years	-
2-3 years	-
More than 3 years	281.14
Total	281.14

For Capital-work-in progress, whose completion is overdue , following is the completion schedule:

Particulars	As at September 30, 2021
Project 1 - Mumbai - Pali Hill Store	
Less than 1 year	281.14
1-2 years	-
2-3 years	-
More than 3 years	-
Total	281.14

3. Capital work-in-progress includes a property owned by the Company located in a Society registered in terms of the provisions of Maharashtra Co-operative Societies Act, 1960, being a member of the said society. The said property had been vacated by the Company and handed over to developer as per the redevelopment agreement entered into. In terms of the said redevelopment agreement, the developer shall hand over the reconstructed premises, i.e., the Residential Apartments/ commercial Units, to the respective existing members (including Company) and the Society, within a certain agreed period of time. Further, in terms of the said redevelopment agreement, the Company had received a lump-sum upright fee towards development right of ₹ 7787.85 Million and entitlement to receive a monthly compensation for arranging alternate accommodation w.e.f. August 01, 2014 till the handover of reconstructed premises. The written down value as on July 31, 2014 amounting to ₹ 13.26 Million was transferred from Building to Capital-work-progress. Further, on the date of transition to Ind AS, the 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 ₹ 267.98 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 Company i.e., "Fabindia Overseas Private Limited". However, the Management in due course will get these registered in its new name.

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3B. Right-of-use Asset

Particulars	Leasehold land	Leasehold stores	Total right-of-use assets
Gross carrying value			
As at April 1, 2021	146.09	6,144.53	6,290.62
Add: additions made during the period	-	1,227.65	1,227.65
Less: disposals/ adjustments during the period	-	504.74	504.74
As at September 30, 2021	146.09	6,867.44	7,013.53
Accumulated depreciation			
As at April 1, 2021	4.05	1,832.43	1,836.48
Add: depreciation charge for the period	1.01	557.25	558.26
Less: disposals/ adjustments during the period	-	344.67	344.67
As at September 30, 2021	5.06	2,045.01	2,050.07
Net carrying value			
As at September 30, 2021	141.03	4,822.43	4,963.46

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. Revalued amount of leasehold land had been taken as deemed cost as on April 01, 2016. The same is being depreciated over the balance period of life with effect from April 01, 2016.

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

3. Ind AS 116 Leases:

(i) 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 Leases as lease modifications. The amount of ₹ 171.70 Million (net of rent concessions given for sub lease) has been recognised in the Statement of Profit and Loss to reflect the change is lease payments for the reporting period that arise for the said rent concessions.

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

Particulars	Amount
Balance as at April 1, 2021	5,002.63
Additions during the period	1,204.79
Finance cost accrued during the period	217.67
Deletions during the period	(200.89)
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(189.93)
Payment of lease liabilities	(474.17)
Balance as at September 30, 2021	5,560.10

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

Particulars	Amount
Balance as at April 1, 2021	326.21
Additions during the period	21.22
Interest income accrued during the period	12.72
Gain on right-of-use Assets (net)	0.76
Deletions during the period	(19.82)
Reversal of lease receivables on sub-leases (on account of rent concessions due to COVID-19)	(16.16)
Receipts of lease rentals	(11.33)
Balance as at September 30, 2021	311.58

(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:

	For the period April 01, 2021 to September 30, 2021
Short-term leases	57.63
Leases with variable rent	16.03

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

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3C. Intangible assets and intangible assets under development

Particulars	Computer software	Brand name/ trade marks	Total intangible assets	Development of modules for business operation softwares	Expenses of application for registrations of brand name/ trademarks	Total intangible assets under development
Gross carrying value						
As at April 1, 2021	300.35	55.39	355.74	-	1.90	1.90
Add: additions made during the period	18.23	-	18.23	34.11	-	34.11
Less: disposals/ adjustments during the period	0.23	-	0.23	-	-	-
As at September 30, 2021	318.35	55.39	373.74	34.11	1.90	36.01
Accumulated amortization						
As at April 1, 2021	275.32	54.76	330.08	-		
Add: amortization expense for the period	6.30	0.11	6.41	-		
Less: disposals/ adjustments during the period	0.23	-	0.23	-		
As at September 30, 2021	281.39	54.87	336.26	-		
Net carrying value						
As at September 30, 2021	36.96	0.52	37.48	34.11	1.90	36.01

Notes:

1. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible Assets recognized as at 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	Computer software	Brand name/ trade marks	Total intangible assets
Gross carrying value	248.21	54.62	302.83
Accumulated amortization	166.93	52.43	219.36
Net carrying value	81.28	2.19	83.47

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	34.11
1-2 years	-
2-3 years	0.08
More than 3 years	1.82
Total	36.01

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





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 Overseas Wholly-Owned Subsidiary	
2,91,43,275 Ordinary Shares of no par value of Fabindia International Pte. Limited, Singapore	1,796.40
Investment in Subsidiaries	
52,751,805 Equity Shares of ₹ 10/- each of Organic India Private Limited	4,032.48
7,00,000 Equity Shares of ₹ 10/- each of Fabcafe Foods Private Limited #	26.46
5,00,100 Equity Shares of ₹ 10/- each of Biome Life Sciences India Private Limited	5.00
Investment in Associate Companies	
2,01,135 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
Total investments measured at cost	5,869.11
Investments measured at fair value through profit or loss	
Investment in equity instruments (fully paid up)	
Unquoted	
2,500 Shares of ₹ 10/- each of the Saraswat Cooperative Bank Ltd.	0.03
20 Shares of ₹ 50/- each of the Noble House Co-operative Housing Society Limited	0.00
15 Shares of ₹ 50/- each of the Pali Hill Navroze Co-operative Society Limited	0.00
	0.03
Investment in preference shares (fully paid up)	
Unquoted	
Investment in Subsidiary	
50,80,000 9% Optionally Convertible Preference Shares (Cumulative) of ₹ 100/- each of Fabcafe Foods Private Limited	104.28
	104.28
Total investments measured at fair value through profit or loss	104.31
Less: impairment in value of investments in wholly owned subsidiaries	(1,705.50)
Total non-current investments	4,267.92
Aggregate amount of unquoted investments	5,973.42
Aggregate amount of impairment in the value of investments	1,705.50

Particulars	As at September 30, 2021
Category-wise non-current investments (excluding impairment)	
Financial assets measured at cost	5,869.11
Financial assets measured at fair value through profit or loss	104.31
Total non-current investment	5,973.42

Includes ₹ 19.47 Million as premium on financial guarantee provided (refer note no. 21). The premium value is based on the valuation report issued by an independent valuer.

^ 9% Optionally Convertible Preference Shares (Cumulative) (OCPs) of ₹ 100/- each shall be convertible at par into Equity Shares on the basis of 10 Equity Shares for 1 OCP at the expiry of 84 months from the date of receipt of the respective investment tranches as stipulated in the agreement between the parties to the extent not redeemed at par in one or more tranches of 50,000 OCPs before that date. The above fair valuation is based on the valuation report of an independent valuer. During the current period, fair value loss amounting to ₹ 91.76 Million has been recognized in the Statement of Profit and Loss on account of fair valuation as per Ind AS 109 - "Financial instruments".

5 **Non-current loans**

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Carried at amortized cost	
Loan to employees	49.72
	49.72

6 **Other non-current financial assets**

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Security deposits	483.22
Deposits with original maturity of more than twelve months *	12.67
Lease receivables	271.41
	767.30
* Under lien against bank guarantees	12.67

7 **Income tax assets (net)**

	As at September 30, 2021
Balance at the beginning	176.50
Less: Current tax payable for the period	-
Add: taxes paid (net of refund received)	29.67
Add: earlier years taxes	-
Advance income tax (net of provision of tax)	206.17

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8 Deferred tax assets (net)

	Increase/ (decrease)	As at September 30, 2021
The balance comprises temporary differences attributable to:		
Deferred tax assets		
Provision for employee benefits	10.73	24.60
Provision for doubtful debts/ advances	0.22	8.23
Lease liabilities	140.32	1,399.37
Impairment loss in value of investment	(0.00)	397.31
Provision for slow and non-moving inventory	22.82	100.55
Carried forward business losses and depreciation	62.06	177.61
Other timing differences	34.09	210.94
Deferred tax liabilities		
Property, plant and equipment, ROU and intangible assets	(107.25)	(1,265.41)
Lease receivables	3.68	(78.42)
	166.67	974.78

9 Other non-current assets

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Capital advances	79.08
Lease equalisation asset	3.31
ESPS deferred payments [refer note no. 48(a)]	94.61
Other prepaid expenses	16.58
	193.58

10 Inventories

	As at September 30, 2021
Raw materials (at cost)	569.37
Finished goods (at lower of cost or net realisable value)	
Manufactured	3,139.29
Stock-in-transit	
Finished goods - manufactured (at lower of cost or net realisable value)	312.93
Less: provision for slow and non-moving inventory [Refer Note No 51(c)]	(399.53)
	3,622.06

- As per inventory taken and valued by the Management.

11 Trade receivables

	As at September 30, 2021
Unsecured	
Considered good	204.35
Having significant increase in credit risk	2.66
	207.01
Less: allowance for credit losses	(2.66)
	204.35
Includes due from related parties (refer note no. 42):	
- Weavers India General Trading LLC, Dubai, an Associate Company	4.06
- Indigo Origins Pte. Limited, Singapore, an Overseas Wholly-Owned Subsidiary Company	5.10
Total trade receivables from related parties	9.16
Less: allowance for credit losses	-
Net trade receivables from related parties	9.16

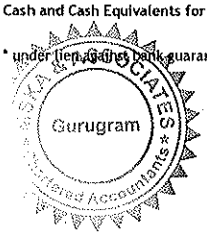
The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Company's trade receivables have been assessed for indications of impairment. An allowance for credit losses as on September 30, 2021 of ₹ 2.66 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	182.76	9.26	11.86	0.22	0.25	204.35
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	1.78	0.69	0.19	2.66
(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	-	-	-	-	-	-

12 Cash and cash equivalents

	As at September 30, 2021
Balances with banks	
in current accounts	223.41
in deposits with original maturity upto three months *	551.68
Cash on hand	19.41
Cash and Cash Equivalents for the Purpose of Cash Flows	794.50
* under lien against bank guarantees	50.92





13 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 *	97.03
Earmarked balances with banks	
Unpaid dividend	0.06
	97.09
* under lien against bank guarantees	97.03

14 Current loans

	As at September 30, 2021
Unsecured	
Considered good	
Loan to employees	8.57
	8.57

15 Other current financial assets

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Security deposits	111.07
Interest accrued but not due on loan*	2.16
Lease receivables	40.17
Other receivables**	214.70
Having significant increase in credit risk	
Other receivables	30.03
Less: allowance for doubtful advances	-30.03
	368.10
* Due from related parties (refer note no. 42):	
Mukesh Kumar Chauhan, Director	0.68
Viney Singh, Managing Director	0.15
** Includes due from employees	
** Includes due from related parties (refer note no. 42):	1.26
Organic India Private Limited, a Subsidiary Company	77.05
Fabcafe Foods Private Limited, a Subsidiary Company	135.17
Biome Life Sciences India Private Limited	0.36

16 Other current assets

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
ESPS deferred payments	47.43
Other prepaid expenses	62.18
Advance to supplier*	63.88
Advance sales tax	8.47
Goods and services tax (GST) input credit	205.01
Other advances**	112.26
	499.23
* Includes due from related parties (refer note no. 42):	
Rangsutra Crafts India Limited, an Associate Company	0.01
Orissa Artisans And Weavers Limited, an Associate Company	0.45
** Includes due from related parties (refer note no. 42):	
Fabcafe Foods Private Limited, a Subsidiary Company	0.57
** Includes GST unavailed balances.	67.16

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18 Other equity

	As at September 30, 2021
Summary of other equity balance	
Reserves and surplus	
Capital reserve	0.17
General reserve	3,221.02
Securities premium	2,190.57
Treasury Shares	(0.04)
Export profits reserve	6.72
Retained earnings	371.62
Remeasurements of the net defined benefit plans (net of tax)	(44.22)
	5,745.84

Nature and purpose of reserves:

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

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

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

d) Treasury Shares
Treasury shares held by FOPL Employees Benefit Trust (acting as an agent of the Company) for issuance to employees 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 the Income Tax Act, 1961.

f) Retained earnings
Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve, Dividends or other distributions paid to shareholders.

g) 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.





19 Non-current financial liabilities - borrowings

	As at September 30, 2021
Secured	
Term loan	
From banks	
- Citi Bank	520.00
- Standard Chartered Bank	363.64
- HDFC Bank	445.24
Less: adjustment for processing and other charges	(6.83)
	1,322.05
Less: current maturity of long term debt (refer note no. 24)	(475.92)
	846.13

(i) Details of Term Loans 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	(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 Million 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 T-bill + Applicable Spread)	173.34	346.66	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 Million 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, opp. Jehangir Nursing Home, Sasoon 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 Million 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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20 **Non-current lease liabilities**

	As at September 30, 2021
Lease liabilities	4,596.82
	4,596.82

21 **Other non-current financial liabilities**

	As at September 30, 2021
(Unsecured, considered good unless otherwise stated)	
Security deposits received	14.53
Financial guarantee obligation*	11.70
	26.23

22 **Non-current provisions**

	As at September 30, 2021
Provision for asset retirement obligation	35.14
Loyalty programme obligation	122.56
	157.70

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

	As at September 30, 2021
Movement in provision asset retirement obligation during the period:	
Balance at the beginning	33.70
Provision during the period	3.33
Amounts utilized/ written back during the period	1.89
Balance at the end	35.14

23 **Other non-current liabilities**

	As at September 30, 2021
Rent received in advance	4.06
	4.06

24 **Short-term borrowings**

	As at September 30, 2021
Secured	
Current maturity of long-term debt (refer note no. 19)	475.92
Working capital demand loan (WCDL) from:	
Kotak Mahindra Bank	590.00
Hong Kong and Shanghai Banking Corporation Limited	150.00
CITI Bank	300.00
Standard Chartered Bank	150.00
HDFC Bank	740.00
9.25 % 25,000 Non Convertible Debentures of ₹ 100,000 each^	2,500.00
	4,905.92

The Company has the following credit facilities taken from various banks carrying interest rate between 4.90% to 13.95% p.a.:
a) Maximum borrowing sanctioned limits in respect of all facilities from banks:

	As at September 30, 2021
Kotak Mahindra Bank	700.00
Hong Kong and Shanghai Banking Corporation Limited	750.00
CITI Bank	1,100.00
Standard Chartered Bank	500.00
HDFC Bank	830.00

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

c) Maturity date and terms of repayment
WCDL facilities are for fixed terms upto 12 months.





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

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

Investor	Purpose, nature and terms of repayment	Securities provided	Coupon Rate and Coupon Payment Dates	Maturity Amount (Upto 1 year)
Azim Premji Trust represented by its trustee Azim Premji Trust Services Private Limited.	a. Purpose of allotment: 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 1,06,27,432 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 ₹ 1250 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

The Company avails short term credit facility from banks, such loans are taken on the basis of security of certain current assets. Though the Company 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 Company 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 lease liabilities

	As at September 30, 2021
Lease liabilities	963.28
	963.28

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)	556.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,029.22
	1,585.27

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	0 -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	411.11	144.94	-	-	-	556.05
(ii) Others	140.28	865.07	12.06	11.52	0.29	1,029.22
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

27 Other current financial liabilities

	As at September 30, 2021
Security deposits received	0.68
Payables for capital goods	21.00
Interest accrued but not due	10.80
Financial guarantee obligation	0.81
Unpaid/ unclaimed dividend	0.06
Employees related payable	137.89
	171.24

28 Other current liabilities

	As at September 30, 2021
Advance from customers	172.71
Statutory liabilities	90.95
Rent received in advance	1.81
Other liabilities	49.99
	315.46

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29 Current provisions

	As at September 30, 2021
Provision for employee benefits	
Gratuity *	62.07
Leave encashment *	0.48
Provision for sales returns	43.42
Provision for asset retirement obligation	3.00
Loyalty programme obligation	56.41
	165.38

* 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 Company recognises a provision for sales returns. The Company provides for sales returns based on Management estimates and past experience. This is measured on a net basis at the margin on the sale. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods likely to be returned.

Movement in provisions during the 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 obligation	
Balance at the beginning	3.50
Provision during the period	2.62
Amounts utilized/ written back during the period	3.12
Balance at the end	3.00

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17 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 1,50,00,000 equity shares having face value of ₹ 10 each into 15,00,00,000 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 1,47,36,378 equity shares of the Company having face value of ₹ 10 each shall stand sub-divided into 14,73,63,780 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 Company.

a) Terms/ rights attached to Equity Shares
The 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 Company declares and pays dividend after obtaining shareholders approval. The Company declares and pays dividend in Indian Rupees.

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

b) The details of shareholders holding more than 5% shares 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		
JLB Partners Holding Inc., USA	23,001,400	15.56%
PI Opportunities Fund - I	32,438,160	21.95%
Bimla Nanda Bissell	30,106,560	20.37%
Madhukar Khera	12,215,420	8.27%
	8,875,080	6.01%

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

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

c) The reconciliation of the number of shares outstanding at the beginning and at the end of the period 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 (face value of ₹ 10 each fully paid up)	14,736,378	147.36
Add: Shares arising on share split from face value of ₹ 10 to ₹ 1 per share*	132,627,402	-
Add: Shares issued during the period**	415,695	0.42
Number of shares at the end	147,779,475	147.78

* The issued, subscribed and paid-up share capital consisting of 1,47,36,378 equity shares of the Company having face value of ₹ 10 each shall stand sub-divided into 14,73,63,780 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 Company.

** During the period ended September 30, 2021, the 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 Company under FABINDIA LIMITED ESPS have been treated as treasury shares and shown under other equity. (refer note no. 48(a))

d) Shares reserved for issue under FABINDIA LIMITED Employee Share Purchase Scheme (ESPS) 2021 (formerly known as Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021 (" FOPL ESPS")):
Refer note no. 48 (a) in respect of details of shares reserved for issue under the above schemes.

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30 Revenue from operations

	For the period April 01, 2021 to September 30, 2021
Revenue from contract with customers:	
	3,444.88
	3,444.88
Other operating revenue:	
Business support service fee	32.02
Provisions/ liabilities no longer required written back#	171.98
Government grants (Refer note no. 46)	0.31
Rental income related to operations	14.57
Royalty income	5.24
Miscellaneous operating income	9.23
	233.35
	3,678.23

This includes lease liability written off back on account of rent concession on lease arrangements (Refer note no. 38)

Disaggregation of revenue based on products:	
Bed linen	185.81
Bath linen	29.30
Table linen	151.50
Garments	2,438.38
Body care	69.58
Floor coverings	27.30
Curtain	63.05
Furniture	211.31
Organic foods	55.54
Upholstery	24.66
Miscellaneous	188.45
	3,444.88
Reconciliation of revenue with contract price:	
Revenue as per contracted price	3,827.87
Adjustments:	
Discounts and sales return	347.42
Customer loyalty programme	35.57
	382.99
Total revenue from contract with customers	**3,444.88**

31 Other income

	For the period April 01, 2021 to September 30, 2021
Interest income	
Bank deposits	18.23
Leased deposits measured at amortized cost	18.82
Lease receivables	12.72
Others	2.16
Dividend income from associate	2.01
Gain on right-of-use assets (net)	25.34
Income from financial guarantee	1.63
Provision for asset retirement obligation written back	5.02
Net gain on foreign currency transactions and translations	0.03
Loyalty Points Obligation Written Back	3.41
	89.37

32 Cost of materials consumed

	For the period April 01, 2021 to September 30, 2021
Raw materials consumed:	
Opening stock	557.77
Add: purchases	706.69
Add: job work charges	434.96
	1,699.42
Less: closing stock	569.37
	1,130.05

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33 Cost of contract manufactured goods

	For the period April 01, 2021 to September 30, 2021
Purchase of finished goods - contract manufactured*	1,466.62
Freight inward	13.16
	1,479.78

* Includes inventory write off amounting to ₹ 28.98 million

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	2,083.34
Stock-in-transit	185.31
	2,268.65
Closing inventory	
Finished goods-manufactured	3,139.29
Stock-in-transit	312.93
	3,452.22
Total decrease/ (increase) in inventories of finished goods and stock-in-trade	(1,183.57)

35 Employee benefits expense

	For the period April 01, 2021 to September 30, 2021
Salaries, wages and bonus	587.28
Contribution to provident and other funds	34.59
Defined benefit plan expense (refer note no. 43)	10.60
Employee Share Purchase Scheme Expense (refer note no. 48(a))	28.17
Staff welfare expense	29.78
	690.42

36 Finance Costs

	For the period April 01, 2021 to September 30, 2021
Interest expense:	
Banking facilities	108.35
Micro, small and medium enterprises	6.86
Financial liabilities measured at amortized cost	14.54
Unwinding of discount on asset retirement obligation	1.50
Unwinding of lease liabilities	217.67
	348.92

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37 Other expenses

	For the period April 01, 2021 to September 30, 2021
Rent	73.66
Advertisement and publicity	104.92
Legal and professional charges	139.55
Payment to auditors*	8.02
Postage, telex and telephones	8.73
Travelling and conveyance	17.35
Consumable office supplies	18.19
IT support service charges	91.88
Rates and taxes	11.40
Insurance	16.78
Power and fuel	67.19
Repair and maintenance	
Building	0.27
Common area maintenance charges	49.51
Computers, air conditioners and other equipment's	11.46
Others	17.98
Directors' sitting fees	0.17
Security and housekeeping charges	148.40
Packing, freight, clearing and forwarding	81.69
Sales promotion	40.69
Commission on sales	9.43
Loss on fair value of investment in OCPs and OCCDs	91.76
Loss on sale/ discard of property, plant and equipment (net)	28.54
Allowance for credit losses/ doubtful advances	0.86
Debit balances written off	2.77
Provision for slow and non-moving stock	90.73
Bank charges	24.72
Miscellaneous expenses	12.50
	1,169.15

*** Payments to auditors**

	For the period April 01, 2021 to September 30, 2021
Statutory auditors	
As audit fee	8.02
Total	8.02

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 period	-
Adjustments/ (credits) related to previous years (net)	-
Total (A)	-
Deferred tax	
Origination and reversal of temporary differences	(153.72)
Total (B)	(153.72)
Total (A+B)	(153.72)

(b) Amounts recognized in other comprehensive income

The tax (charge)/ credit arising on income and expenses recognized in other comprehensive income is as follows:

On items that will not be reclassified to Statement of Profit and Loss	
Remeasurements gain/ (loss) of the Defined Benefit Plans	(12.95)
Total	(12.95)

(c) Reconciliation of effective tax rate

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

(Loss)/ profit before tax	(602.94)
Tax using the Company's domestic tax Rate @ 25.168%	(151.76)
Reduction in tax rate	
Tax effect of:	
Effect of tax related to expenses not deductible for income tax	1.85
Effect of tax due to different tax rate on certain items	1.75
Effect of tax due to indexation	(4.03)
Others (including rounding off tax and interest)	(1.53)
Income tax recognized in Profit or Loss	(153.72)

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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)	104.31	-	4,163.61
Loans (non-current)	-	-	49.72
Other financial assets (non-current)	-	-	767.30
Trade receivables (current)	-	-	204.35
Cash and cash equivalents (current)	-	-	794.50
Bank balances other than cash and cash equivalents (current)	-	-	97.09
Loans (current)	-	-	8.57
Other financial assets (current)	-	-	368.10
Total	104.31	-	6,453.24
Financial liabilities			
Lease liabilities (non-current)	-	-	4,596.82
Lease liabilities (current)	-	-	963.28
Borrowings (non-current)	-	-	846.13
Borrowings (current)	-	-	4,905.92
Trade payables (current)	-	-	1,585.27
Other financial liabilities (non-current)	11.70	-	14.53
Other financial liabilities (current)	0.81	-	170.43
Total	12.51	-	13,082.38

Financial instruments by category

Particulars	Total carrying value
	As at September 30, 2021
Financial assets	
Investments (non-current)	4,267.92
Loans (non-current)	49.72
Other financial assets (non-current)	767.30
Trade receivables (current)	204.35
Cash and cash equivalents (current)	794.50
Bank balances other than cash and cash equivalents (current)	97.09
Loans (current)	8.57
Other financial assets (current)	368.10
Total	6,557.55
Financial liabilities	
Lease liabilities (non-current)	4,596.82
Lease liabilities (current)	963.28
Borrowings (non-current)	846.13
Borrowings (current)	4,905.92
Trade payables (current)	1,585.27
Other financial liabilities (non-current)	26.23
Other financial liabilities (current)	171.24
Total	13,094.89

Fair value hierarchy:

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
- 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.

Notes:

1. Trade receivables comprise amounts receivable from the sale of goods and services.
2. The Management considers that the carrying amount of trade and other receivables approximates their fair value.
3. Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.
4. Other financial assets (non-current) comprise of security deposits paid which have been discounted and the same approximates their fair value.
5. Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.
6. Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.
7. 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 Company has exposure to the following risks arising from financial instruments:
(a) Credit Risk;
(b) Liquidity Risk; and
(c) Market Risk

Risk Management Framework

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

(a) Credit Risk:

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

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

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

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

(b) Liquidity Risk:

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

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

Maturities of Financial Liabilities

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

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

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Long-term borrowings	475.92	852.96	-	1,328.88
Short-term borrowings	4,430.00	-	-	4,430.00
Trade payables	1,585.27	-	-	1,585.27
Security deposits received	0.68	14.53	-	15.21
Payables for capital goods	21.00	-	-	21.00
Interest accrued but not due	10.80	-	-	10.80
Financial guarantee obligation	0.81	11.70	-	12.51
Lease liabilities	963.28	3,201.12	1,395.70	5,560.10
Unpaid/ unclaimed dividend	0.06	-	-	0.06
Other accruals	137.89	-	-	137.89
	7,625.71	4,080.31	1,395.70	13,101.72

(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 Company'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 Company 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 objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

(d) Currency Risk

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





Exposure to Currency Risk

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

Particulars	As at September 30, 2021 INR	As at September 30, 2021 USD
Financial assets		
Trade receivables	16.91	228,091.18
Other receivables	-	-
	16.91	228,091.18
Financial liabilities		
Other accruals	-	-
Trade payables	1.41	19,018.77
Credit balance of trade receivables	-	-
	1.41	19,018.77
Net receivable/ (payable)	15.50	209,072.41

The following exchange rates have been applied:

Currency	Period-end Spot Rate As at September 30, 2021
USD	74.14

Sensitivity Analysis

A reasonably possible strengthening/ weakening of the Indian Rupee (INR) against US Dollars (USD), Great British Pound (GBP), EURO and Malaysian Ringgit (MYR) at 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.

	Profit or Loss		Equity (net of tax)	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
September 30, 2021				
5% movement				
USD	0.78	(0.78)	58.00	(58.00)
	0.78	(0.78)	58.00	(58.00)

41 Capital Management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder's value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. No changes were made in the objectives, policies or processes for managing capital during the period ended September 30, 2021 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19.

The Board of Directors seek to maintain a balance of higher returns by sound capital composition and accordingly the Company does not have any long term borrowings as at September 30,2021. The Company has availed term loans and short-term credit facilities from banks during the period ended September 30, 2021.

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

Particulars	As at September 30, 2021
Long-term borrowings	846.13
Short-term borrowings	4,905.92
Total debt*	**5,752.05**
Equity share capital	147.78
Other equity	5,745.84
Total equity	**5,893.62**
Debt-equity ratio	**0.98**

*Lease liabilities recognised as per Ind AS 116 is not included in total debt.
The Company's objective is to keep the debt equity ratio as low as possible which it has achieved in the current period.





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 Company (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)

(ii) Subsidiary companies

- Fabindia International Pte. Ltd, Singapore - an overseas wholly-owned subsidiary
- Indigo Origins Pte. Ltd., Singapore - an overseas wholly-owned subsidiary
- Organic India Private Limited
- Organic India USA, LLC
- Fabcafe Foods Private Limited
- The Clean Program Corp, USA
- Biome Life Sciences India Private Limited

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

(i) Associates

- Rangsutra Crafts India Limited
- Orissa Artisans and Weavers Limited
- Weavers India General Trading LLC, Dubai
- Fabindia S.r.l., Italy

(ii) Key management personnel (KMP):

- William Nanda Bissell	-	Executive Vice-Chairman and Director (w.e.f November 24, 2021) (Executive Chairman and Director upto November 23, 2021)
- Viney Singh	-	Managing Director
- Monsoon Latane Bissell	-	Director and relative of Executive Vice-Chairman and Director
- Vijai Kumar Kapoor	-	Director
- Prakash Parthasarathy	-	Director
- Rahul Garg	-	Director
- Tekkethalakkal Kurien Kurien	-	Director
- Yoav Lev	-	Director
- Aditya Ghosh	-	Director
- Mukesh Kumar Chauhan	-	Director (w.e.f September 30, 2021) (Additional Director w.e.f. August 20, 2021 and upto September 29, 2021)
- Gyanendra Nath Gupta	-	Director w.e.f September 30, 2021 (Additional Director w.e.f September 2, 2021 and upto September 29, 2021)
- Saurabh Navinchandra Mehta	-	Director w.e.f September 30, 2021 (Additional Director w.e.f September 2, 2021 and upto September 29, 2021)
- Richard Frank Celeste	-	Director w.e.f September 30, 2021 (Additional Director w.e.f September 1, 2021 and upto September 29, 2021)
- Nikhil Khera	-	Director w.e.f September 30, 2021 (Additional Director w.e.f September 1, 2021 and upto September 29, 2021)
- Madhukar Khera	-	Erstwhile Director (ceased to be director w.e.f. September 2, 2021)
- William Sean Sovak	-	Erstwhile Director (ceased to be director w.e.f. May 11, 2021)
- Vinita Bali	-	Erstwhile Director (ceased to be director w.e.f. June 1, 2021)

(iii) Entities controlled by Directors or their relatives

- Homage Advisers LLP





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

Nature of transaction	Subsidiaries	Associates	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
Investment in Optionally Convertible Preference Shares	55.00	-	-	-	55.00
Sale of goods/ samples	9.92	10.44	-	-	20.36
Sale of property, plant and equipment	0.03	-	-	-	0.03
Purchase of finished goods - contract manufactured	137.45	27.53	-	-	164.98
Purchase return of finished goods - contract manufactured	0.18	-	-	-	0.18
Remuneration (included under salary, wages and bonus)	-	-	45.70	-	45.70
Professional charges	-	-	-	18.00	18.00
Directors' sitting fees	-	-	0.17	-	0.17
Interest income	-	-	0.83	-	0.83
Dividend income	-	2.01	-	-	2.01
Reimbursement of expenses receipts	8.37	0.62	-	-	8.99
Rent received (including CAM) .	13.86	-	-	-	13.86
Royalty income	5.17	-	-	-	5.17
Business support service fees	32.02	-	-	-	32.02
Miscellaneous income	0.05	-	-	-	0.05
Interest Expense	-	0.02	-	-	0.02
Security deposit received	0.40	-	-	-	0.40

Outstanding Balances	Subsidiaries	Associates	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	25.46	13.98	12.91	3.24	55.59
Outstanding Receivables	218.25	4.53	19.21	-	241.99

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	45.93
Post-employment benefits	71.74
Share-based payments	3.85
Total compensation paid to key management personnel	121.52

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D. Disclosure in respect of all related party transactions:

Particulars	April 01, 2021 to September 30, 2021
Investment in Optionally Convertible Preference Shares	
Fabcafe Foods Private Limited	55.00
Sale of goods/ samples	
Indigo Origins Pte. Ltd., Singapore	9.92
Weavers India General Trading LLC, Dubai	10.23
Rangsutra Crafts India Limited	0.21
Sale of property, plant and equipment	
Fabcafe Foods Private Limited	0.03
Purchase of finished goods - contract manufactured	
Organic India Private Limited	59.77
Orissa Artisans and Weavers Limited	16.95
Rangsutra Crafts India Limited	10.58
Biome Life Sciences India Private Limited	77.58
Fabcafe Foods Private Limited	0.09
Purchase return of finished goods - contract manufactured	
Fabcafe Foods Private Limited	0.18
Remuneration (included under salary, wages and bonus)	
William Nanda Bissell	30.50
Viney Singh	12.55
Mukesh Kumar Chauhan	2.65
Professional charges	
Homage Advisers LLP	18.00
Director's sitting fees	
Madhukar Khera	0.03
Monsoon Latane Bissell	0.03
Vijai Kumar Kapoor	0.03
Prakash Parthasarathy	0.03
Yoav Lev	0.03
Nikhil Khera	0.01
Gyanendra Nath Gupta	0.01
Richard Frank Celeste	0.01
Vinita Bali	0.01
Interest income	
Viney Singh	0.15
Mukesh Kumar Chauhan	0.68
Dividend income	
Rangsutra Crafts India Limited	2.01
Reimbursement of expenses received	
Indigo Origins Pte. Ltd., Singapore	1.44
Organic India Private Limited	1.53
Fabcafe Foods Private Limited	5.23
Weavers India General Trading LLC, Dubai	0.62
Biome Life Sciences India Private Limited	0.17
Rent received (including CAM)	
Organic India Private Limited	8.69
Biome Life Sciences India Private Limited	0.07
Fabcafe Foods Private Limited	5.10
Royalty income	
Organic India Private Limited	4.29
Fabcafe Foods Private Limited	0.89
Business support service fees	
Organic India Private Limited	32.02
Miscellaneous income	
Fabcafe Foods Private Limited	0.05

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D. Disclosure in respect of all related party transactions:

Particulars	April 01, 2021 to September 30, 2021
Interest Expense	
Rangsutra Crafts India Limited	0.02
Security deposit received	
Organic India Private Limited	0.40
Outstanding payable	
William Nanda Bissell	11.30
Viney Singh	1.02
Mukesh Kumar Chauhan	0.52
Gyanendra Nath Gupta	0.00
Richard Frank Celeste	0.01
Nikhil Khera	0.00
Yoav Lev	0.02
Madhukar Khera	0.00
Monsoon Late Bissell	0.00
Prakash Parthsarthy	0.00
Vijai Kumar Kapoor	0.00
Vinita Bali	0.00
Homage Advisers LLP	3.24
Organic India Private Limited	22.38
Orissa Artisans and Weavers Limited	5.13
Rangsutra Crafts India Limited	8.85
Biome Life Sciences India Private Limited	3.08
Outstanding receivable	
Organic India Private Limited	77.05
Indigo Origins Pte. Ltd., Singapore	5.10
Fabcafe Foods Private Limited	135.74
Weavers India General Trading LLC, Dubai	4.06
Rangsutra Crafts India Limited	0.01
Biome Life Sciences India Private Limited	0.36
Orissa Artisans and Weavers Limited	0.45
Viney Singh	3.54
Mukesh Kumar Chauhan	15.68
Financial Guarantee given on behalf of Fabcafe Foods Private Limited	150.00





43 Employee benefits

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

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

An amount of ₹ 31.10 Million has been recognized as an expense in respect of the Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Statement of Profit and Loss.

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

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 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 Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

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

Economic Assumptions

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

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. The assumptions used are summarized in the following table:

Particulars	Gratuity (Funded)	Compensated absences earned
	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: Nil thereafter 5%	FY 2021-22: Nil thereafter 5%
In service mortality	100% IALM (2012-14)	100% 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)	Compensated absences earned leaves (Funded)
	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	129.12	34.59
Interest cost	4.36	1.17
Current service cost	9.91	3.03
Benefits paid	(7.22)	(4.50)
Actuarial loss/ (gain) on obligation	58.46	1.38
Defined Benefit Obligation at the end of the period	**194.63**	**35.67**
2. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the period	108.60	13.13
Expected return on plan assets	3.67	0.44
Employer contribution	20.52	21.47
Benefits paid	-	-
Actuarial gain/ (loss) on plan assets	(0.23)	0.15
Fair value of plan assets at the end of the period	**132.56**	**35.19**
3. Reconciliation of fair value of Assets and Obligations		
Fair value of plan assets	132.56	35.19
Present value of obligation	194.63	35.67
Amount recognized in Balance Sheet (Deficit)	**(62.07)**	**(0.48)**
4. Expenses recognized in Statement of Profit and Loss		
Current service cost	9.91	3.03
Net interest Cost	0.69	0.73
Net actuarial loss recognized in the period	-	1.23
Net Cost	**10.60**	**4.99**
5. Expenses recognized in Other Comprehensive Income		
Actuarial loss/ (gain) for the period on Obligation	58.46	-
Actuarial (gain) for the period on Plan Assets	0.23	-
Net expense/ (income) in OCI	**58.69**	**-**

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43 Employee benefits

6. 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%

7. Sensitivity Analysis of the Defined Benefit Obligation:

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

Particulars	September 30, 2021	
	Increase by 0.50%	Decrease by 0.50%
Impact of the change in discount rate (0.50% movement)	(7.28)	7.87
Impact of the change in salary increase Rate (0.50% movement)	8.10	(7.55)

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

8. Description of Risk Exposures:

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

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





44 Contingent liabilities and commitments

A Contingent liabilities:

	As at September 30, 2021
(a) Claims against the Company not acknowledged as debts:	
- Income tax demands under appeal	0.30
- Value added tax demands under appeal	0.28
- Employees' provident fund demands under appeal	0.12
- Labour laws demands under appeal	3.89
- Central excise/ service tax demands under appeal	1.31
- Others*	6.88
	12.78

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

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

(c) A commercial suit had been filed against the 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 Company's aforesaid actions. Basis the statement made by the 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 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 Company has outstanding capital commitments of ₹ 232.13 Million as at September 30, 2021 on account of setting up of new stores/offices and softwares.

(b) Lease commitments:

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

		As at September 30, 2021
	(i) Finance sub-leases	
	Minimum lease payment	
a.	Not later than one year	63.65
b.	Later than one year but not later than five years	222.63
c.	Later than five years	124.68
	Present value of lease payments	
a.	Not later than one year	40.17
b.	Later than one year but not later than five years	161.58
c.	Later than five years	109.83
	(ii) Operating sub-leases	
	Minimum lease payment	
a.	Not later than one year	27.13
b.	Later than one year but not later than five years	60.33
c.	Later than five years	4.66

(c) Revenue commitment:

The future commitment (excluding GST) in respect of agreements entered into 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
	153.10

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(d) The 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 Company by the weighted average number of Equity shares outstanding during the period.

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

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the period April 01, 2021 to September 30, 2021
(Loss) for the period (₹ In Million)	(449.22)
Weighted average number of equity shares (nos.)	147,370,708
Nominal value of equity shares (in ₹)	1.00
Earnings per equity share (in ₹)	
Basic	(3.05)
Diluted	(3.05)
Weighted average number of equity shares	
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 Company has recognized ₹ 0.31 Million for Duty Drawback/ Export Incentives in the Statement of Profit and Loss. In case of export sales, the Company gets a certain percentage of FOB value of exports on selected items as benefit. There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognized in the Statement of Profit and loss.

47 Segment information

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





48 Share based payments

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

During the previous year, the members of the Company had approved FABINDIA LIMITED Employee Share Purchase Scheme (ESPS) 2021 (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 Company to the eligible employees, including Directors of the Company and its present and future Subsidiary Companies (except independent directors), as determined by the Nomination and Remuneration Committee (NRC) of the Board of Directors of the 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 ("Trust"), a registered trust. As per FABINDIA LIMITED ESPS, the select employees shall be allowed to purchase the 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 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 Company, on a fully diluted basis, i.e. a maximum of 43,63,420 equity shares can be allotted in one or multiple tranches.

During the period ended September 30, 2021, the Company has issued and allotted 4,15,695 equity shares of nominal value of ₹ 1/- each at a premium of ₹ 81.28/- per share aggregating to ₹ 34.20 Millions fully paid up to the FOPL Trust for onward transfer of such shares to the eligible employees as per terms of FABINDIA LIMITED ESPS.

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

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

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

Particulars	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

iii) **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	94.61
Current	47.43

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48 Share based payments

b) Fabindia Limited Employee Stock Option Plan (ESOP) 2016

The members of the Company had approved Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') at the 39th Annual General Meeting held on September 29, 2016. The Plan provides for grant of maximum of 85,000 (later on reduced to 70,000 vide Nomination and Remuneration Committee meeting held on January 18, 2017) Stock Options over the period of five years to the eligible employees including Directors of the Company other than Promoters/Persons belonging to Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% of outstanding equity shares of the Company as determined by the Nomination and Remuneration Committee of the Board of Directors from time to time, subject to terms and conditions specified in the Plan and Employee Stock Option Agreements/ Grant Letters. The number of Stock Options were increased to 9,00,000 vide approval received from Shareholders of the Company in their Extra-ordinary General Meeting held on 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, during the financial year ended March 31, 2021, the Company had shifted to FABINDIA LIMITED ESPS. Further, during the period ended September 30, 2021, the said plan has been terminated by the Company.

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

Scheme	Year	Date of grant	Numbers of options granted	Vesting period	Exercise period	Exercise price (₹) per share	Weighted average exercise price (₹) per share
Fabindia Overseas Private Limited 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
	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
	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
	2019 - 2020	August 22, 2019	14000 (post Bonus Issue of 5:1 made on 12th October 2019, these have been adjusted to 84,000 options)	One year from the date of grant i.e. upto August, 22, 2020	Minimum 15 days from the date of vesting	10	10

i) Movement in Employee Stock Options during the period:

Particulars	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

ii) Fair Value on the Grant Date:

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

Fair Value at Grant Dates	(Amount in ₹)
August 17, 2017	5,952.96
October 12, 2017	6,357.78
February 22, 2018	6,400.63
August 22, 2018	7,654.38
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:

	2019-20	2018-19	2017-18		
	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%

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.

iii) The effect of share-based payment plan on the Special Purpose Interim Standalone Financial Statements:

	April 01, 2021 to September 30, 2021
Expense arising from employee share-based payment plan	
Liability arising from employee share-based payment plan	





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	435.76
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: U74899DL1976PLC008436

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

Place: New Delhi
Date: January 20, 2022

Vinay Singh
Managing Director
DIN: 00932145

Place: Bangalore
Date: January 20, 2022

Gopal Mishra
Chief Financial Officer and Chief Operating Officer

Place: Noida
Date: January 20, 2022

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

Place: New Delhi
Date: January 20, 2022