



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. On July 1, 1994, our Company’s name was changed to ‘Fabindia Overseas Limited’ by the Registrar of Companies, Delhi and Haryana, as it became a deemed public company under Section 43A of the Companies Act, 1956. Pursuant to the amendment in Section 43A of the Companies Act, 1956 by Companies Amendment Act, 2000, the Company’s status was converted from a deemed public company to a private limited company and consequently the name was changed to ‘Fabindia Overseas Private Limited’ on May 8, 2001. Subsequently, the name of our Company was changed to ‘Fabindia Private Limited’ and a fresh certificate of incorporation dated October 13, 2021 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana (the “RoC”). Thereafter, our Company was converted into a public limited company, consequent to which its name was changed to ‘FABINDIA LIMITED’, pursuant to the resolution passed by our Board of Directors on September 2, 2021 and by our Shareholders on September 30, 2021. Fresh certificate of incorporation consequent to the conversion of our Company into a public limited company was issued by the RoC on October 22, 2021. For further details, including in relation to changes in name and registered office of our Company, see “History and Certain Corporate Matters” beginning on page 212.

**Registered Office:** Plot No. 10, Local Shopping Complex Sector B, Pocket – 7, Vasant Kunj, New Delhi – 110 070, India. **Tel:** +91 11 4604 1700

**Corporate Office:** C-40, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020, India. **Tel:** +91 11 4069 2000

**Contact Person:** Monika Uppal Arora, Company Secretary and Compliance Officer; **Tel:** +91 11 4069 2058

**E-mail:** mailus@fabindia.net; **Website:** www.fabindia.com; **Corporate Identity Number:** U74899DL1976PLC008436

**OUR PROMOTERS: BIMLA NANDA BISSELL, WILLIAM NANDA BISSELL, MONSOON LATANE BISSELL, MADHUKAR KHERA AND JLB PARTNERS HOLDING INC.**

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (“EQUITY SHARES”) OF FABINDIA LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER”) COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 5,000 MILLION BY OUR COMPANY (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 25,050,543 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING UP TO 200,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY BIMLA NANDA BISSELL, UP TO 1,477,795 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY WILLIAM NANDA BISSELL AND UP TO 1,500,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MADHUKAR KHERA (THE “PROMOTER SELLING SHAREHOLDERS”), UP TO 20,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VIJAI KUMAR KAPOOR AND UP TO 40,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MINI KAPOOR (THE “PROMOTER GROUP SELLING SHAREHOLDERS”), UP TO 12,047,528 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PI OPPORTUNITIES FUND I AND UP TO 2,730,420 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PRAZIM TRADING AND INVESTMENT COMPANY PRIVATE LIMITED (THE “INVESTOR SELLING SHAREHOLDERS”), UP TO 2,141,280 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY INDIA 2020 FUND II, LIMITED, UP TO 1,126,140 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY BAJAJ HOLDINGS AND INVESTMENT LIMITED, UP TO 384,660 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KOTAK INDIA ADVANTAGE FUND - I, UP TO 75,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY IFIS CORPORATE ADVISORY SERVICES PRIVATE LIMITED AND UP TO 260,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NRJN FAMILY TRUST (“OTHER SELLING SHAREHOLDERS”) AND UP TO 3,047,720 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OTHER SELLING SHAREHOLDERS AS SET OUT UNDER ANNEXURE A (“INDIVIDUAL SELLING SHAREHOLDERS”), (THE PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDERS, INVESTOR SELLING SHAREHOLDERS, OTHER SELLING SHAREHOLDERS AND INDIVIDUAL SELLING SHAREHOLDERS, COLLECTIVELY REFERRED AS “SELLING SHAREHOLDERS” AND SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE “OFFER FOR SALE”). THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”), THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS “NET OFFER”. THE OFFER AND THE NET OFFER WOULD CONSTITUTE [●] % AND [●] % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO ₹ [●] OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”).

THE FACE VALUE OF EQUITY SHARES IS ₹ 1 EACH. THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●] AND ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] (HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (“BSE”) AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”), AND TOGETHER WITH BSE, THE “STOCK EXCHANGES”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER UNDERTAKING A PRIVATE PLACEMENT OF SUCH NUMBER OF EQUITY SHARES FOR A CASH CONSIDERATION AGGREGATING UP TO ₹ 1,000 MILLION BETWEEN THE DATE OF THIS DRAFT RED HERRING PROSPECTUS TILL THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (“PRE-IPO PLACEMENT”) SUBJECT TO APPROPRIATE APPROVALS. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND THE PRE-IPO PLACEMENT WILL BE COMPLETED PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED PURSUANT TO SUCH A PRE-IPO PLACEMENT WILL BE REDUCED FROM THE AMOUNT OF THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SCRR.

**DETAILS OF SELLING SHAREHOLDERS, OFFERED SHARES AND AVERAGE COST OF ACQUISITION**

Name of Selling Shareholders	Number of Equity Shares held	Number of Offered Shares	Average Cost of Acquisition (in ₹)#	Name of Selling Shareholders	Number of Equity Shares held	Number of Offered Shares	Average Cost of Acquisition (in ₹)#
<b>Promoter Selling Shareholders</b>				Nehal Abhay Vakil	90,000	Up to 90,000 Equity Shares	555.00
Bimla Nanda Bissell	12,214,970	Up to 200,000 Equity Shares	10.55	William Sean Sovak	60,000	Up to 60,000 Equity Shares	126.67
William Nanda Bissell	23,001,400	Up to 1,477,795 Equity Shares	1.40	Ajay Bahl	90,000	Up to 60,000 Equity Shares	555.00
Madhukar Khera	8,875,080	Up to 1,500,000 Equity Shares	2.49	Mukesh Kumar Chauhan	225,360	Up to 60,000 Equity Shares	127.84
<b>Promoter Group Selling Shareholders</b>				Kavita Mitter	67,500	Up to 35,000 Equity Shares	Nil*
Vijai Kumar Kapoor	61,260	Up to 20,000 Equity Shares	1.99	Rajesh Ramaiah	174,480	Up to 26,250 Equity Shares	300.16
Mini Kapoor	144,000	Up to 40,000 Equity Shares	25.00	Praablen Sabhaney	125,100	Up to 40,000 Equity Shares	14.38
<b>Investor Selling Shareholders</b>				Damini Narain	70,380	Up to 3,000 Equity Shares	20.60
PI Opportunities Fund I	30,106,560	Up to 12,047,528 Equity Shares	212.55	Rekha Mehrotra Menon	189,000	Up to 18,000 Equity Shares	46.09
Prazim Trading and Investment Company Private Limited	2,730,420	Up to 2,730,420 Equity Shares	25.00	Saurabh Naithani	17,460	Up to 17,460 Equity Shares	26.08
<b>Other Selling Shareholders</b>				Tekkethalakal Kurien Kurien	84,000	Up to 14,000 Equity Shares	350.00
India 2020 Fund II, Limited	2,141,280	Up to 2,141,280 Equity Shares	308.33	Ruchira Puri Pujari (Jointly with Ashutosh Prabhakar Pujari)	12,780	Up to 10,000 Equity Shares	25.00
Bajaj Holdings and Investment Limited	2,252,280	Up to 1,126,140 Equity Shares	555.00	Lakshminarayana R Kollengode	32,340	Up to 7,300 Equity Shares	177.54
Kotak India Advantage Fund – I	384,660	Up to 384,660 Equity Shares	555.00	Dilpreet Sokhi Singh	10,860	Up to 5,000 Equity Shares	303.20
NRJN Family Trust*	783,240	Up to 260,000 Equity Shares	312.64	Smrita Mankad	197,280	Up to 5,000 Equity Shares	4.59
IFIS Corporate Advisory Services Private Limited	410,640	Up to 75,000 Equity Shares	3.25	Suzanne Jane Spink	40,200	Up to 5,000 Equity Shares	25.00
<b>Individual Selling Shareholders</b>				Manoj Kumar Jaiswal	26,820	Up to 2,300 Equity Shares	409.08
Arjun Sharma	900,000	Up to 855,000 Equity Shares	25.00	Chaman Singh Bisht	7,980	Up to 1,000 Equity Shares	25.00
Charu Sharma	2,008,920	Up to 300,000 Equity Shares	8.15	Tingmunkim Vaiphei	9,000	Up to 1,000 Equity Shares	25.00
Rohini Nilekani	797,880	Up to 260,000 Equity Shares	312.56	Bertha Beck (earlier known as Jyoti Beek)	9,000	Up to 1,000 Equity Shares	25.00
Geeta Amar Lulla	180,000	Up to 180,000 Equity Shares	555.00	Rahul Garg	154,980	Up to 30,000 Equity Shares	278.34
Sanjay Kalra (Jointly with Jyotika Kapoor)	180,000	Up to 180,000 Equity Shares	555.00	Ramanan Venkateswaran (Jointly with Kala Ramanan)	33,000	Up to 6,500 Equity Shares	323.48
Rama Puri	864,000	Up to 164,000 Equity Shares	0.01	Anuradha Kumra	92,620	Up to 23,000 Equity Shares	15.00
Elizabeth Nanda	433,980	Up to 150,890 Equity Shares	7.85	Sashikanth Balachandrar (Jointly with Ganga Sashikanth)	56,520	Up to 10,000 Equity Shares	251.36
Subrata Dutta	235,260	Up to 100,000 Equity Shares	26.47	Ajay Kapoor	46,730	Up to 12,000 Equity Shares	12.36
Sunil Chainani (Jointly with Kiran Chainani)	6,231,720	Up to 100,000 Equity Shares	4.45	Poonam Singh Chauhan	60,780	Up to 20,000 Equity Shares	23.44
Agnello Oswin Dias	90,000	Up to 90,000 Equity Shares	555.00	Premkumar G	9,480	Up to 6,000 Equity Shares	225.26
Kartik Ganapathy	90,000	Up to 90,000 Equity Shares	555.00	Vaishali Bahel	27,480	Up to 3,000 Equity Shares	8.20
				Roopali Gupta	42,000	Up to 4,200 Equity Shares	209.40
				Raja Ghosh	27,570	Up to 1,020 Equity Shares	12.65
				Usha Rawat	1,560	Up to 800 Equity Shares	31.60

#As certified by M/s. AKGVG & Associates, Chartered Accountants, by way of their certificate dated January 21, 2022.

\*These Equity Shares were acquired by way of gift from other Shareholders.

\*Held through its corporate trustee, Entrust Family Office Legal and Trusteeship Services Private Limited

**BOOK RUNNING LEAD MANAGERS**

**REGISTRAR TO THE OFFER**

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**BID/OFFER PROGRAMME**

<b>BID/OFFER OPENS ON</b>	[●]
<b>BID/OFFER CLOSES ON</b>	[●]

\* Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.



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**Corporate Office:** C-40, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020, India. **Tel:** +91 11 4069 2000  
**Contact Person:** Monika Uppal Arora, Company Secretary and Compliance Officer; **Tel:** +91 11 4069 2058  
**E-mail:** mailus@fabindia.net; **Website:** www.fabindia.com; **Corporate Identity Number:** U74899DL1976PLC008436

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In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank.

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs” and such portion, the “QIB Portion”), provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders (“RIB”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see “Offer Procedure” beginning on page 451.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 1 each. The Floor Price, Cap Price and Offer Price, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 37.

**OUR COMPANY’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for, and confirms, that the statements specifically made or confirmed by it in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to it and the Equity Shares offered by it under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statement, including, inter-alia, any of the statements made by or relating to the Company or its business or any of the other Selling Shareholders.

**LISTING**

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from the BSE and the NSE for listing the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [•]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 546.

**BOOK RUNNING LEAD MANAGERS**

**REGISTRAR TO THE OFFER**

						
<b>ICICI Securities Limited</b> ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025 Maharashtra, India <b>Tel.:</b> +91 22 6807 7100 <b>E-mail:</b> fabindia ipo@icicisecurities.com <b>Investor grievance e-mail:</b> customercare@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Contact Person:</b> Kristina Dias <b>SEBI Registration No.:</b> INM000011179	<b>Credit Suisse Securities (India) Private Limited</b> 9th Floor, Ceejay House Plot F Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India <b>Tel.:</b> +91 22 6777 3885 <b>E-mail:</b> list.fabindiaipo@credit-suisse.com <b>Investor grievance e-mail:</b> list.icigcellmr-bnkg@credit-suisse.com <b>Website:</b> www.credit-suisse.com/en/in/investment-banking-apac/investment-banking-in-india/ipo.html <b>Contact Person:</b> Abhishek Joshi <b>SEBI Registration No.:</b> INM000011161	<b>J.P. Morgan India Private Limited</b> J.P. Morgan Tower, Off C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India <b>Tel:</b> +91 22 6157 3000 <b>E-mail:</b> fabindia_ipo@jpmorgan.com <b>Website:</b> www.jpiml.com <b>Investor grievance e-mail:</b> investorsmb.jpiml@jpmorgan.com <b>Contact Person:</b> Mr. Saarthak K. Soni <b>SEBI Registration No.:</b> INM000002970	<b>Nomura Financial Advisory and Securities (India) Private Limited</b> Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018, Maharashtra, India <b>Tel.:</b> +91 22 4037 4037 <b>E-mail:</b> fabindiaipo@nomura.com <b>Investor grievance e-mail:</b> investorgrievances-in@nomura.com <b>Website:</b> www.nomuraholdings.com/company/group/asia/india/index.html <b>Contact Person:</b> Vishal Kanjani / Chirag Shah <b>SEBI Registration No.:</b> INM000011419	<b>SBI Capital Markets Limited</b> 202, Maker Tower ‘E’ Cuffe Parade, Mumbai 400 005 Maharashtra, India <b>Tel.:</b> +91 22 2217 8300 <b>E-mail:</b> fabindia.ipo@sbicaps.com <b>Investor grievance e-mail:</b> investor.relations@sbicaps.com <b>Website:</b> www.sbicaps.com <b>Contact Person:</b> Karan Savarekar <b>SEBI Registration No.:</b> INM000003531	<b>Equirus Capital Private Limited</b> 12th Floor, C Wing, Marathon Futrex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India. <b>Tel.:</b> +91 22 4332 0700 <b>E-mail:</b> fabindia.ipo@equirus.com <b>Investor grievance e-mail:</b> investorsgrievance@equirus.com <b>Website:</b> www.equirus.com <b>Contact Person:</b> Mrunal Jadhav <b>SEBI Registration No.:</b> INM000011286	<b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park. L.B.S Marg, Vikhroli West, Mumbai 400 083 Maharashtra, India <b>Tel:</b> + 91 22 4918 6200 <b>E-mail:</b> fabindia.ipo@linkintime.co.in <b>Investor grievance e-mail:</b> fabindia.ipo@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Contact person:</b> Ms. Shanti Gopalakrishnan <b>SEBI registration number:</b> INR000004058

**BID/OFFER PROGRAMME**

<b>BID/OFFER OPENS ON</b>	[•]
<b>BID/OFFER CLOSING ON</b>	[•]

\* Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in “Industry Overview”, Key Regulations and Policies”, “Statement of Possible Special Tax Benefits”, “Financial Statements”, “Basis for Offer Price”, “Other Financial Information”, “Outstanding Litigation and Material Developments” “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association”, on pages 141, 205, 136, 257, 133, 362, 409, 451 and 472, respectively, will have the meaning ascribed to such terms in those respective sections.*

#### Company and Selling Shareholders’ related terms

Term	Description
“our Company”, “the Company” or “the Issuer”	FABINDIA LIMITED, a company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. 10, Local Shopping Complex Sector B, Pocket – 7, Vasant Kunj, New Delhi – 110070, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries
“2019 Fibonacci Investment Agreement-I”	Fibonacci Investment Agreement dated September 16, 2019, entered into by and amongst our Company, PI Opportunities Fund –I, William Nanda Bissell and Axis New Opportunities AIF – I.
“2019 Fibonacci Investment Agreement-II”	Fibonacci Investment Agreement dated September 16, 2019, entered into by and amongst our Company, PI Opportunities Fund I, Avian Management Consultants Private Limited, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell, Bajaj Holdings and Investment Limited, Kotak Securities Limited, Kotak India Advantage Fund – I and the remaining purchasers.
“AHIPL”	AHIPL Management Consulting Private Limited
“AMCPL Agreement”	Agreement dated September 28, 2019 executed by and between Avian Management Consultants Private Limited and Sanjeev Bikhchandani.
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended from time to time.
“Audit Committee”	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in “Our Management” on page 227.
“Board” or “Board of Directors”	The board of directors of our Company
“Chief Financial Officer and Chief Operating Officer”	The chief financial officer and chief operating officer of our Company, being Gopal Mishra.
“Chairman”	Chairman of our Board of Directors, being Gyanendra Nath Gupta
“Company Secretary and Compliance Officer”	Company secretary and compliance officer of our Company, being Monika Uppal Arora.
“Corporate Office”	C-40, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020, India.
“Corporate Promoter”	JLB Partners Holding Inc.
“Corporate Social Responsibility Committee”	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in “Our Management” on page 227.
“Director(s)”	Director(s) on the Board of our Company, as appointed from time to time
“EY”	Ernst & Young Global Limited
“EY Report”	Report titled “Assessment of the Fashion, Lifestyle and Organic Products” dated December 20, 2021
“Equity Shares”	Equity shares of our Company of face value of ₹1 each
“ESOP 2016”	Fabindia Overseas Private Limited Employee Stock Option Scheme 2016
“ESPS 2021”	FABINDIA LIMITED Employees Share Purchase Scheme (ESPS) 2021



Term	Description
“Executive Director” or “Whole-time Director”	A whole-time director / executive director of our Company. For further details, see “ <i>Our Management</i> ” on page 227.
“Executive Vice-Chairman and Director”	Executive vice-chairman and Director of our Company, being William Nanda Bissell
“Fabcafe”	Fabcafe Foods Private Limited
“Fabcafe JV Agreement”	Joint Venture cum Shareholders’ Agreement dated June 23, 2018, entered into by and amongst our Company, Sunil Chauhan and Fabcafe
“Independent Chartered Accountant”	M/s. AKGVG & Associates, Chartered Accountants
“Group Companies”	Our group companies as disclosed in section “ <i>Our Group Companies</i> ” of page 252.
“Individual Promoters”	Together, Bimla Nanda Bissell, William Nanda Bissell, Monsoon Latane Bissell and Madhukar Khera.
“Individual Selling Shareholders”	Persons listed under <b>Annexure A</b> .
“Independent Director”	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see “ <i>Our Management</i> ” on page 227
“Investment Agreement”	Investment Agreement dated October 28, 2016 entered between William Nanda Bissell, JLB Partners Holding Inc., India 2020 Fund II, Limited and our Company.
“Investor Selling Shareholders”	PI Opportunities Fund I and Prazim Trading and Investment Company Private Limited
“Joint Statutory Auditors”	The joint statutory auditors of our Company, being MSKA & Associates, Chartered Accountants and A Puri & Associates, Chartered Accountants
“KMP” or “Key Managerial Personnel”	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Management</i> ” on page 227
“LOI”	Letter of Intent dated January 9, 2022 executed between OI (India) Holdings, LLC, Organic India Private Limited, Holly B Lev and Yoav Lev and our Company
“Managing Director”	The managing director of our Company, being Viney Singh.
“Material Subsidiaries”	Organic India Private Limited and Organic India USA, LLC.
“Materiality Policy”	The materiality policy of our Company adopted pursuant to a resolution of our Board of Directors dated January 15, 2022 for identification of the material (a) outstanding litigation proceedings; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended from time to time.
“NCDs”	Secured, unlisted, unrated, redeemable and non-convertible debentures of face value of ₹ 100,000 each, aggregating to an amount of ₹ 2,500 million.
“Nomination and Remuneration Committee”	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in “ <i>Our Management</i> ” on page 227
“Non-Executive Director(s)”	Non-executive directors of our Company. For further details, see “ <i>Our Management</i> ” on page 227
“OIPL JV Agreement”	Joint Venture and Shareholders’ Agreement dated April 27, 2013 entered into by and amongst our Company, OI (India) Holdings, LLC and Organic India Private Limited
“OIPL Share Subscription Agreement”	Share Subscription Agreement dated March 05, 2013 entered into between Holly B. Lev, Yoav Lev, Steven Bookoff, Christopher Dean, Laurent Chappuis, Krishan Gupta, OIPL and our Company
“Other Selling Shareholders”	Together, India 2020 Fund II, Limited, Bajaj Holdings and Investment Limited, Kotak India Advantage Fund - I, IFIS Corporate Advisory Services Private Limited and NRJN Family Trust
“Promoter Group”	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see “ <i>Our Promoters and Promoter Group</i> ” on page 248
Promoter Group Selling Shareholders	Together, Vijai Kumar Kapoor and Mini Kapoor.
“Promoter Selling Shareholders”	Together, Bimla Nanda Bissell, William Nanda Bissell and Madhukar Khera
“Promoters”	Together, the Corporate Promoter and the Individual Promoters. For further details, see “ <i>Our Promoters and Promoter Group</i> ” on page 248
“Registered Office”	The registered office of our Company situated at Plot No. 10, Local Shopping Complex Sector B, Pocket – 7, Vasant Kunj, New Delhi – 110070, India.
“Registrar of Companies” or “RoC”	Registrar of Companies, National Capital Territory of Delhi and Haryana
“Risk Management”	The risk management committee of our Board constituted in accordance with the Companies Act,

Term	Description
Committee”	2013 and the Listing Regulations, as described in “ <i>Our Management</i> ” on page 227
“Restated Consolidated Financial Statements” or “Restated Consolidated Financial Information”	Restated consolidated financial statements of our Company, comprising the Restated Consolidated Summary Statement of Assets and Liabilities as at, six month period ended September 30, 2021 and as at, March 31, 2021, 2020 and 2019 and Restated Consolidated Financial Statements of Profit and Loss (including Other Comprehensive Income), and Restated Consolidated Summary Cash Flows and Restated Consolidated Summary Statement of Changes in Equity for the six month period ended September 30, 2021 and for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of Significant accounting policies, and other explanatory information of our Company, prepared by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI.
“SPA”	Share Purchase Agreement dated February 10, 2012 entered into by and amongst our Company, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell and WCP Mauritius Holding and PI Opportunities Fund-I.
“SPA 2016”	Share Purchase Agreement dated May 20, 2016 entered into by and amongst our Company, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell and WCP Mauritius Holding and Hasham Investment and Trading Company Private Limited
“SSA”	Share Subscription Agreement dated February 10, 2012 entered into by and amongst our Company, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell and PI Opportunities Fund-I
“SSA 2017”	Share Sale Agreement dated March 22, 2017 entered into by and amongst our Company, Hasham Investment and Trading Company Private Limited and PI Opportunities Fund I.
STA 2021	Share Transfer Agreement dated August 19, 2021 entered into by and amongst OI (India) Holdings, LLC, Organic India Private Limited and our Company.
“Selling Shareholders”	Collectively, Promoter Selling Shareholders, Promoter Group Selling Shareholders, Investor Selling Shareholders, Other Selling Shareholders and Individual Selling Shareholders
“Scheme of Arrangement”	Scheme of Amalgamation and Arrangement made between our Company and AHIPL
“Shareholder Agreement 2016”	Restated Shareholder’s Agreement dated June 30, 2016 entered into by and amongst our Company, William Nanda Bissell, PI Opportunities Fund -I and Hasham Investment and Trading Company Private Limited
“Stock Purchase Agreement 2017”	Convertible Preferred Stock Purchase Agreement dated December 1, 2017 entered into by and between our Company and Fabcafe Foods Private Limited
“Stock Purchase Agreement 2018”	Addendum dated October 1, 2018 to the Stock Purchase Agreement, 2017 and Convertible Preferred Stock Purchase Agreement dated December 1, 2018 entered into by and between Fabcafe Foods Private Limited and our Company
“Shareholder(s)”	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares
“Stakeholders’ Relationship Committee”	The stakeholders’ relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in “ <i>Our Management</i> ” on page 227
“Subsidiaries”	Subsidiaries, as described in “ <i>Our Subsidiaries</i> ” on page 222

## Offer Related Terms

Term	Description
“Acknowledgement Slip”	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
“Allotment”, “Allot” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
“Allotment Advice”	A note or advice or intimation of Allotment, sent to all the Bidders who has Bid in the Offer after approval of the Basis of Allotment by the Designated Stock Exchange
“Allottee”	A successful Bidder to whom the Equity Shares are Allotted
“Anchor Investor”	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
“Anchor Investor Allocation Price”	The price at which Equity Shares will be allocated to Anchor Investors during the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs

Term	Description
“Anchor Investor Application Form”	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
“Anchor Investor Bidding Date”	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investor, and allocation to Anchor Investors shall be completed
“Anchor Investor Offer Price”	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs
“Anchor Investor Portion”	Up to 60% of the QIB Portion, which may be allocated by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Applications Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
“ASBA Account”	A bank account maintained with an SCSB, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes a bank account maintained by an RIB linked to a UPI ID which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
“ASBA Bidder”	All Bidders except Anchor Investors
“ASBA Form”	An application form, whether physical or electronic, used by ASBA Bidders, to submit Bids through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
“Banker(s) to the Offer”	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank
“Basis of Allotment”	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 451
“Bid”	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Red Herring Prospectus and the Bid cum Application Form.  The term “Bidding” shall be construed accordingly
“Bidder”	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
“Bid Amount”	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.  However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount will be the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
“Bidding Centres”	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
“Bid cum Application Form”	Anchor Investor Application Form or the ASBA Form, as the context requires
“Bid Lot”	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
“Bid/Offer Closing Date”	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English daily national newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.  In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by

Term	Description
	notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations  Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
“Bid/Offer Opening Date”	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall also be notified in all editions of English national daily newspaper [●], all editions of Hindi national daily newspaper [●] (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.
“Bid/Offer Period”	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.  Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise Working Days only
“Book Building Process”	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“Book Running Lead Managers”	The book running lead managers to the Offer, namely ICICI Securities Limited, Credit Suisse Securities (India) Private Limited, J.P. Morgan India Private Limited, Nomura Financial Advisory and Securities (India) Private Limited, SBI Capital Markets Limited and Equirus Capital Private Limited
“Broker Centre”	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
“CAN” or “Confirmation of Allocation Note”	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
“Cap Price”	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
“Cash Escrow and Sponsor Bank Agreement”	Agreement to be entered into and amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank and Refund Bank(s) in accordance with UPI Circulars, for <i>inter alia</i> , the appointment of the Sponsor Bank in accordance, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
“Circular on Streamlining of Public Issues”/ “UPI Circular”	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
“Client ID”	Client identification number maintained with one of the Depositories in relation to the demat account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time
“Credit Suisse”	Credit Suisse Securities (India) Private Limited
“Cut-off Price”	The Offer Price, as finalized by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers which



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	shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
“Demographic Details”	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation and bank account details and UPI ID, where applicable
“Designated CDP Locations”	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), and updated from time to time
“Designated Date”	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Offer Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s) or the Refund Account(s), as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
“Designated Intermediaries”	<p>In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Eligible Employees, Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs</p>
“Designated RTA Locations”	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), and updated from time to time
“Designated SCSB Branches”	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> ) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
“Designated Stock Exchange”	[•]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated January 21, 2022, filed with SEBI and Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares are Offered and the size of the Offer, and includes any addenda or corrigenda thereto
“Eligible Employee(s)”	<p>All or any of the following: (a) a permanent employee of our Company and our Subsidiaries present in India and outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or our Subsidiaries, until the submission of the Bid cum Application Form; and (b) a Director of our Company or our Subsidiaries, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company or our Subsidiaries, until the submission of the Bid cum Application Form, but not including (i) Promoters, (ii) a person belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company or our Subsidiaries.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount)</p>
“Eligible FPIs”	FPIs eligible to invest under Schedule III and Schedule IV of the FEMA Rules, from such

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	jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
“Eligible NRIs”	NRI(s) eligible to invest under Schedule III and Schedule IV of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
“Employee Discount”	Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
“Employee Reservation Portion”	The portion of the Offer being up to [●] Equity Shares, aggregating up to ₹ [●] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post- Offer Equity Share capital of our Company.
“Equirus”	Equirus Capital Private Limited
“Escrow Account(s)”	The ‘no-lien’ and ‘non-interest bearing’ account(s) opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
“Escrow Collection Bank(s)”	The banks which are clearing members and registered with SEBI as bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●]
“First Bidder”	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
“Floor Price”	The lower end of the Price Band, i.e., ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids, will be accepted and which shall not be less than the face value of the Equity Shares
“Fresh Issue”	<p>The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ 5,000 million by our Company.</p> <p>Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹ 1,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.</p>
“General Information Document” or “GID”	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and Book Running Lead Managers
“Gross Proceeds”	The Offer Proceeds, less the amount to be raised with respect to the Offer for Sale
“I-Sec”	ICICI Securities Limited
“JPM” or “J.P. Morgan”	J.P. Morgan India Private Limited
“Monitoring Agency”	[●]
“Monitoring Agency Agreement”	Agreement to be entered into between our Company and the Monitoring Agency
“Mutual Fund”	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“Mutual Fund Portion”	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
“Net Offer”	The Offer less the Employee Reservation Portion
“Net Proceeds”	The Gross Proceeds less our Company’s share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see “ <i>Objects of the Offer</i> ” on page 124
“Net QIB Portion”	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
“Nomura”	Nomura Financial Advisory and Securities (India) Private Limited
“Non-Institutional Investors” or “NII(s)” or “Non-Institutional Bidders” or “NIB(s)”	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)

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“Non-Institutional Portion”	The portion of the Net Offer being not more than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price
“Non-Resident” or “NR”	A person resident outside India, as defined under FEMA
“Offer”	<p>Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 5,000 million by our Company and an offer for sale of up to 25,050,543 Equity Shares aggregating up to ₹ [●] million, comprising up to 3,177,795 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholders, up to 60,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Group Selling Shareholders, up to 14,777,948 Equity Shares aggregating up to ₹ [●] million by the Investor Selling Shareholders, up to 3,987,080 Equity Shares aggregating up to ₹ [●] million by Other Selling Shareholders and up to 3,047,720 Equity Shares aggregating up to ₹ [●] million by Individual Selling Shareholders. The Offer comprises the Net Offer and Employee Reservation Portion.</p> <p>Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹ 1,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.</p>
“Offer Agreement”	The agreement dated January 21, 2022 entered amongst our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
“Offer for Sale”	The offer for sale of up to 25,050,543 Equity Shares aggregating up to ₹ [●] million, comprising up to 200,000 Equity Shares aggregating up to ₹ [●] million by Bimla Nanda Bissell, up to 1,477,795 Equity Shares aggregating up to ₹ [●] million by William Nanda Bissell and up to 1,500,000 Equity Shares aggregating up to ₹ [●] million by Madhukar Khera (the “ <b>Promoter Selling Shareholders</b> ”), up to 20,000 Equity Shares aggregating up to ₹ [●] million by Vijai Kumar Kapoor and up to 40,000 Equity Shares aggregating up to ₹ [●] million by Mini Kapoor (the “ <b>Promoter Group Selling Shareholders</b> ”), up to 12,047,528 Equity Shares aggregating up to ₹ [●] million by PI Opportunities Fund I and up to 2,730,420 equity shares aggregating up to ₹ [●] million by Prazim Trading and Investment Company Private Limited (the “ <b>Investor Selling Shareholders</b> ”), up to 2,141,280 equity shares aggregating up to ₹ [●] million by India 2020 Fund II, Limited, up to 1,126,140 equity shares aggregating up to ₹ [●] million by Bajaj Holdings and Investment Limited, up to 384,660 equity shares aggregating up to ₹ [●] million by Kotak India Advantage Fund – I, up to 75,000 equity shares aggregating up to ₹ [●] million by IFIS Corporate Advisory Services Private Limited and up to 260,000 equity shares aggregating up to ₹ [●] million by NRJN Family Trust (the “ <b>Other Selling Shareholders</b> ”) and up to 3,047,720 Equity Shares aggregating up to ₹ [●] million by Individual Selling Shareholders and up to 3,047,720 Equity Shares aggregating up to ₹ [●] million by Individual Selling Shareholders as set out under Annexure A (“ <b>Individual Selling Shareholders</b> ”).
“Offer Price”	<p>The final price at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.</p> <p>A discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers.</p>
“Offer Proceeds”	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” on page 124
“Offered Shares”	The Equity Shares being offered by (i) the Promoter Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 3,177,795 Equity Shares, (ii) the Promoter Group Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 60,000 Equity Shares, (iii) the Investor Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 14,777,948 Equity Shares, (iv) the Other Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 3,987,080 Equity Shares and (v) the

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	Individual Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 3,047,720 Equity Shares as part of the Offer for Sale comprising of an aggregate of up to 25,050,543 Equity Shares.
“Pre-IPO Placement”	Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, may consider a private placement of Equity Shares for a cash consideration aggregating up to ₹ 1,000 million subject to appropriate approvals. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
“Price Band”	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum Price of ₹ [●] per Equity Share (Cap Price) and includes revisions thereof, if any.  The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and will be advertised in all editions of an English national daily newspaper [●] and all editions of a Hindi national daily newspaper [●] (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchange for the purpose of uploading on their respective websites
“Pricing Date”	The date on which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, will finalise the Offer Price
“Prospectus”	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
“Public Offer Account(s)”	The ‘no-lien’ and ‘non-interest bearing’ account to be opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and from the ASBA Accounts on the Designated Date
“Public Offer Account Bank(s)”	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened, in this case being [●]
“QIB Portion”	The portion of the Net Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
“Qualified Institutional Buyers” or “QIBs”	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued by our Company in accordance with section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
“Refund Account(s)”	The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank(s), from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
“Refund Bank(s)”	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
“Registered Broker”	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
“Registrar Agreement”	The agreement dated January 21, 2022 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
“Registrar” or “Registrar to the Offer”	Link Intime India Private Limited
“Resident Indian”	A person resident in India, as defined under FEMA



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“Retail Individual Bidders” or “RIB(s)” or “Retail Individual Investors” or “RII(s)”	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Net Offer
“Retail Portion”	The portion of the Net Offer being not more than 10% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
“Revision Form”	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
“SBICAP”	SBI Capital Markets Limited
“Self Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> , or such other website as may be prescribed by SEBI from time to time  Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> , as updated from time to time
“Specified Locations”	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ), and updated from time to time
“Share Escrow Agent”	Escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
“Share Escrow Agreement”	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow.
“Sponsor Bank”	The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, the Sponsor Bank in this case being [●]
“Stock Exchange(s)”	Collectively, BSE Limited and National Stock Exchange of India Limited
“Syndicate Agreement”	Agreement to be entered into among the Company, the Selling Shareholders, the Book Running Lead Managers, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
“Syndicate Members”	Intermediaries (other than Book Running Lead Managers) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Offer and carry out activities as an underwriter namely, [●]
“Syndicate” or “members of the Syndicate”	Together, the Book Running Lead Managers and the Syndicate Members
“Systemically Important Non-Banking Financial Company” or “NBFC-SI”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
“Underwriters”	[●]
“Underwriting Agreement”	The agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company on or after the Pricing Date, but prior to filing of the Prospectus
“UPI”	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
“UPI ID”	ID created on UPI for single-window mobile payment system developed by the NPCI
“UPI Mandate Request”	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment  In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28,

Term	Description
	2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int_mId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int_mId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
“UPI Mechanism”	The mechanism that may be used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars
“UPI PIN”	Password to authenticate UPI transaction
“Wilful Defaulter”	A wilful defaulter, as defined under the SEBI ICDR Regulations
“Working Day”	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circular issued by SEBI from time to time

### Technical/Industry Related Terms/Abbreviations

Term	Description
APEDA	Agriculture and Processed Food Production Export Development Authority
CDLI	Craft cluster development and livelihood impact
COCOs	company owned company operated stores
CSD	Canteen stores department
EC	Experience Centers
EFSA	European Food Safety Authority
FOFOs	franchisee-owned and operated stores
GMOs	Genetically modified organisms
NOP	National Organic Programme
NPOP	National Programme for Organic Production

### Conventional and General Terms or Abbreviations

Term	Description
“AGM”	Annual General Meeting
“AIFs”	Alternative investment funds as defined in and registered under the AIF Regulations
“AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“AS”	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
“BSE”	BSE Limited
“BTI Regulations”	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
“Calendar Year” or “year”	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
“Category I AIF”	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
“Category II AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“Category I FPIs”	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
“Category II FPIs”	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
“Category III AIF”	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
“CDSL”	Central Depository Services (India) Limited
“CFO”	Chief Financial Officer
“Companies Act, 1956”	<i>Erstwhile</i> Companies Act, 1956 along with the relevant rules made thereunder
“Companies Act” / “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
“Depositories Act”	Depositories Act, 1996
“Depository” or “Depositories”	NSDL and CDSL
“DIN”	Director Identification Number
“DP” or “Depository”	A depository participant as defined under the Depositories Act

Term	Description
Participant”	
“DP ID”	Depository Participant’s Identification Number
“EPS”	Earnings per share
“FDI”	Foreign direct investment
“FDI Policy”	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ( <i>earlier known as the Department of Industrial Policy and Promotion</i> )
“FEMA”	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
“FEMA Regulations”	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017
“Financial Year”, “Fiscal”, “FY” or “F.Y.”	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
“FIR”	First information report
“FPI(s)”	Foreign Portfolio Investor, as defined under the FPI Regulations
“FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“FIPB”	The erstwhile Foreign Investment Promotion Board
“FVCI”	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
“Fugitive Economic Offender”	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
“FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
“GDP”	Gross domestic product
“GoI” or “Government” or “Central Government”	Government of India
“GST”	Goods and services tax
“HUF”	Hindu undivided family
“IAS Rules”	Companies (Indian Accounting Standards) Rules, 2015, as amended
“ICAI”	The Institute of Chartered Accountants of India
“IFRS”	International Financial Reporting Standards of the International Accounting Standards Board
“India”	Republic of India
“Ind AS” or “Indian Accounting Standards”	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules
“Ind AS 24”	Indian Accounting Standard 24, “Related Party Disclosures”, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules
“Ind AS 37”	Indian Accounting Standard 37, “Provisions, Contingent Liabilities and Contingent Assets”, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules
“IGAAP” or “Indian GAAP”	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
“Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
“IPO”	Initial public offer
“IST”	Indian standard time
“IT Act”	The Income Tax Act, 1961
“IT”	Information technology
“Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“MCA”	Ministry of Corporate Affairs, Government of India
“MICR”	Magnetic ink character recognition
“MSME”	Ministry of Micro, Small and Medium Enterprises
“Mn” or “mn”	Million
“N.A.” or “NA”	Not applicable
“NAV”	Net asset value
“NBFC”	Non-Banking Financial Company
“NEFT”	National electronic fund transfer
“NPCI”	National Payments Corporation of India
“NRE Account”	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
“NRI” or “Non-Resident Indian”	Non-Resident Indian as defined under the FEMA Regulations
“NRO Account”	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016

Term	Description
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
“P/E Ratio”	Price/earnings ratio
“PAN”	Permanent account number allotted under the Income Tax Act, 1961
“RBI”	Reserve Bank of India
“Regulation S”	Regulation S under the U.S. Securities Act
“RONW”	Return on Net Worth
“Rs.” or “Rupees” or “₹” or “INR”	Indian Rupees
“RTGS”	Real time gross settlement
“Rule 144A”	Rule 144 A under the U.S. Securities Act
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCRR”	Securities Contracts (Regulation) Rules, 1957
“SEBI”	Securities and Exchange Board of India constituted under the SEBI Act
“SGD”	Singapore Dollar
“SBEB Regulations 2021”	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
“SEBI Act”	Securities and Exchange Board of India Act, 1992
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI Merchant Bankers Regulations”	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
“Singapore”	Republic of Singapore
“State Government”	Government of a State of India
“Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“U.S.A”/ “U.S.”/ “United States”	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
“USD” or “US\$”	United States Dollars
“U.S. GAAP”	Generally Accepted Accounting Principles in the United States of America
“U.S. Securities Act”	United States Securities Act of 1933, as amended
“VCFs”	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be



## **CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA**

### **Certain Conventions**

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India and its territories and possession and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions. Further, all references to “Singapore” are to the Republic of Singapore.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### **Financial Data**

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Statements.

Restated Consolidated Financial Statements of our Company, comprising the summary statement of assets and liabilities for the six months period ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the restated summary statements of profit and loss, the restated summary statement of changes in equity and the restated summary statement of cash flows for the six months period ended September 30, 2021 and for the years ended ended March 31, 2021, March 31, 2020 and March 31, 2019, together with the summary statement of significant accounting policies, and other explanatory information, each by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

For further information on our Company’s financial information, see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 257 and 364, respectively.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see “*Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate.*” on page 64. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 37, 172 and 364, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from the Restated Consolidated Financial Statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the

amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places.

## Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

## Currency and Units of Presentation

All references to:

1. “Rupees” or “INR” or “Rs.” Or “₹” are to the Indian Rupee, the official currency of India;
2. “USD” or “US\$” or “\$” or “U.S. Dollar” are to the United States Dollar, the official currency of the United States of America; and
3. “SGD” are to the Singapore Dollar, the official currency of Singapore.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million”, “billion” and “trillion” units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

## Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

## Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	As on September 30, 2021 (₹)	As on March 31, 2021 (₹)	As on March 31, 2020 (₹)	As on March 31, 2019 <sup>(1)</sup> (₹)
1 USD	74.25	73.17	75.37	69.28
1 SGD	54.55	54.33	52.68	51.12

(Source: [www.fbi.org.in](http://www.fbi.org.in) and [www.oanda.com](http://www.oanda.com))

<sup>(1)</sup>In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled “Assessment of the Fashion, Lifestyle and Organic Products” dated December 20, 2021 prepared by Ernst & Young Global Limited (the “EY Report”) and publicly available information as well as other industry publications and sources. The EY Report has been exclusively commissioned at the request of our

Company and paid for by our Company for the purposes of this Offer. For further details in relation to risks involving the EY Report, see *“Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks”* on page 68.

The data included herein includes excerpts from the EY Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable. Accordingly, no investment decisions should be made based on such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *“Risk Factors”* on page 37. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the section titled *“Basis for the Offer Price”* on page 133, includes information relating to our peer group companies. Such information has been derived from publicly available sources.

This Draft Red Herring Prospectus contains certain data and statistics from the EY Report, which is available on the website of our Company at <https://www.fabindia.com/investor-relations> and is subject to the following disclaimer:

*“The EY Report was prepared by EY LLP for the Company based on information available in public domain and discussion with industry participants for the purpose of providing an industry assessment report on Fashion & Lifestyle and wellness foods segment which will be used as a reference report in Industry section of the Fab India DRHP as defined in the EL dated 9<sup>th</sup> November 2021. In preparing the EY Report we did not, and could not, take into account any specific requirements that any third party, may have. Therefore, to the extent that such requirements differ from your specific requirements, please note that they were not required to be dealt with in the EY Report. The EY Report includes judgmental estimates and assumptions, about circumstances and events. Accordingly, we cannot provide any assurance that the projected market estimates will be attained in this ever changing dynamic market environment.*

*EY LLP has taken due care and caution in preparing this report (“**EY Report**”) based on the information obtained by EY LLP from sources which it considers reliable (“**Data**”). This EY Report is not a recommendation to invest / disinvest in any entity/industry covered in the EY Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the EY Report is to be construed as EY providing or intending to provide any services in jurisdictions where EY does not have the necessary permission and/or registration to carry out its business activities in this regard.”*

## NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “**U.S. QIBs**”), in private transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.



## FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as “forward-looking statements”. These forward-looking statements include statements which generally can be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “shall”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “project”, “propose”, “seek to”, “will”, “will continue”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- ability or desire of customers to visit our stores due to the COVID-19 pandemic and its continuing effect;
- inability to maintain and enhance the value and reputation of our brand;
- inability to anticipate and respond to changes in the industry trends, particularly in fashion, and changing customer preferences in a timely and effective manner;
- inability to obtain raw materials, finished products and packing material of the required quality and quantity, at competitive prices;
- we have incurred losses in the past;
- increasing competition from growth of online retailers; and
- failure to attract new customers retain existing customers, or maintain or increase sales to customers.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 37, 141, 172 and 364, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, our Promoters, the Book Running Lead Managers, the Syndicate Member nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Offer from the date of this Draft Red Herring Prospectus until the time of the grant of

listing and trading permission by the Stock Exchanges. The Selling Shareholders, severally and not jointly, shall ensure (through our Company and the Book Running Lead Managers) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the respective Selling Shareholders in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

## SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Draft Red Herring Prospectus is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Industry Overview”, “Our Business”, “Objects of the Offer”, “Our Promoters and Promoter Group”, “Financial Statements”, “Management’s Discussions and Analysis of Financial Position and Results of Operations”, “Outstanding Litigation and Material Developments”, and “Offer Structure”, on pages 37, 77, 94, 141, 172, 124, 248, 257, 364, 409 and 447 respectively.

### Primary business of our Company

We are a consumer lifestyle platform with an established legacy focused on authentic, sustainable and Indian traditional lifestyle products. Our brands, ‘Fabindia’ and ‘Organic India’ are well recognized brands in India, with focus on the core principles of “*Celebrating India*” and “*Healthy Conscious Living*”, respectively. Our business model is focused on sustainability by design and we have sought to create a differentiated supply-side community with our model of engaging a network of vendors (which in turn engage artisans) and farmers across India.

### Summary of the industry in which our Company operates

The ethnic apparel market in India was estimated at ₹1,418 billion for Fiscal 2020. The branded ethnic apparel category is expected to grow at a higher rate of approximately 15.8% per annum between Fiscal 2022 and Fiscal 2026 driven by increasing share of the branded segment in the overall ethnic apparel market. Similarly, the organic food and wellness market in India was estimated at ₹14.3 billion in Fiscal 2020 and is expected to grow at a rate of approximately 18.1% per annum to reach ₹38.7 billion by Fiscal 2026 (EY Report).

### Name of the Promoters

Our Promoters are Bimla Nanda Bissell, William Nanda Bissell, Monsoon Latane Bissell, Madhukar Khera and JLB Partners Holding Inc. For further details, see “Our Promoters and Promoter Group” on page 248.

### Offer Size

Offer of Equity Shares <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹[●] million
of which	
Fresh Issue <sup>(1)(3)</sup>	Up to [●] Equity Shares, aggregating up to ₹ 5,000 million
Offer for Sale <sup>(2)</sup>	The offer for sale of up to 25,050,543 Equity Shares aggregating up to ₹ [●] million, comprising up to 3,177,795 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholders, up to 60,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Group Selling Shareholders, up to 14,777,948 Equity Shares aggregating up to ₹ [●] million by the Investor Selling Shareholders, up to 3,987,080 Equity Shares aggregating up to ₹ [●] million by Other Selling Shareholders and up to 3,047,720 Equity Shares aggregating up to ₹ [●] million by Individual Selling Shareholders
Employee Reservation Portion <sup>(4)(5)</sup>	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

(1) The Offer has been authorized by a resolution of our Board dated December 22, 2021 and the Fresh Issue has been approved by a resolution of our Shareholders dated January 15, 2022. Further, our Board of Directors have taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on January 15, 2022.

(2) The Offered Shares being offered by the Selling Shareholders pursuant to the Offer for Sale are eligible for being offered for sale as part of the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorisations pertaining to the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 420.

(3) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹ 1,000 million, subject to appropriate approvals. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book

Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

- (4) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer. For further details, see “Offer Structure” beginning on page 447.
- (5) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.

The above table summarises the details of the Offer. For further details of the offer, see “The Offer” and “Offer Structure” on pages 77 and 447, respectively.

The Offer and the Net Offer shall constitute [●]% and [●]% of the post Offer paid up Equity Share capital of our Company.

### Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(In ₹ million)

Particulars	Amount <sup>(1)</sup>
Voluntary redemption of NCDs issued by our Company and the accrued interest thereon (“NCD Redemption”)	2,500
Prepayment or scheduled repayment of a portion of certain outstanding borrowings availed by our Company and the accrued interest thereon	1,250
General corporate purposes*	[●]

<sup>(1)</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

\* To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

For further details, see “Objects of the Offer” on page 124.

### Aggregate pre-Offer shareholding of our Promoters, our Promoter Group and Selling Shareholders

- a) The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

S. No.	Particulars	Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
			(%)
<b>Promoters</b>			
1.	Bimla Nanda Bissell	12,214,970	8.27
2.	William Nanda Bissell	23,001,400	15.56
3.	Monsoon Latane Bissell	2,733,000	1.85
4.	Madhukar Khera	8,875,080	6.01
5.	JLB Partners Holding Inc.	32,438,160	21.95
	<b>Total (A)</b>	<b>79,262,610</b>	<b>53.64</b>
<b>Promoter Group</b>			
1.	Anjali Kapoor Bissell	1,377,420	0.93
2.	Sara Kamla Bissell	130,200	0.09
3.	Master John Varun Bissell*	19,200	0.01
4.	Vijai Kumar Kapoor	61,260	0.04
5.	Mini Kapoor	144,000	0.10
6.	Nikhil Khera	336,360	0.23
7	Meena Rajbir Singh	34,020	0.02
	<b>Total (B)</b>	<b>2,102,460</b>	<b>1.42</b>

\* Master John Varun Bissell is a minor and his shareholding is held under the natural guardianship of William Nanda Bissell

S. No.	Particulars	Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
			(%)
Selling Shareholders			
Promoter Selling Shareholders			
1.	Bimla Nanda Bissell	12,214,970	8.27
2.	William Nanda Bissell	23,001,400	15.56
3.	Madhukar Khera	8,875,080	6.01
Promoter Group Selling Shareholders			
1.	Mini Kapoor	144,000	0.10
2.	Vijai Kumar Kapoor	61,260	0.04
Investor Selling Shareholders			
1.	PI Opportunities Fund I	30,106,560	20.37
2.	Prazim Trading and Investment Company Private Limited	2,730,420	1.85
Other Selling Shareholders			
1.	India 2020 Fund II, Limited	2,141,280	1.45
2.	Bajaj Holdings and Investment Limited	2,252,280	1.52
3.	Kotak India Advantage Fund-I	384,660	0.26
4.	NRJN Family Trust <sup>&amp;</sup>	783,240	0.53
5.	IFIS Corporate Advisory Services Private Limited	410,640	0.28
Individual Selling Shareholders			
1.	Arjun Sharma	900,000	0.61
2.	Charu Sharma	2,008,920	1.36
3.	Rohini Nilekani	797,880	0.54
4.	Geeta Amar Lulla	180,000	0.12
5.	Sanjay Kalra (Jointly with Jyotika Kapoor)	180,000	0.12
6.	Rama Puri	864,000	0.58
7.	Elizabeth Nanda	433,980	0.29
8.	Subrata Dutta	235,260	0.16
9.	Sunil Chainani (Jointly with Kiran Chainani)	6,231,720	4.22
10.	Agnello Oswin Dias	90,000	0.06
11.	Kartik Ganapathy	90,000	0.06
12.	Nehal Abhay Vakil	90,000	0.06
13.	William Sean Sovak	60,000	0.04
14.	Ajay Bahl	90,000	0.06
15.	Mukesh Kumar Chauhan	225,360	0.15
16.	Kavita Mitter	67,500	0.05
17.	Rajesh Ramaiaha	174,480	0.12
18.	Prableen Sabhaney	125,100	0.08
19.	Damini Narain	70,380	0.05
20.	Rekha Mehrotra Menon	189,000	0.13
21.	Saurabh Naithani	17,460	0.01
22.	Tekkethalakal Kurien Kurien	84,000	0.06
23.	Ruchira Puri Pujari (Jointly with Ashutosh Prabhakar Pujari)	12,780	0.01
24.	Lakshminarayana R Kollengode	32,340	0.02
25.	Dilpreet Sokhi Singh	10,860	0.01
26.	Smita Mankad	197,280	0.13
27.	Suzanne Jane Spink	40,200	0.03
28.	Manoj Kumar Jaiswal	26,820	0.02
29.	Chaman Singh Bisht	7,980	0.01
30.	Tingmuankim Vaiphei	9,000	0.01
31.	Bertha Beck	9,000	0.01
32.	Rahul Garg	154,980	0.10
33.	Ramanan Venkateswaran (Jointly with Kala Ramanan)	33,000	0.02
34.	Anuradha Kumra	92,620	0.06
35.	Sashikanth Balachandar (Jointly with	56,520	0.04

S. No.	Particulars	Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
			(%)
	Ganga Sashikanth)		
36.	Ajay Kapoor	46,730	0.03
37.	Poonam Singh Chauhan	60,780	0.04
38.	Premkumar G	9,480	0.01
39.	Vaishali Bahel	27,480	0.02
40.	Roopali Gupta	42,000	0.03
41.	Raja Ghosh	27,570	0.02
42.	Usha Rawat	1,560	0.00

<sup>&</sup>Held through its corporate trustee, Entrust Family Office Legal and Trusteeship Services Private Limited

- b) The details of the price at which Equity Shares were acquired in the three years preceding the filing of this Draft Red Herring Prospectus, by each of the Promoters, members of the Promoter group, Selling Shareholders and shareholders entitled with right to nominate Directors or any other rights, are as follows:

S.No	Name of the Acquirer	Date of Acquisition of Equity Shares	Number of Shares Acquired	Acquisition Price per Equity Shares
<b>Promoters</b>				
1	William Nanda Bissell*	October 12, 2019	2,733,450	Nil <sup>#</sup>
2	Bimla Nanda Bissell*	June 19, 2019	15,000	8,495
		October 12, 2019	201,285	Nil <sup>#</sup>
		October 5, 2020	980,000	Nil <sup>##</sup>
3	Monsoon Latane Bissell	January 2, 2019	200	21,000
		January 7, 2019	1,500	21,000
		October 12, 2019	227,750	Nil <sup>#</sup>
4	Madhukar Khera*	October 12, 2019	739,590	Nil <sup>#</sup>
5	JLB Partners Holding Inc.	October 12, 2019	2,703,180	Nil <sup>#</sup>
<b>Promoter Group</b>				
1	Anjali Kapoor Bissell	October 12, 2019	114,785	Nil <sup>#</sup>
2	Sara Kamla Bissell	October 12, 2019	10,850	Nil <sup>#</sup>
3	Master John Varun Bissell**	October 12, 2019	1,600	Nil <sup>#</sup>
4	Vijai Kumar Kapoor*	October 12, 2019	5,105	Nil <sup>#</sup>
5	Mini Kapoor*	October 12, 2019	12,000	Nil <sup>#</sup>
6	Meena Rajbir Singh	October 12, 2019	2,835	Nil <sup>#</sup>
7	Nikhil Khera	October 12, 2019	28,030	Nil <sup>#</sup>
<b>Investor Selling Shareholders</b>				
1	PI Opportunities Fund I <sup>&amp;</sup>	October 12, 2019	2,696,570	Nil <sup>#</sup>
2	Prazim Trading and Investment Company Private Limited	October 12, 2019	227,535	Nil <sup>#</sup>
<b>Other Selling Shareholders</b>				
1	India 2020 Fund II, Limited	October 12, 2019	178,440	Nil <sup>#</sup>
2	Bajaj Holdings and Investment Limited	September 17, 2019	28,527	33,300
		September 26, 2019	5,670	33,300
		September 27, 2019	3,341	33,300
		October 12, 2019	187,690	Nil <sup>#</sup>
3	Kotak India Advantage Fund - I	September 17, 2019	6,411	33,300
		October 12, 2019	32,055	Nil <sup>#</sup>
4	NRJN Family Trust <sup>&amp;</sup>	October 12, 2019	65,270	Nil <sup>#</sup>
5	IFIS Corporate Advisory Services Private Limited	October 12, 2019	34,220	Nil <sup>#</sup>
<b>Individual Selling Shareholders</b>				
1	Charu Sharma	September 2, 2019	1,200	10
		October 12, 2019	167,410	Nil <sup>#</sup>
2	Geeta Amar Lulla	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
3	Sanjay Kalra (Jointly with Jyotika Kapoor)	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
4	Rama Puri	October 12, 2019	72,000	Nil <sup>#</sup>
5	Arjun Sharma	October 12, 2019	75,000	Nil <sup>#</sup>
6	Rohini Nilekani	October 12, 2019	66,490	Nil <sup>#</sup>
7	Elizabeth Nanda	September 2, 2019	231	10

		October 12, 2019	36,165	Nil <sup>#</sup>
8	Subrata Dutta	October 12, 2019	19,605	Nil <sup>#</sup>
9	Sunil Chainani (Jointly with Kiran Chainani)	October 12, 2019	520,935	Nil <sup>#</sup>
10	Agnello Oswin Dias	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
11	Kartik Ganapathy	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
12	Nehal Abhay Vakil	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
13	William Sean Sovak	October 12, 2019	5,000	Nil <sup>#</sup>
14	Ajay Bahl	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
15	Mukesh Kumar Chauhan	September 2, 2019	546	10
		October 12, 2019	14,850	Nil <sup>#</sup>
		January 28, 2021	4,638	10
		January 28, 2021	78	10
16	Kavita Mitter	October 12, 2019	5,500	Nil <sup>#</sup>
		April 16, 2021	150	Nil <sup>##</sup>
17	Rajesh Ramaiaha	October 12, 2019	13,125	Nil <sup>#</sup>
		March 12, 2021	1,698	4,717
18	Prableen Sabhaney	October 12, 2019	10,425	Nil <sup>#</sup>
19	Damini Narain	October 12, 2019	5,865	Nil <sup>#</sup>
20	Rekha Mehrotra Menon	October 12, 2019	15,750	Nil <sup>#</sup>
21	Saurabh Naithani	October 12, 2019	1,455	Nil <sup>#</sup>
22	Tekkethalakal Kurien Kurien	October 12, 2019	7,000	Nil <sup>#</sup>
23	Ruchira Puri Pujari (Jointly with Ashutosh Prabhakar Pujari)	October 12, 2019	1,065	Nil <sup>#</sup>
24	Lakshminarayana Ramanathan Kollengode	October 12, 2019	2,445	Nil <sup>#</sup>
		March 12, 2021	300	4,717
25	Dilpreet Sokhi Singh	September 2, 2019	126	21,000
		October 12, 2019	905	Nil <sup>#</sup>
26	Smita Mankad	October 12, 2019	16,440	Nil <sup>#</sup>
27	Suzanne Jane Spink	October 12, 2019	3,350	Nil <sup>#</sup>
28	Manoj Kumar Jaiswal	October 12, 2019	1,150	Nil <sup>#</sup>
		March 12, 2021	1,302	4,717
29	Chaman Singh Bisht	October 12, 2019	665	Nil <sup>#</sup>
30	Tingmuankim Vaiphei	October 12, 2019	750	Nil <sup>#</sup>
31	Bertha Beck	October 12, 2019	750	Nil <sup>#</sup>
32	Rahul Garg	October 12, 2019	12,915	Nil <sup>#</sup>
33	Ramanan Venkateswaran (Jointly with Kala Ramanan)	October 12, 2019	2,750	Nil <sup>#</sup>
34	Anuradha Kumra	September 2, 2019	88	10
		October 12, 2019	6,625	Nil <sup>#</sup>
		January 28, 2021	1,258	10
		January 28, 2021	54	10
35	Sashikanth Balachandar (Jointly with Ganga Sashikanth)	October 12, 2019	4,710	Nil <sup>#</sup>
36	Ajay Kapoor	September 2, 2019	340	10
		October 12, 2019	3,360	Nil <sup>#</sup>
		January 28, 2021	629	10
		January 28, 2021	12	10
37	Poonam Singh Chauhan	September 2, 2019	127	10
		October 12, 2019	5,020	Nil <sup>#</sup>
		January 28, 2021	54	10
38	Premkumar G	October 12, 2019	790	Nil <sup>#</sup>
39	Vaishali Bahel	September 2, 2019	68	10
		October 12, 2019	1,825	Nil <sup>#</sup>
		January 28, 2021	522	10
		January 28, 2021	36	10
40	Roopali Gupta	October 12, 2019	3,500	Nil <sup>#</sup>
41	Raja Ghosh	September 2, 2019	81	10
		October 12, 2019	1,865	Nil <sup>#</sup>
		January 28, 2021	459	10

		January 28, 2021	60	10
42	Usha Rawat	October 12, 2019	70	Nil <sup>#</sup>
		January 28, 2021	72	10

<sup>\*</sup>Also Selling Shareholders in the Offer.

<sup>\*\*</sup>Master John Varun Bissell is a minor and his shareholding is held under the natural guardianship of William Nanda Bissell.

<sup>&</sup>Also entitled to certain special rights in the Company. For further details, please see “History and Certain Corporate Matters - Details of Shareholders’ Agreements” on page 218.

<sup>#</sup>On October 12, 2019, our Company has issued bonus shares in the ratio of 5:1.

<sup>##</sup>Represents transfer by way of gift.

<sup>&</sup>Held through its corporate trustee, Entrust Family Office Legal and Trusteeship Services Private Limited

## Summary derived from the Restated Consolidated Financial Statements

The following details are derived from the Restated Consolidated Financial Statements:

(In ₹ million except per share data)

Particulars	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Equity Share capital	147.78	147.36	144.66	23.90
Net Worth	6,018.26	6,482.06	7,354.11	7,433.12
Revenue from Operations	5,560.40	10,596.43	15,080.47	14,743.07
Profit/loss for the year	(517.25)	(1,171.37)	306.91	843.64
Earnings/loss per share (in ₹)				
- Basic	(3.10)	(7.45)	2.88	5.77
- Diluted	(3.10)	(7.45)	2.87	5.74
Net asset value per Equity Share (in ₹)	40.72	43.99	50.84	51.46
Total Borrowings (net-off transaction costs)	7,075.27	2,892.11	4,331.72	2066.46

Notes:

1. Net Worth means total equity attributable to the owners of the Company

2. Net asset value per equity share means total equity attributable to the owners of the Company divided by the outstanding number of equity shares at the end of the period / year. (Calculations for financial year ended March 31, 2019 have been adjusted for bonus issue and sub-division of Equity Shares. Calculations for financial years ended March 31, 2020 and March 31, 2021 have been adjusted for sub-division)

3. Total borrowings means Non-current borrowings including current maturities of long term debt and current borrowing and excludes transaction cost.

For further details see “Financial Statements” and “Basis for Offer Price” on pages 257 and 133.

## Qualifications of the Auditors which have not been given effect to in the Restated Consolidated Financial Statements

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Statements.

## Summary of outstanding litigation

A summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of Proceedings	Number of cases	Amount involved* (₹ in million)
<b>Cases against our Company</b>		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	8	Not quantifiable
Claims related to direct and indirect taxes	12	17.77
Other pending material litigation proceedings	1	5,250
<b>Total</b>	<b>21</b>	<b>5,267.77</b>
<b>Cases by our Company</b>		
Criminal proceedings	4	Not quantifiable
Other pending material proceedings	Nil	Nil
<b>Total</b>	<b>4</b>	<b>Not quantifiable</b>
<b>Cases against our Subsidiaries</b>		
Criminal proceedings	Nil	Nil



Type of Proceedings	Number of cases	Amount involved* (₹ in million)
Actions taken by statutory or regulatory authorities	10 <sup>#</sup>	Not quantifiable
Claims related to direct and indirect taxes	5	130.04
Other pending material litigation proceedings	Nil	Nil
<b>Total</b>	<b>15<sup>#</sup></b>	<b>130.04</b>
<b>Cases by our Subsidiaries</b>		
Criminal proceedings	14	8.52
Other pending material proceedings	Nil	Nil
<b>Total</b>	<b>14</b>	<b>8.52</b>
<b>Cases against our Promoters</b>		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	1 <sup>#</sup>	Not quantifiable
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>1<sup>#</sup></b>	<b>Nil</b>
<b>Cases by our Promoters</b>		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Cases against the Directors</b>		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	6 <sup>#</sup>	Not quantifiable
Direct and indirect taxes	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>6<sup>#</sup></b>	<b>Not quantifiable</b>
<b>Cases by the Directors</b>		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Cases involving the Group Companies</b>		
Pending litigation which has a material impact on our Company	Nil	Nil
<b>Total</b>	<b>61<sup>#</sup></b>	<b>5,406.33</b>

\*To the extent ascertainable and quantifiable

<sup>#</sup>One of the statutory actions pending against our Subsidiary, Organic India Private Limited, involves William Nanda Bissell, Mukesh Kumar Chauhan and Yoav Lev who are Directors in our Company. Further William Nanda Bissell is also a promoter in our Company.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 409.

## Risk Factors

Investors should see “*Risk Factors*” on page 37 to have an informed view before making an investment decision.

## Summary of contingent liabilities and capital commitments of our Company

Details of the contingent liabilities (as per Ind AS 37) and capital commitments of our Company as on September 30, 2021 derived from the Restated Consolidated Financial Statements are set forth below:

Sr. No.	Particulars	Amount (in ₹ million) as on September 30, 2021
1.	Contingent Liabilities	144.20
2.	Capital Commitments	251.38
	<b>Total</b>	<b>395.58</b>

For further details of the contingent liabilities (as per Ind AS 37) of our Company as on September 30, 2021, see “*Restated Consolidated Financial Statements – Contingent liabilities and commitments- Contingent Liabilities*” on page 346.

## Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures, read with the SEBI ICDR Regulations, derived from Restated Consolidated Financial Statements, is as follows:

(In ₹ million)

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Issue and allotment of equity shares</b>				
OI (India) Holdings, LLC	-	-	-	78.88
Shantanu Jain jointly with Sania Arora Jain	-	4.99	-	-
<b>Investment in Debentures</b>				
Nutriwel Health (India) Private Limited	-	-	-	90.00
<b>Purchase of Equity shares of Godwar Farmers Collective Private Limited</b>				
William Nanda Bissell	-	-	-	1.60
<b>Sale of Equity shares of Lev True Wellness Private Limited</b>				
Holly B Lev	-	-	-	0.21
<b>Issue and allotment of equity share (preferential allotment)</b>				
Bimla Nanda Bissell	-	-	127.43	-
Sunil Chauhan	-	-	0.88	-
<b>Issue and allotment of equity shares (ESOP)</b>				
Dinesh Kumar	0.03	-	0.07	0.18
Charu Sharma	-	-	0.01	-
Viney Singh	-	0.12	0.01	0.01
<b>Sale of goods/ samples</b>				
Nutriwel Health (India) Private Limited	8.74	27.89	27.25	1.90
M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	0.05	0.51	0.12	-
Organic India Foundation	0.02	0.02	0.02	0.01
M/s LEV True Wellness Private Limited	0.04	0.01	-	-
M/s Organic India Farmers Producer Co. Limited	-	0.01	-	-
FABINDIA S.r.l., Italy	-	-	-	0.23
Weavers India General Trading LLC, Dubai	10.23	13.46	16.15	20.04
Orissa Artisans and Weavers Limited	-	0.01	-	-
Rangсутra Crafts India Limited	0.21	0.21	0.22	-
Crome Yellow (Proprietor: Bindu Jain)	-	0.88	0.50	-
Sunil Chauhan	-	-	-	0.03
<b>Purchase of finished goods - contract manufactured</b>				
Orissa Artisans and Weavers Limited	16.95	10.75	35.35	68.14
Rangсутra Crafts India Limited	10.58	8.09	39.79	30.36
Crome Yellow (Proprietor: Bindu Jain)	-	2.87	17.62	16.36
<b>Purchase of raw material</b>				
Ganga Yamuna Agro Technologies and Plantation Private Limited	2.21	4.26	3.77	3.70
Organic India Farmers Producer Co. Limited	1.13	6.67	3.36	5.77
LEV True Wellness Private Limited	52.38	9.92	75.63	71.01
<b>Staff Welfare Expenses</b>				
Sania Arora Jain	0.01	-	-	-
Shantanu Jain	0.01	-	-	-
<b>Reimbursement of Staff Welfare Expense</b>				
Sania Arora Jain	0.01	-	-	-
Shantanu Jain	0.01	-	-	-
<b>Tax paid on behalf of Director</b>				
Shantanu Jain	0.45	-	-	-
<b>Reimbursement of Tax paid on behalf of Director</b>				
Shantanu Jain	0.45	-	-	-

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Remuneration (included under salary,wages and bonus)</b>				
William Nanda Bissell	30.50	4.10	17.50	7.20
Charu Sharma	-	-	-	7.84
Viney Singh	12.55	10.39	25.10	23.20
Mukesh Kumar Chauhan	2.65	-	-	-
Dinesh Kumar	1.13	1.86	2.13	1.84
Subrata Dutta	13.13	6.11	-	-
Dr Alejandro Junger	8.67	-	-	-
Mukesh Kumar Chauhan	-	0.03	-	-
Elizabeth Nanda	-	0.01	-	-
Sunil Chauhan	3.42	4.75	0.60	-
Sania Arora Jain	1.91	2.54	-	-
<b>Professional charges</b>				
Nutriwel Health (India) Private Limited	0.20	0.53	0.82	0.11
Homage Advisers LLP	18.00	27.00	-	-
Sunil Chauhan	-	-	5.50	3.60
Elizabeth Nanda	-	1.15	0.98	-
Vikram Singh	0.60	1.20	1.20	1.20
Pankaj Pachauri	0.60	1.20	1.20	1.20
Paul C. Salins	-	-	1.00	12.00
Charu Sharma	-	4.68	9.60	-
Dipali Patwa	1.06	-	-	-
<b>Commission to Directors (included under salary,wages and bonus)</b>				
William Nanda Bissell	-	10.91	58.90	27.47
Charu Sharma	-	-	1.61	15.41
Viney Singh	-	-	20.15	29.64
Monsoon Latane Bissell	-	-	1.61	2.77
Madhukar Khera	-	-	1.61	3.56
Vijai Kumar Kapoor	-	-	1.61	3.56
William Sean Sovak	-	-	1.61	3.56
Prakash Parthasarathy	-	-	1.61	3.56
Vinita Bali	-	-	1.61	4.55
Yoav Lev	-	7.27	7.41	13.09
Holly B Lev	-	7.27	5.80	10.72
Subrata Dutta	-	3.64	-	-
Mukesh Kumar Chauhan	-	6.18	3.63	3.75
Elizabeth Nanda	-	2.55	2.03	3.75
Paul C. Salins	-	-	-	1.14
Sania Arora Jain	3.76	2.92	-	-
Laurent Chappuis	-	1.27	2.03	1.88
<b>Director's sitting fees</b>				
Madhukar Khera	0.03	0.05	0.04	0.03
Monsoon Latane Bissell	0.03	0.05	0.04	0.02
Vijai Kumar Kapoor	0.03	0.06	0.05	0.03
Sunil Chainani	-	-	-	0.01
Prakash Parthasarathy	0.03	0.06	0.02	0.02
William Sean Sovak	-	0.06	0.03	0.02
Andrew Charles Mayfield	-	-	-	0.01
Vinita Bali	0.01	0.05	0.02	0.02
Yoav Lev	0.03	0.05	0.04	0.01
Nikhil Khera	0.01	-	-	-
Gyanendra Nath Gupta	0.01	-	-	-
Amb. Richard Frank Celeste	0.01	-	-	-
Ms. Dipali Patwa	0.78	-	-	-
Mr. Richard Celeste	1.40	-	-	-
<b>Corporate social responsibility expenses</b>				
Organic India Foundation	1.90	5.86	9.65	8.00
<b>Interest income</b>				
Viney Singh	0.15	-	-	-
Mukesh Kumar Chauhan	0.68	-	-	-

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Nutriwel Health (India) Private Limited	5.37	10.72	10.72	0.76
Rangсутra Crafts India Limited	-	-	0.04	0.37
Dr Alejandro Junger	0.23	-	-	-
<b>Dividend income</b>				
Rangсутra Crafts India Limited	2.01	-	1.02	-
Orissa Artisans and Weavers Limited	-	-	0.50	-
(*adjusted with Loss on Fair Value of Investment in OCPs)				
<b>Reimbursement of expenses receipts</b>				
Rangсутra Crafts India Limited	-	-	0.02	0.03
Orissa Artisans and Weavers Limited	-	-	0.03	0.01
Organic India Farmers Producer Company Limited	-	0.18	0.08	-
FABINDIA S.r.l., Italy	-	-	-	0.05
Weavers India General Trading LLC, Dubai	0.62	0.90	0.62	1.72
Crome Yellow (Proprietor: Bindu Jain)	-	-	-	0.06
<b>Reimbursement of expenses paid</b>				
M/s LEV True Wellness Private Limited	0.82	-	-	-
Rangсутra Crafts India Limited	0.02	-	-	-
Organic India Farmers Producer Company Limited	-	-	0.02	-
Sania Arora Jain	0.16	0.51	-	-
Shantanu Jain	0.12	0.18	-	-
Sunil Chauhan	-	0.02	-	0.06
<b>Reimbursement of fixed assets purchased</b>				
Shantanu Jain	0.05	0.25	-	-
<b>Rent received</b>				
M/s Nutriwel Health (India) Private Limited	-	-	0.03	-
<b>Rent paid</b>				
Mazumdar Shaw Medical Foundation	-	-	0.60	0.60
<b>Royalty paid</b>				
Alejandro Junger	0.08	0.40	-	-
<b>Royalty income</b>				
M/s Nutriwel Health (India) Private Limited	-	0.06	0.02	-
<b>Freight outward</b>				
Nutriwel Health (India) Private Limited	0.41	1.24	1.47	0.36
<b>Interest paid</b>				
OI (US) Holdings, LLC	-	5.87	13.22	16.99
Paul C. Salins	-	-	0.10	-
<b>Final dividend paid</b>				
JLB Partners Holding Inc., USA	-	-	81.10	54.06
M/s OI (India) Holding, LLC	-	-	36.65	-
William Nanda Bissell	-	-	82.00	54.67
Charu Sharma	-	-	4.84	3.23
Viney Singh	-	-	0.33	0.22
Monsoon Latane Bissell	-	-	6.83	4.31
Madhukar Khera	-	-	22.19	14.79
Vijai Kumar Kapoor	-	-	0.15	0.13
William Sean Sovak	-	-	0.15	0.10
SR Parthasarathy	-	-	0.62	0.41
Rahul Garg	-	-	0.39	0.23
Tekkethalakkal Kurien Kurien	-	-	0.21	0.14
Yoav Lev	-	-	1.13	0.75
Holly B Lev	-	-	1.13	0.75
Anjali Kapoor Bissell	-	-	3.44	2.30
Bimla Nanda Bissell	-	-	6.04	2.53
Master John Varun Bissell	-	-	0.05	0.03
Sara Kamla Bissell	-	-	0.33	0.22
Nikhil Khera	-	-	0.84	0.56
Mini Kapoor	-	-	0.36	0.27
Dinesh Kumar	-	-	0.06	0.03
<b>Interim dividend paid</b>				

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Fabindia Overseas Private Limited				
JLB Partners Holding Inc., USA	-	-	72.99	-
William Nanda Bissell	-	-	73.80	-
Charu Sharma	-	-	4.52	-
Viney Singh	-	-	0.38	-
Monsoon Latane Bissell	-	-	6.15	-
Madhukar Khera	-	-	19.97	-
Vijai Kumar Kapoor	-	-	0.14	-
William Sean Sovak	-	-	0.14	-
SR Parthasarathy	-	-	0.47	-
Rahul Garg	-	-	0.35	-
Tekkethalakkal Kurien Kurien	-	-	0.19	-
Yoav Lev	-	-	1.01	-
Holly B Lev	-	-	1.01	-
Anjali Kapoor Bissell	-	-	3.10	-
Bimla Nanda Bissell	-	-	5.43	-
Master John Varun Bissell	-	-	0.04	-
Sara Kamla Bissell	-	-	0.29	-
Nikhil Khera	-	-	0.76	-
Mini Kapoor	-	-	0.32	-
<b>Advance given</b>				
Rangсутra Crafts India Limited	-	1.50	1.00	6.10
Orissa Artisans and Weavers Limited	-	-	-	18.20
<b>Advance given received back/ adjusted</b>				
Rangсутra Crafts India Limited	-	1.50	7.10	13.35
Orissa Artisans and Weavers Limited	-	-	-	16.55
<b>Loan given</b>				
Dinesh Kumar	-	0.51	-	-
Subrata Dutta	-	26.42	-	-
Sunil Chauhan	5.00	4.00	-	-
Alejandro Junger	-	-	3.82	-
<b>Interest on loan given</b>				
Sunil Chauhan	0.21	0.24	-	-
M/s OI (US) Holdings, LLC	2.55	-	-	-
<b>Loan taken</b>				
OI (US) Holdings, LLC	-	-	-	20.95
Paul C. Salins	-	-	4.68	-
Shantanu Jain	-	0.60	-	-
<b>Loan repayment during the period/year</b>				
OI (US) Holdings, LLC	-	18.51	-	83.81
Shantanu Jain	-	0.60	-	-
<b>Outstanding payables</b>				
Mazumdar Shaw Medical Foundation	-	-	0.05	0.06
Orissa Artisans and Weavers Limited	5.13	0.96	-	0.75
Rangсутra Crafts India Limited	8.85	1.85	6.83	7.84
Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	0.25	-
LEV True Wellness Private Limited	-	3.16	18.18	24.95
Organic India Farmers Producer Co. Limited	-	-	0.04	0.04
OI (US) Holdings, LLC	127.33	125.92	147.32	136.10
Nutriwel Health (India) Private Limited	0.12	0.15	0.43	0.52
Homage Advisers LLP	3.24	3.32	-	-
Crome Yellow (Proprietor: Bindu Jain)	-	1.44	0.94	0.20
William Nanda Bissell	11.30	10.91	8.82	17.47
Charu Sharma	-	0.49	1.61	15.41
Gyanendra Nath Gupta	-	-	-	-
Richard Frank Celeste	0.01	-	-	-
Nikhil Khera	-	-	-	-
Viney Singh	1.02	-	12.15	29.64
Monsoon Latane Bissell	-	-	1.61	2.42
Madhukar Khera	-	-	1.61	3.56
Vijai Kumar Kapoor	-	-	1.61	3.56

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
William Sean Sovak	-	-	1.61	3.56
Prakash Parthasarathy	-	-	1.61	3.56
Vinita Bali	-	-	1.61	4.55
Yoav Lev	0.02	7.28	7.41	13.09
Holly B Lev	-	7.27	5.80	10.72
Sunil Chauhan	0.32	0.32	0.57	0.34
Mukesh Kumar Chauhan	0.52	6.18	3.63	3.75
Subrata Dutta	-	3.73	-	-
Elizabeth Nanda	-	2.66	2.35	3.75
Paul C. Salins	-	-	4.78	-
Laurent Chappuis	-	1.27	2.03	1.88
Vikram Singh	0.09	0.28	0.18	0.27
Pankaj Pachauri	0.27	0.28	0.27	0.27
Alejandro Junger	-	0.06	-	-
Sania Arora Jain	4.13	1.92	-	-
Shantanu Jain	0.17	0.10	-	-
<b>Outstanding receivables</b>				
Nutriwel Health (India) Private Limited	149.79	147.45	137.53	123.88
Ganga Yamuna Agro Technologies and Plantation Private Limited	1.20	2.14	0.06	0.68
East Lifestyle Limited, United Kingdom	-	-	-	4.51
Weavers India General Trading LLC, Dubai	4.06	2.44	2.09	6.17
Orissa Artisans and Weavers Limited	0.45	4.20	4.05	6.00
Rangсутra Crafts India Limited	0.01	-	-	2.60
M/s Organic India Foundation	-	0.03	-	-
M/s Organic India Farmers Producer Co.Limited	0.01	0.01	-	-
LEV True Wellness Private Limited	25.65	0.01	-	-
East Limited, United Kingdom	-	-	-	2.07
Dinesh Kumar	0.24	0.24	-	-
Sunil Chauhan	9.15	4.24	-	-
Viney Singh	3.54	-	-	-
Mukesh Kumar Chauhan	15.68	-	-	-
Subrata Dutta	26.42	26.42	-	-
Alejandro Junger	-	3.95	4.04	-
<b>Financial Guarantee Given on behalf of Fabcafe Foods Private Limited</b>	150.00	-	-	-

For further details of the related party transactions, as per the requirements under Ind AS 24 ‘Related party transactions’ see “*Related Party Transactions*” on page 363.

### Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase of any securities of our Company by any other person during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

### Weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The Promoters have not acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus. Except as mentioned below, no Selling Shareholders have acquired Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹) <sup>#</sup>
1.	Mukesh Kumar Chauhan	4,716	10.00
2.	Kavita Mitter	150	Nil*
3.	Rajesh Ramaiaha	1,698	4,717.00
4.	Lakshminarayana R Kollengode	300	4,717.00
5.	Manoj Kumar Jaiswal	1,302	4,717.00
6.	Anuradha Kumra	1,312	10.00
7.	Ajay Kapoor	641	10.00

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹) <sup>#</sup>
8.	Poonam Singh Chauhan	54	10.00
9.	Vaishali Bahel	558	10.00
10.	Raja Ghosh	519	10.00
11.	Usha Rawat	72	10.00

<sup>#</sup> As certified by M/s AKGVG & Associates, Chartered Accountants, by way of their certificate dated January 21, 2022.

\*These Equity Shares were acquired by way of gift from other Shareholders.

### Details of Pre-IPO Placement

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹ 1,000 million subject to appropriate approvals. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

### Average cost of acquisition for our Promoters and Selling Shareholders

The average cost of acquisition per Equity Share by our Promoters and the Selling Shareholders, as at the date of this Draft Red Herring Prospectus, is:

Name of the Promoter	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹) <sup>#</sup>
Bimla Nanda Bissell*	12,214,970	10.55
William Nanda Bissell*	23,001,400	1.40
Monsoon Latane Bissell	2,733,000	43.28
Madhukar Khera*	8,875,080	2.49
JLB Partners Holding Inc.	32,438,160	5.71

<sup>#</sup> As certified by M/s. AKGVG & Associates, Chartered Accountants, by way of their certificate dated January 21, 2022.

\*These Promoters are also Selling Shareholders.

S. No	Name of the Selling Shareholders	No. of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)
<b>Investor Selling Shareholders</b>			
1.	PI Opportunities Fund I	30,106,560	212.55
2.	Prazim Trading and Investment Company Private Limited	2,730,420	25.00
<b>Other Selling Shareholders</b>			
1.	India 2020 Fund II, Limited	2,141,280	308.33
2.	Bajaj Holdings and Investment Limited	2,252,280	555.00
3.	Kotak India Advantage Fund – I	384,660	555.00
4.	NRJN Family Trust <sup>&amp;</sup>	783,240	312.64
5.	IFIS Corporate Advisory Services Private Limited	410,640	3.25
<b>Promoter Group Selling Shareholders</b>			
6.	Vijai Kumar Kapoor	61,260	1.99
7.	Mini Kapoor	144,000	25.00
<b>Individual Selling Shareholders</b>			
1.	Arjun Sharma	900,000	25.00
2.	Charu Sharma	2,008,920	8.15
3.	Rohini Nilekani	797,880	312.56
4.	Geeta Amar Lulla	180,000	555.00
5.	Sanjay Kalra (Jointly with Jyotika Kapoor)	180,000	555.00
6.	Rama Puri	864,000	0.01
7.	Elizabeth Nanda	433,980	7.85
8.	Subrata Dutta	235,260	26.47
9.	Sunil Chainani (Jointly with Kiran Chainani)	6,231,720	4.45
10.	Agnello Oswin Dias	90,000	555.00
11.	Kartik Ganapathy	90,000	555.00
12.	Nehal Abhay Vakil	90,000	555.00

S. No	Name of the Selling Shareholders	No. of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)
13.	William Sean Sovak	60,000	126.67
14.	Ajay Bahl	90,000	555.00
15.	Mukesh Kumar Chauhan	225,360	127.84
16.	Kavita Mitter	67,500	Nil*
17.	Rajesh Ramaiah	174,480	300.16
18.	Prableen Sabhaney	125,100	14.38
19.	Damini Narain	70,380	20.60
20.	Rekha Mehrotra Menon	189,000	46.09
21.	Saurabh Naithani	17,460	26.08
22.	Tekkethalakal Kurien Kurien	84,000	350.00
23.	Ruchira Puri Pujari (Jointly with Ashutosh Prabhakar Pujari)	12,780	25.00
24.	Lakshminarayana R Kollengode	32,340	177.54
25.	Dilpreet Sokhi Singh	10,860	303.20
26.	Smita Mankad	197,280	4.59
27.	Suzanne Jane Spink	40,200	25.00
28.	Manoj Kumar Jaiswal	26,820	409.08
29.	Chaman Singh Bisht	7,980	25.00
30.	Tingmuankim Vaiphei	9,000	25.00
31.	Bertha Beck (earlier known as Jyoti Beek)	9,000	25.00
32.	Rahul Garg	154,980	278.34
33.	Ramanan Venkateswaran (Jointly with Kala Ramanan)	33,000	323.48
34.	Anuradha Kumra	92,620	15.00
35.	Sashikanth Balachandar (Jointly with Ganga Sashikanth)	56,520	251.36
36.	Ajay Kapoor	46,730	12.36
37.	Poonam Singh Chauhan	60,780	23.44
38.	Premkumar G	9,480	225.26
39.	Vaishali Bahel	27,480	8.20
40.	Roopali Gupta	42,000	209.40
41.	Raja Ghosh	27,570	12.65
42.	Usha Rawat	1,560	31.60

\*As certified by M/s. AKGVG & Associates, Chartered Accountants, by way of their certificate dated January 21, 2022.

\*These Equity Shares were acquired by way of gift from other Shareholders.

&Held through its corporate trustee, Entrust Family Office Legal and Trusteeship Services Private Limited

For further details of the average cost of acquisition for our Promoters, see “*Capital Structure – Details of Shareholding of our Promoters, members of Promoter Group in our Company*” at page 102.

#### **Issue of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

#### **Split / Consolidation of Equity Shares in the last one year**

Pursuant to the shareholders’ resolution dated June 8, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into 10 equity shares of face value of ₹ 1 each. Accordingly, 14,736,378 issued, subscribed and paid-up equity shares of face value of ₹ 10 each were sub-divided into 147,363,780 equity shares of face value of ₹ 1 each. For details, see “*Capital Structure*” on page 94.

#### **Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

An exemption application dated January 21, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from considering and disclosing East Lifestyle Limited, United Kingdom as a Group Company in accordance with the SEBI ICDR Regulations.



## SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.*

*We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled “Industry Overview”, “Our Business”, “Key Regulations and Policies” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 141, 172, 205 and 364, respectively, as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 257.*

*To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward-Looking Statements” beginning on page 21.*

*Unless otherwise indicated or the context requires otherwise, the financial information for Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 257. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, in this section, references to “we”, “us” or “our” refers to FABINDIA LIMITED on a consolidated basis and references to “the Company” or “our Company” refers to FABINDIA LIMITED on a standalone basis.*

*Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources such as the “Fashion, Lifestyle and Organic Products Market in India” dated December 20, 2021 that has been prepared by EY, which report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. The EY Report forms part of the material contracts for inspection, and is accessible on the website of our Company at: <https://www.fabindia.com/investor-relations>.*

### INTERNAL RISK FACTORS

#### Risks related to our business

- 1. The COVID-19 pandemic has had, and may in the future continue to have, particularly on the ability or desire of customers to visit our stores, a material adverse impact on our business, results of operations and financial condition.***

The global spread and unprecedented impact of the ongoing COVID-19 pandemic continues to create significant volatility, uncertainty and economic disruption. The pandemic has led governments and other authorities around the world to implement significant measures intended to control the spread of the virus, including shelter-in-place orders, social distancing measures, business closures or restrictions on operations, quarantines, travel bans and restrictions and multi-step policies with the goal of re-opening these markets. While some of these restrictions have been lifted or eased in many jurisdictions as the rates of COVID-19 infections have decreased or stabilized and vaccinations have increased, a resurgence of the pandemic in some markets has slowed, halted or reversed the reopening process altogether. India experienced a severe second wave of COVID-19 between March 2021 and June 2021, resulting in shortages of medical supplies and equipment and overwhelming the healthcare infrastructure as well as various lockdowns and other restrictions in various parts of India. As a result of the detection of new variants such as Omicron and subsequent waves of COVID-19 infections in several states in India, state governments have implemented various safety measures including weekend curfews, closures of malls and shopping centres and reduced operating hours for stores, which may adversely affect our business operations. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. If COVID-19 infection rates resurge and the pandemic intensifies and expands geographically, its negative impacts on our business, particularly on our revenue from retail stores and FabCafes, our operating expenses, gross profit and gross margin, and our sales could be more prolonged and may become more severe. Achieving complete vaccination scale is likely to involve a significant amount of time. There is also no assurance that the vaccines that have been or are being developed will be fully effective, including against new variants of the virus, or that they will not have adverse side effects.

The impact of the COVID-19 pandemic on our business, operations and future financial performance have included and may continue to include the following:

- significant disruptions at our retail stores and FabCafes resulting in temporary and permanent closure of our retail stores and FabCafes, including due to decline in footfalls and sales, closure of malls where our stores are located, and reduced operating hours as mandated by regulatory bodies. Pursuant to the notification issued by Government of India, establishments in India, including our retail stores and FabCafes were temporarily shut down during the 21-day nationwide lockdown with effect from March 24, 2020. As a result, our revenue from operations declined by 29.7% from ₹15,080.47 million in Fiscal 2020 to ₹10,596.43 million in Fiscal 2021, and we permanently closed 22 stores (net of additions/closures) in Fiscal 2021 due to a decline in footfalls on account of COVID-19, among other reasons. We began reopening our stores and FabCafes through a phased approach commencing in June 2020 and successfully completed the reopening process over the course of several months, as local conditions and regulations permitted. The possible sustained spread or resurgence of the pandemic, and any government response thereto, increases the uncertainty regarding future economic conditions that will impact our business in the future. Our revenue from operations was ₹5,560.40 million in the six months ended September 30, 2021. In late 2021, with the onset of the “Omicron” variant of COVID-19 in India, state governments have implemented various safety measures including weekend curfews, closures of malls and shopping centres and reduced operating hours for stores. As a result, we have witnessed a decline in footfall at our retail stores, and consequently expect an adverse impact on our sales and profitability in the fourth quarter of Fiscal 2022. It is also possible that our Contract Manufacturers and we may experience supply chain disruptions. Any further decline or fluctuation in footfalls, particularly as a result of prolonged restrictions due to the Omicron variant, any new variant or any subsequent waves in India, may also affect our ability to effectively manage our inventory of products. Further, stores located in containment zones, as demarcated by the regional authorities from time to time, may have further restrictions imposed on their operations.
- disruptions to flow of material such as our ability to procure raw materials and finished products, reducing our ability to fulfil orders in a timely manner, disrupting the operation of our integrated production facility for ‘*Organic India*’ at Barabanki, Uttar Pradesh, warehouses, and third-party contract manufacturing operations, affecting the ability of our delivery partners to make deliveries due to various restrictive measures imposed by governmental authorities. The Organic India integrated production facility located in Barabanki, Uttar Pradesh was closed for a week in March 2020 due to COVID-19. In addition, we also faced challenges for arranging export vessels, which hindered our exports and supplies.

- temporary closure of our offices, redundancy of employees and decline in availability of workforce due to employees contracting the virus, rationalization of workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work.
- increases in administrative and compliance costs resulting from dynamic and rapidly changing governmental rules, regulations, and guidance regarding workplace health and safety;
- longer wait times and delayed responses to customer support inquiries and requests;
- increased rates of post-purchase order cancellation as a result of longer delivery lead times and delivery reschedules;
- increases in shipping, logistics, freight, labour, and/or storage costs
- disruptions to our expansion plans, including for opening new stores and FabCafes, due to lockdowns and restrictions, as well as the poor economic environment and customer confidence.
- operating expenses not decreasing at the same rate as revenues, resulting in an adverse impact on our sales, profitability and growth rates. Many of our expenses are less variable in nature and may not correlate to changes in revenues, such as lease expenses, depreciation, employee benefit expenses and other costs associated with operating and maintaining our stores. Rental expenses account for a significant portion of our cash outflows, as a result, we entered into renegotiations under various rental arrangements with mall developers, landlords and lessors during the onset of the COVID-19 pandemic in India. There can also be no assurance that we will be able to obtain such waivers or successfully further renegotiate these arrangements in the future. A continued decline or fluctuation in footfalls, particularly as a result of the any subsequent waves in India, may also affect our ability to manage our expenses, particularly rental expenses and employee benefit expenses.

Notwithstanding the measures we have adopted to increase safety and hygiene levels in our stores, and increased focus on online retailing, there can be no assurance that footfalls in our stores, sales, and demand for our products will fully recover from the impact of the COVID-19 crisis, and if they do not recover as a result of the COVID-19 crisis continuing or worsening, or otherwise, our business and results of operations would be significantly and adversely impacted. In addition, an outbreak or perceived outbreak of the COVID-19 pandemic connected to one or more of our stores could also cause negative publicity directed at any of our brands and cause customers to avoid our stores, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

Given the uncertainty relating to the severity of the near-term and long-term adverse impact of the COVID-19 pandemic on the global and national economy and financial markets, we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our businesses, but remain subject to a risk that it could have a material adverse impact on our business, financial condition, results of operations and prospects. Also see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Financial Condition and Results of Operations - Impact of COVID-19*” on page 368. Moreover, to the extent the COVID-19 pandemic adversely affects our business, financial condition, and results of operations, it may also have the effect of heightening many of the other risks described in this “*Risk Factors*” section.

**2. *If we are unable to maintain and enhance the value and reputation of our brand and/or counter any negative publicity, our business, results of operations and financial condition could be materially adversely affected.***

The ‘*Fabindia*’ and ‘*Organic India*’ brands are integral to our business strategy and our ability to attract and engage customers. As a result, our success depends on our ability to maintain and enhance the value and reputation of the ‘*Fabindia*’ and ‘*Organic India*’ brands. Maintaining, promoting, and positioning our brands will depend largely on the success of our design and marketing efforts, including advertising and customer campaigns, as well as our product innovation, product quality, and sustainability initiatives. Our advertisement and publicity expenses in

Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021 amounted to ₹258.43 million, ₹257.58 million, ₹84.49 million and ₹104.93 million. Our commitment to product innovation, quality, and sustainability and our continuing investment in design (including materials) and marketing efforts may not have the desired impact on our brand image and reputation.

We intend to continue to enhance the brand recall of our products through the expansion of our footprint of our retail stores as well as the use of targeted marketing initiatives such as digital and social media marketing campaigns, television, advertisements in multiplexes, billboards and live events. Many factors, some of which are beyond our control, are important in maintaining and enhancing our brand recall, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives, especially with respect to our emerging brands, the new products we launch or in geographic markets where we intend to expand our operations. Maintaining and enhancing our brands may require us to make substantial investments and incur substantial expenses in many areas including outlet operations, product design, marketing, advertising, e-commerce, community relations and employee training.

Our brand also depends on our ability to maintain a positive customer perception of our corporate integrity, culture, mission, vision, and values, and our commitment to environmental conservation and sustainability. Any actions or any public statements or social media posts about '*Fabindia*', '*Organic India*' or our products by our customers, persons who have not yet bought our products, our current or former employees, celebrities or other public figures, whether authorized or not, that are contrary to our values may negatively affect customer perception of our brand. For instance, in November 2021, we retracted one of our campaigns due to online criticism. Any negative incidents involving us, our Contract Manufacturers or products could erode the trust and confidence of our customers, and damage the strength of our brand, especially if such incidents result in adverse publicity, governmental investigations, product recalls or litigation. For instance, our '*Folkdelic*' collection under FabNu® was recalled in 2021, to honour sentiments expressed by certain groups from Nagaland who had indicated that the clothing included Naga prints and Naga-inspired prints without obtaining any permission or collaboration with local artisans and no credit was attributed to any Naga tribe and organization for the same.

Further, any loss of confidence on the part of customers in our products or the ingredients used in our products, whether related to product contamination or product safety or quality failures, actual or perceived, environmental impacts (including from production techniques), or inclusion of prohibited ingredients, or ingredients that are perceived to be 'toxic', or issues with waste handling, could tarnish the image of our brand and could cause customers to choose other products. Allegations of contamination or other adverse effects on product safety or efficacy or suitability for use by a particular customer or on the environment, even if untrue, may require us to expend significant time and resources responding to such allegations and could, from time to time, result in a recall of a product from any or all of the markets in which the affected product was distributed. Any such issues or recalls could negatively affect our ability to achieve or maintain profitability and brand image.

If our products are found to be, or perceived to be, defective or unsafe, or if they otherwise fail to meet our customers' expectations, our relationships with customers could suffer, the appeal of our brand could be diminished, we may need to recall some of our products and/or become subject to regulatory action, and we could lose sales or market share or become subject to boycotts or liability claims. In addition, safety or other defects in our competitors' products or products using the '*Organic India*' name in other customer categories, in which we do not own the '*Organic India*' brand, could reduce customer demand for our own products if customers view them to be similar. Any such adverse effect could be exacerbated by our market positioning as a purveyor of clean, sustainable, natural, healthy, organic, ethnic and effective products and may significantly reduce our brand value. Issues regarding the safety, efficacy, quality or environmental impact of any of our products, regardless of the cause, may have an adverse effect on our brand, reputation and operating results. Further, the growing use of digital media by us, our customers and third parties increases the speed and extent that information or misinformation and opinions can be shared.

Our brands and reputation could be adversely affected by any number of factors or events, including if our public image is tarnished by negative publicity due to our actions or those of persons associated with us or formerly associated with us (including employees, or others who speak publicly or post on social media about our brand or our products, whether authorized or not), if we fail to deliver innovative and high quality products, if we face or mishandle a product recall, or if we fail or are alleged to have failed to achieve our sustainability goals. In addition,

ineffective marketing, product diversion to unauthorized distribution channels, product defects, counterfeit products, unfair labor practices, failure to protect the intellectual property rights in our brand and other factors may threaten the strength of our brands and could rapidly and severely diminish customer confidence in us. Our brand and reputation could also be negatively impacted by adverse publicity, whether or not valid, regarding allegations that we, or persons associated with us or formerly associated with us, have violated applicable laws or regulations, including those related to product labelling and safety, marketing, employment, discrimination, harassment, privacy, improper business practices or cybersecurity. Negative publicity regarding our Contract Manufacturers could also adversely affect our reputation and sales and could force us to identify and engage alternative Contract Manufacturers. Any harm to our brand and reputation could adversely affect our ability to attract and engage customers and could have a material adverse effect on our business, financial condition, and results of operations.

**3. *If we are unable to anticipate and respond to changes in the industry trends, particularly in fashion, and changing customer preferences in a timely and effective manner, the demand of our products may decline, which may have an adverse effect on our business, results of operations, financial condition and prospects.***

We have an extensive portfolio of products comprising apparel and accessories, home and lifestyle products, personal care products and organic foods products. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to the latest industry trends, changes in customer preferences for products, customer attitudes toward our industries and brands and where and how customers shop for those products. We might not always be able to design our products in line with the evolution of the markets and thus being exposed to the risk of inability to create popular designs.

In particular, the retail apparel business fluctuates according to changes in customer preferences dictated, in part, by fashion and season. To the extent, we misjudge the market for our products or unable to design new products or modify our existing products in line with changes in fashion trends, our sales may get adversely affected. New product development also involves designing, sampling and cost closure, which adds to these timelines. While we forecast trends and styles, our design to shelf leads times vary and thus there may be risk of the product going out of fashion by the time we hit the market for long lead time products. A decline in demand for our products, or a misjudgement on our part could, among other things, lead to lower sales, excess inventories and higher markdowns, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose, or fail to attract customers, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory at a discount. Further, our process for designing our products is a key aspect of our operations for which we rely heavily on data analysis and the study of fashion trends to introduce new and original concepts. We incur expenses in the design and development of our products and we cannot assure you that our current portfolio of designs and any products we launch, will be well received by our customers, or that we will be able to recover costs we incurred in designing and developing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected. Moreover, there is no assurance that customers will continue to purchase goods from us in the future. Customers may purchase fewer or lower-priced products if their discretionary income decreases. During periods of economic uncertainty, we may need to reduce prices in response to competitive pressures or otherwise to maintain sales, which could adversely affect relationships with our partners and consequently our business, financial condition, results of operations and prospects.

**4. *If we are unable to procure raw materials, finished products and packing material of the required quality and quantity, at competitive prices, our business, results of operations and financial condition may be adversely affected.***

Our business operations require a sufficient and stable supply of raw materials and other goods. However, the amount of raw materials and other goods we require may fluctuate from time to time. We depend on third-party contract manufacturers including the artisans and craft clusters and farmers, for raw materials and goods used in the manufacture of our products. We also obtain certain finished products, such as garments, organic foods, personal care products, from Contract Manufacturers in India. Our financial performance depends in large part on our ability

to arrange for the purchase of such materials in sufficient quantities at competitive prices. We are not assured of continued provision or adequate pricing of raw materials. Any of our contract manufacturers could discontinue or seek to alter their relationship with us. However, given the vast network of contract manufacturers, we may always be able to identify alternates both within and outside of the geographic locations.

In the six months ended September 30, 2021, under the '*Fabindia*' brand, we obtained raw materials for our products from approximately 894 Contract Manufacturers. Further, while we have established working relationships and contracts with our Contract Manufacturers. If there are any decreases or disruptions in supply or increases in cost of one or more of our major Contract Manufacturers, and we fail to find replacement Contract Manufacturers on similar or favourable terms, or at all, our business, results of operations and cash flows may be adversely affected.

For our '*Organic India*' products, in the six months ended September 30, 2021, we sourced raw materials for our products and packing materials from an aggregate of approximately 800 suppliers (including Contract Manufacturers). Further, with the launch of our organic commodities (such as organic rice, pulses, spices, organic cooking oils and nutri cereals) and snacks business lines, we anticipate our cost of raw materials to increase. Additionally, the raw materials for our '*Organic India*' products are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes, pestilence and other shortages and disease, which can adversely impact quantity and quality, leading to reduced yields and quality, which in turn could reduce the available supply of, or increase the price of, our raw materials.

Our Contract Manufacturers and suppliers may also be susceptible to interruptions in their operations, including any disruption as a result of the COVID-19 pandemic or related response measures and any problems with our suppliers' businesses, finances, labour relations, production, could negatively impact our ability to obtain required quantities of raw materials and other goods in a timely manner, or at all, which could materially reduce our product sales and have a material adverse effect on our business and financial condition. We have in the past experienced interruptions in the availability of fabric and apparel that resulted in delays in delivery to us on account of a decrease in the capacity of our Contract Manufacturers and unavailability of raw materials at their end. We could experience similar delays in the future from any of our Contract Manufacturers. Any disruption in the availability of raw materials or other goods would have a material adverse effect on our business if we cannot replace these suppliers or Contract Manufacturers in a timely manner or at all. Further, any negative publicity regarding the raw materials and other goods we use, including as a result of disease or any other contamination issues, as well as any negative publicity around the way our competitors or others in our industry obtain similar raw materials, could impact customer and customer perception of our products, even if these issues did not directly impact our products.

Our success also depends on our ability to provide our customers with the sustainable products and natural, healthy and organic products they seek, which in turn depends on the quantity and quality of the raw materials and finished products provided by our partners. We may be unable to provide customers with the high-quality sustainable products and natural, healthy and organic products they seek if our Contract Manufacturers or other supply chain partners do not consistently produce or provide high-quality products and raw materials for us to sell. Any failure of our suppliers or Contract Manufacturers to consistently provide high-quality materials and products could adversely affect our brand and reputation and cause our business and results of operations to suffer.

In addition, we also cannot assure you that we will always be able to meet our raw material requirements or packing material at prices acceptable to us, or at all. Our cost of raw materials is affected by the price volatility of raw materials used to make them, which is caused by various factors outside of our control, including commodity market fluctuations, the quality and availability of such materials, currency fluctuations, customer demand and changes in government policies, rules and regulations. If demand for such raw materials exceeds the provision thereof, our Contract Manufacturers may increase the prices they charge us. If the price of raw materials or packing materials increase, our product costs will also correspondingly increase, and we cannot assure you that we will be able to increase the price of our products to offset such costs. If we need to replace an existing key Contract Manufacturer due to bankruptcy or insolvency, lack of adequate capacity, disagreements or any other reason, there can be no assurance that raw materials will be available when required on acceptable terms or at all, or that a new Contract Manufacturer would allocate sufficient capacity to us in order to meet our requirements or fill our orders in a timely manner. Finding a new Contract Manufacturer may take a significant amount of time and resources, and once we have identified such new Contract Manufacturer, we would have to ensure that they meet our standards for

quality control and have the necessary technical capabilities, responsiveness, high-quality service and financial stability, among other things, as well as have satisfactory labour, sustainability and ethical practices that align with our values and mission. Further, any changes in our inventory position could result in changes in the quality of our ingredients, which could be adversely affected by changes in the composition of our raw materials. If we are unable to manage our Contract Manufacturers effectively and ensure that our products are available to meet customer demand, our operating costs could increase and our profit margins could decrease.

**5. *We have incurred losses in the past, which may adversely impact our business and the value of the Equity Shares.***

We have incurred losses in the past, including in Fiscals 2021 and in the six months ended September 30, 2021, and we may incur losses in the future. Our total comprehensive loss was ₹1,141.63 million and ₹568.71 million in Fiscal 2021 and in the six months ended September 30, 2021, respectively. Our ability to operate profitably depends upon a number of factors, some of which are beyond our direct control. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 364. If we continue to incur losses, our business and the value of the Equity Shares could be adversely affected.

**6. *The growth of online retailers may create pricing pressures, increase competition, and adversely affect our business, results of operations and financial condition.***

Our sales are primarily carried out through our stores and we have been strengthening our online channels including our own websites, mobile application and presence on e-commerce platforms to accept delivery orders placed on their websites and mobile applications. Our Company’s revenues through online sales (i.e., our own website, app and third party websites) amounted to ₹458.16 million, ₹676.55 million, ₹931.74 million and ₹611.59 million (each on a standalone basis) during Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2021, which represented 4.09%, 5.95%, 16.00% and 17.75% of our total revenue from sales during the same period. The introduction and growth of “online retail” (i.e., retail trading through online channels) has made online shopping a material part of our business and growth strategy, and we believe the increasing presence of online-retailers and e-commerce platforms in India and internationally will have a significant impact on our business going forward. For instance, online retailers that exclusively have only an online presence and no physical presence, may be able to price their products lower by leveraging on their asset light model, while introducing newer products and maintaining quality control. Further, the presence of e-commerce platforms has increased competition with other retail brands. If online retailing continues to increase, it is possible that footfalls in our stores could decrease, especially in light of the COVID-19 pandemic and continuing lockdown and curfew orders in various regions in India, unless we are able to adapt our business model to account for this change in customer preference.

It is also possible that the negotiating leverage of e-commerce platforms with respect to our contracts with them could increase as their businesses grow, which means we may have to pay higher fees for their services or may have difficulty extending or renewing our agreements with them on commercially acceptable terms, or at all, in the future, especially if we fail to sufficiently develop and strengthen our own channels of online shopping or find alternative means to serve the increasing number of customers who prefer shopping on alternate channels such as mobile applications.

While we believe that online retailers and ecommerce provide us with an opportunity to increase the visibility of our brands and an opportunity to improve our operational efficiencies, they may continue to gain market share and thus increase their relative negotiating power. We cannot assure you that we will be able to negotiate agreements with such online retailers on terms favorable to us or at all, such as in relation to margin or credit terms. Further, our competitors may be able to negotiate better or more favorable terms with such online retailers. Any inability on our part to further develop our own website, mobile application or enter into agreements with online retailers on terms favorable to us may have an adverse effect on our pricing, and our business and results of operations may be adversely affected. Additionally, online retailers may sell multiple brands of similar products other than ours on their platforms, possibly including similar products at discounted prices, enhancing customers’ comparisons of products and prices between our brands and other brands. We cannot assure you that customers of online retailers will continue to prefer our products over our competitors’. While we believe that our customers are attracted by our brands and/or in-store experience, our customers may prefer other brands sold by online retailers over our brands available online or through our offline channels. If the number of customers, that choose other brands sold by online

retailers instead of our online or offline channels, increases substantially, our online business and results of operations may be adversely affected.

In addition, we are in the process of developing a strong online e-commerce presence by continuously upgrading our online platforms. However, our ability to provide an engaging online customer experience is dependant in part on third party websites, mobile operating systems and search engines driving online customers to our website and mobile application which is not entirely within our control.

**7. *If we fail to attract new customers, retain existing customers, or maintain or increase sales to customers, our business, financial condition, results of operations and growth prospects will be harmed.***

Our success depends in large part upon widespread adoption of our products by our customers. In order to attract new customers and continue to expand our customer base, we must appeal to and attract customers. If the number of people who are willing to purchase our products does not continue to increase, if we fail to deliver a high quality shopping experience, or if our current or potential future customers are not convinced that our products are superior to alternatives, then our ability to retain existing customers, acquire new customers, and grow our business may be harmed. We have made significant investments in enhancing our brand and attracting new customers, and we expect to continue to make significant investments to promote our products. Such campaigns can be expensive and may not result in new customers or increased sales of our products. Further, as our brand becomes more widely known, we may not attract new customers or increase our net revenue at the same rates as we have in the past. If we are unable to acquire new customers who purchase products in numbers sufficient to grow our business, we may not be able to generate the scale necessary to drive beneficial network effects with our suppliers or Contract Manufacturers, our net revenue may decrease, and our business, financial condition, and results of operations may be materially adversely affected.

In addition, our future success depends in part on our ability to increase sales to our existing customers over time, as a portion of our net revenue is generated from sales to existing customers, particularly those existing customers who are highly engaged and make frequent and/or large purchases of the products we offer. If existing customers no longer find our products appealing, are not satisfied with our customer service, or if we are unable to timely update our products to meet current trends and customer demands, our existing customers may not make purchases, or if they do, they may make fewer or smaller purchases in the future. If we are unable to continue to attract new customers or our existing customers decrease their spending on the products we offer or fail to make repeat purchases of our products, our business, financial condition, results of operations, and growth prospects will be harmed.

**8. *We may be unable to grow our business in additional domestic or international markets, and our inability to effectively manage or expand our retail network may have an adverse effect on our business, results of operations and financial condition.***

We sell all of our products through retail stores and online channels such as online retailers and our websites and apps. As of September 30, 2021, we had 309 retail stores, which comprise company owned company operated stores (“COCOs”), Experience Centers and franchisee-owned and operated stores (“FOFOs”), in India and 11 retail stores located outside India. Further, through our online channels and through exports, our ‘Fabindia’ and ‘Organic India’ products are sold and distributed in 55 countries, as of September 30, 2021. In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, our Company’s revenue from operations from outside India amounted to ₹105.80 million, ₹103.53 million, ₹72.05 million and ₹44.44 million, representing 0.94%, 0.91%, 1.24% and 1.29%, respectively, of our Company’s total revenue from operations in such periods.

We may in the future seek to grow our retail network and product reach by entering new geographies (both within India and internationally) in markets which offer growth opportunities for us. We also intend to increase penetration into towns and cities in which we already operate, but we cannot assure you that we will be able to do so. Infrastructural and logistical challenges in these regions may prevent us from expanding our presence or increasing the penetration of our products. Further, customers in new markets or regions may be price-conscious, rendering us unable to compete effectively with our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected. Competing successfully in international markets requires additional management attention and resources to tailor



our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, our inexperience with such markets and currency exchange rate fluctuations. These and other risks could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

Our ability to expand and grow our sales, particularly in new markets, significantly depends on the reach and effective management of our retail network and the continued cooperation of third parties such as franchisees, and online retailers. We cannot assure you that we will continue to be able to effectively manage our retail network and maintain good relationships with such third parties.

The development and roll out of new stores involves substantial risks, any of which could be exacerbated or caused by the ongoing COVID-19 crisis, including in relation to the following:

- the inability to identify or the unavailability of suitable sites on acceptable leasing terms or to compete effectively for these suitable sites;
- the negotiation of acceptable lease or purchase terms for new locations;
- unavailability of financing on reasonable terms;
- issues with fit-outs/ renovations, including lack of suitable contractors, delays and costs exceeding budgeted amounts;
- difficulties in relation to the implementation of the systems, procedures and control measures required at new and different store locations;
- the inability to obtain all necessary governmental or local authority permits and approvals and other requisite licenses and permits in time;
- underperformance of the newly developed stores;
- changing consumer preferences and success of our new stores;
- competition in current and future markets;
- our degree of penetration in existing markets;
- sales and margin levels at existing stores;
- our ability to hire and retain qualified store crews;
- changes in governmental rules, regulations and interpretations; and
- changes in general economic and business conditions.

Further, we may be unable to identify or enter into agreements with franchisees in order to open additional retail stores. Our ability to effectively obtain quality commercial property to relocate existing retail stores or open new retail stores also depends on the availability of commercial property that meets our criteria for customer traffic, square footage, lease economics, demographics and other factors, including our ability to negotiate terms that meet our financial targets. In addition, rising real estate prices may restrict our ability to lease new desirable locations. Further, we cannot assure you that any of the new stores we open will be successful or profitable. We cannot assure you that we will be able to expand our retail network in accordance with our business plans, or at all, which may adversely affect our business, results of operations and financial condition.

***9. Failure to accurately forecast customer demand could lead to excess inventories or inventory shortages, which could result in decreased operating margins and reduced cash flows and adversely affect to our business, results of operations and financial condition.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. We plan our inventory and commence our design and production process prior to launch and estimate our sales based on the forecasted demand for the forthcoming period. We have inventory manufactured and stored at our stores and warehouses in advance. We also order raw materials in advance for manufacturing of our products. Ensuring availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, warehouse management and retail stores and staff. While we aim to accurately forecast the demand for our products and avoid understocking and over-stocking, our estimates and forecasts may not always be accurate. Our ability to accurately forecast demand for our products could be affected by many factors, including an increase or decrease in customer demand for our products or for products of our competitors, changing

customer preferences, changing product trends, our failure to accurately forecast customer acceptance of new products, product introductions by competitors, unanticipated changes in general market conditions, store closures (including, for example, due to the COVID-19 pandemic), and weakening of economic conditions or customer confidence in future economic conditions. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores or for delivery to customers.

Inventory levels in excess of customer demand may result in inventory write-offs, inventory write-downs, and/or the sale of excess inventory at discounted prices, any of which could cause our gross margin to suffer, impair the strength and perception of our brand, and have an adverse effect on our results of operations, financial condition, and cash flows. For instance, we had a surplus of inventory due to the build-up of stock, during the COVID-19 pandemic. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition.

Conversely, if we underestimate customer demand for our products and fail to produce a sufficient number of products or place orders with our supplier and/or Contract Manufacturers in advance, then such suppliers and/or Contract Manufacturers may not be able to deliver raw materials/ products to meet our requirements and we may experience inventory shortages. Inventory shortages in our stores could result in delayed shipments to customers, lost sales, a negative customer experience, lower brand loyalty, and damage to our reputation and customer relationships, any of which could have an adverse effect on our results of operations, financial condition, and cash flows.

Moreover, while, if we under-stock our inventory across our operations, our ability to meet customer demand may be adversely affected. If we over-stock inventory across our operations, our capital requirements may increase and we may incur costs relating to aging and obsolescence of inventory as well as excess raw material. Further, our sales to our franchisees may not be reflective of actual sales trends to end-customers, and we may not be able to gather, in a timely manner, sufficient information regarding the market acceptance of our products and customers' preferences in relation to our products. Failure to effectively monitor and accurately track inventory levels and sales of our franchisees or gather timely market information may cause us to incorrectly predict sales trends and impede our ability to quickly realign our marketing and product strategies to respond to market changes. Our inability to accurately forecast demand for our products and manage our inventory may therefore have an adverse effect on our business, results of operations and cash flows.

***10. We operate in highly competitive markets in each of our product segments in both the offline and online channels and an inability to compete effectively may adversely affect our business, results of operations and financial condition.***

We face competition from several national, regional and niche brands and unorganized players who are present in certain of our product segments. In particular, the ethnic apparel industry is a highly unorganized market and we compete with various local retailers, non-branded products, economy brands and products of other established brands.

Competition may result in pricing pressures, reduced profit margins, lost market share, or a failure to grow or maintain our market share, any of which could substantially harm our business and results of operations. Many of our competitors operating in certain of our product segments may have significant competitive advantages in that particular product segment, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of Contract Manufacturers and suppliers, greater brand recognition, and greater financial, research and development, store development, marketing, distribution, and other resources than we do.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors, or that our business and results of operations will not be adversely affected by increased competition in the offline and online channels. Our competitors may significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising, publicity and sales promotion expenses and engage in effective pricing strategies, which may have an adverse effect on our business and results of operations. Also see “*Industry Overview*” on page 141.

**11. *We are subject to governmental regulation and we may incur material liabilities under, or costs in order to comply with, existing or future laws and regulation, and our failure to comply may result in enforcements, recalls, and other adverse actions.***

The regulatory and policy environment in which we operate is continuously evolving and is subject to change. The Government of India may implement new laws or other regulations and policies that could affect the manufacturing, retail and e-commerce industries in general, which could lead to new compliance requirements.

Our operations are subject to a broad range of health, safety and environmental laws and regulations, which affect our day-to-day operations, and violations of these laws and regulations can result in fines or penalties, which may adversely affect our business, financial condition and results of operations. For instance, the provisions of the FSS Act along with relevant rules and regulations are applicable to us and certain of our products such as our range of organic tea, detox products and organic snacks, which sets forth requirements relating to the license and registration of food businesses and general principles for food safety standards, and manufacture, storage and distribution of food products. Contravention of the requirement to obtain a license or carrying a business without obtaining a license under the FSS Act is punishable with imprisonment for a period of up to six months and fines which may extend to ₹ 500,000. Subsequent contraventions are punishable with twice the punishment during the first conviction and higher monetary and other penalties including cancellation of license. To remain compliant with all laws and regulations that apply to our operations and products, we may be required in the future to modify our operations or make capital improvements. Moreover, the provisions of the Drugs and Cosmetics Act (“D&C Act”) and Drugs and Cosmetics Rules, 1945 (the “Rules”), in particular the Good Manufacturing Practices of Ayurveda drugs specified in Schedule T of the Rules, which prescribe quality control measures to be adopted for raw materials, finished products and the manufacturing process involved in manufacturing designated products in the D&C Act and Rules, which are also apply to us and certain of our products such as our range of supplements and personal care products,. Accordingly, we are also required to obtain a license to manufacture for sale of Ayurveda drugs and a certificate of Good Manufacturing Practices to manufacture Ayurveda Drugs under the D&C Act including AYUSH certification. Additionally, we are required to obtain registration for exporting certain of our agricultural or processed food products, with the Agricultural and Processed Food Products Export Development Authority and also required to adhere the specified standards and specification and to improve packaging of exported agricultural and processed food products under the Agricultural and Processed Food Products Export Development Authority Act. For details, see “Key Regulations and Policies in India” on page 205.

We are also subject to laws and Government regulations, including in relation to safety, health and environmental protection. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act, 1974, Wastes (Management and Transboundary Movement) Rules, 2016, The Biodiversity Act, 2002 and other rules and regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. These environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other such aspects of our manufacturing. Though, in the past, we have not been subject to any such violations, in the future, if we fail to meet environmental requirements, we may be subject to administrative, civil and criminal proceedings by Government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations including injunction orders against us. Additionally, we export our products to various overseas markets including North America and the European Union. In the overseas market, maintaining certain standards are customarily expected and compliance with food safety laws of relevant jurisdictions is required and our inability to maintain such standards and non-compliance of jurisdictional food safety laws may impact our business, financial condition and results of operations.

**12. *We significantly depend on our network of Contract Manufacturers (who in turn engage artisans) and farmers for the manufacture of our products. We may not be able to obtain sufficient quantities or desired quality of products from such artisans in a timely manner or at acceptable prices, which may adversely affect our business, results of operations and financial condition.***

We engage with Contract Manufacturers (who in turn engage artisans) to manufacture exclusively ‘Fabindia’ products, in line with specifications and designs provided by us under contract manufacturing agreements. We do

not operate any manufacturing facilities for our ‘Fabindia’ products ourselves. Contract Manufacturers of our ‘Fabindia’ products may perform all or any one or more of the different stages of the manufacturing process, including embroidery, embellishments, printing and weaving of our apparel and other product offerings. We rely on our network of Contract Manufacturers (who in turn engage artisans) to provide us with all of our ‘Fabindia’ products. However, we cannot assure you that they may do so in a timely manner, or if at all.

The raw materials used for our ‘Organic India’ products are sourced from farmers. As of September 30, 2021, we engaged with over 2,200 farmers directly and over 10,300 farmers through associates in India. Expenditure incurred by us in relation to Contract Manufacturers and farmers *i.e.* our cost of materials consumed amounted to ₹2,917.45 million, ₹3,159.89 million, ₹1,821.72 million and ₹1,550.15 million in Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, respectively and the cost of contract manufactured goods amounted to ₹2,935.49 million, ₹2,987.15 million, ₹1,352.63 million and ₹1,586.91 million in Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021.

There is no assurance that the Contract Manufacturers we engage or the farmers/artisans engaged by such Contract Manufacturers will accept our future orders on the same or similar terms, or at all. We may face the risk of our competitors offering them better terms, which may cause them to cater to our competitors alongside, or even instead of us. They may discontinue their work on short notice and our production process may be stalled or hindered due to this. We may be unable to replace our existing Contract Manufacturers at short notice, or at all, and may face delays in production and added costs as a result of the time required to train new Contract Manufacturers to undertake manufacturing in accordance with our standard processes and quality control standards. Conversely, due to increased customer demand for our products, we may need to obtain more products from more Contract Manufacturers, and any inability to do so may render us unable to execute our growth strategy. Additionally, our Contract Manufacturers’ manufacturing operations may be subject to operating risks, such as performance below expected levels of efficiency, excessive wastage of raw materials, delays in production of attires and accessories, decrease in quality of products made, labour disputes, natural disasters, industrial accidents, interruptions in power supply and statutory and regulatory restrictions. Any non-compliance by our Contract Manufacturers with the applicable laws which may result in a shutdown of their facilities, could result in the delay or non-availability of the delivery of our products, as well as negative publicity which in turn may adversely affect our brand image. Lost sales or increased costs arising from such disruptions may not be recoverable under our existing insurance policies.

We typically enter into contract manufacturing agreements with our Contract Manufacturers, and do not pre-book any minimum capacity with them. There can therefore be no assurance that our Contract Manufacturers will, at all times, have sufficient capacity to meet our orders, or be able to fulfil their obligations, including those in relation to maintenance of quality standards in a manner acceptable to us, or at all. From time to time we may have to cease working with certain Contract Manufacturers, for reasons including delay or insufficiency in delivery and quality defects. In addition, we face the risk of future generations of artisans (who we engage through Contract Manufacturers) discontinuing the craft, including as a result of increasing urbanizations, and we and our Contract Manufacturers may face constraints in identifying new artisans and incur expenditure in training new artisans to manufacture products of the quality we require. If we are unable to make available our products in a prompt manner across our stores across India and internationally, our business, results of operations and financial condition may be adversely affected. In addition, while we visit certain Contract Manufacturers’ manufacturing locations to inspect their production process as part of our quality control policies, we cannot ensure that the products they provide us will be of satisfactory quality and adhere to our quality control policies and guidelines, in particular since they are often located in remote areas of India.

### ***13. We derive a significant portion of revenues from the sales of apparel.***

We derive a substantial portion of our revenue from the sales of apparel, with revenue from sale of products from this vertical accounting for ₹8,521.92 million, ₹8,867.83 million, ₹4,074.31 million and ₹2,466.86 million respectively, representing 58.50%, 59.73%, 41.55% and 46.48% of our total revenue from operations in Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, respectively. Accordingly, continued market acceptance of these products is therefore critical to our future success. Our future success will also depend in part on our ability to reduce our dependence on these products by contract manufacturing and introducing new products in a timely manner. Further, any changes to the cost structure of these products, including the introduction of or increase in any duties on the materials used in the production of apparel products, would result in an increase in our cost of

production, which may correspondingly affect our results of operations. Moreover, there can be no assurance that any products we develop and introduce will achieve market acceptance. Any failure to successfully develop, launch and market new products could adversely affect our business and results of operations.

**14. *The sale of certain of our products are affected by seasonality. Lower revenues during the festive period of any Fiscal may adversely affect our business, results of operations, financial condition and prospects.***

Since we are engaged in the sale of contemporary ethnic apparel and accessories, we experience an increase in our business during festive seasons. We are therefore impacted by seasonal variations in sales volumes, which may cause our revenues to vary between different quarters in a Fiscal. Our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful or may not be indicative of our annual financial results or our results in any future quarters or periods. Fluctuations in the apparel retail market affect the inventory owned by apparel retailers, since merchandise usually must be manufactured in advance of the season and frequently before fashion trends are evidenced by customer purchases. In addition, the cyclical nature of the retail apparel business requires us to carry a significant amount of inventory, especially prior to peak selling seasons when we build up our inventory levels. As a result, we will be vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise production. If sales do not meet expectations, too much inventory may lower planned margins. Our brand image may also suffer if customers believe we are no longer able to offer the latest fashion. The occurrence of these events could adversely affect our cash flows, financial condition and business operations.

**15. *We rely on customers' discretionary spending and have been and may continue to be adversely affected by economic downturns and other macroeconomic conditions or trends.***

Our business and results of operations are subject to global economic conditions and their impact on customer discretionary spending. Some of the factors that may negatively influence customer spending on retail items include high levels of unemployment, high customer debt levels, fluctuating interest rates and credit availability, fluctuating fuel and other energy costs, fluctuating commodity prices and general uncertainty regarding the overall future political and economic environment. Economic conditions in particular regions may also be affected by natural disasters, such as earthquakes, hurricanes and wildfires; unforeseen public health crises, such as pandemics and epidemics, including the COVID-19 pandemic; political crises, such as terrorist attacks, war and other incidents of political instability; or other catastrophic events, whether occurring in India or internationally. Traditionally, customer purchases of new retail items have declined during periods of economic uncertainty, when disposable income is reduced or when there is a reduction in customer confidence. For instance, on account of COVID-19, we experienced a significant decline in the sale of apparel and accessories. We experienced an overall reduction in revenue growth rates in Fiscal 2021, with our revenue from operations declined by 29.7% from ₹15,080.47 million in Fiscal 2020 to ₹10,596.43 million in Fiscal 2021. And such reduction in our revenue growth rates may continue in light of the ongoing impacts of COVID-19. Further, we cannot guarantee that customers will continue to buy at current rates if the economy worsens. Adverse economic changes could reduce customer confidence, and thereby negatively affect our results of operations.

**16. *There are outstanding litigation proceedings against our Company, Directors, Promoters and Subsidiaries. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are outstanding legal proceedings against our Company, Directors, Promoters and Subsidiaries which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section “*Outstanding Litigation and Material Developments*” on page 409) involving our Company, Directors, Subsidiaries and Promoters.

Type of Proceedings	Number of cases	Amount involved* (₹ in million)
<b>Cases against our Company</b>		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	8	Not quantifiable

Type of Proceedings	Number of cases	Amount involved* (₹ in million)
Claims related to direct and indirect taxes	12	17.77
Other pending material litigation proceedings	1	5,250
<b>Total</b>	<b>21</b>	<b>5,267.77</b>
<b>Cases by our Company</b>		
Criminal proceedings	4	Not quantifiable
Other pending material proceedings	Nil	Nil
<b>Total</b>	<b>4</b>	<b>Not quantifiable</b>
<b>Cases against our Subsidiaries</b>		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	10 <sup>#</sup>	Not quantifiable
Claims related to direct and indirect taxes	5	130.04
Other pending material litigation proceedings	Nil	Nil
<b>Total</b>	<b>15<sup>#</sup></b>	<b>130.04</b>
<b>Cases by our Subsidiaries</b>		
Criminal proceedings	14	8.52
Other pending material proceedings	Nil	Nil
<b>Total</b>	<b>14</b>	<b>8.52</b>
<b>Cases against our Promoters</b>		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	1 <sup>#</sup>	Not quantifiable
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>1<sup>#</sup></b>	<b>Nil</b>
<b>Cases by our Promoters</b>		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Cases against the Directors</b>		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	6 <sup>#</sup>	Not quantifiable
Direct and indirect taxes	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>6<sup>#</sup></b>	<b>Not quantifiable</b>
<b>Cases by the Directors</b>		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Cases involving the Group Companies</b>		
Pending litigation which has a material impact on our Company	Nil	Nil
<b>Total</b>	<b>61<sup>#</sup></b>	<b>5,406.33</b>

\*To the extent ascertainable and quantifiable

<sup>#</sup>One of the statutory actions pending against our Subsidiary, Organic India Private Limited, involves William Nanda Bissell, Mukesh Kumar Chauhan and Yoav Lev who are Directors in our Company. Further William Nanda Bissell is also a promoter in our Company

There can be no assurance that these legal proceedings will be decided in our favor or in favor of our Company, Directors, Promoters and Subsidiaries. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to "Outstanding Litigation and Material Developments" on page 409.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

***17. A majority of our 'Organic India' products are manufactured at our integrated production facility and any damage or disruption at these facilities may have an adverse effect on our business, results of operations and financial condition.***

As of September 30, 2021, we manufacture approximately 71% of our 'Organic India' products (including certain products packed in our facility such as ghee, coconut oil, jaggery, etc) at our integrated production facility located at Barabanki. A natural disaster, fire, power interruption, work stoppage, labour matters (including illness or absenteeism in workforce) or other calamity at our facility and any combination thereof would significantly disrupt our ability to deliver our 'Organic India' products and operate our business. In particular, any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state or local governments in the state of Uttar Pradesh could adversely affect operations of our integrated production facility. In the future, we may also experience plant shutdowns or periods of reduced production because of regulatory issues, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries or as a result of the COVID-19 pandemic or related response measures. Any such disruption or unanticipated event may cause significant interruptions or delays in our business and the reduction or loss of inventory may render us unable to fulfil customer orders in a timely manner, or at all, and may result in lawsuits. Our integrated production facility was temporarily shut down for one week during the 21-day nationwide lockdown imposed by the Government of India with effect from March 24, 2020 on account of COVID-19 and there can be no assurance that there will not be closures or additional delays in the future as a result of the COVID-19 pandemic. In addition, if any material amount of our machinery or inventory were damaged, we would be unable to meet our contractual obligations and cannot predict when, if at all, we could replace or repair such machinery, which could materially adversely affect our business, financial condition and results of operations.

***18. Any inability to maintain or failure in our quality control processes may damage our reputation, result in proceedings if the quality of our products does not meet our customers' expectations and adversely affect our business, results of operations and financial condition.***

We have implemented quality control processes and our dedicated quality control teams perform quality control checks for our products, including regular inspections of our Contract Manufacturers and before our products leave our manufacturing facilities and warehouses. However, our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from manufacturing defects and negligence in storage or handling of our products or other raw materials. Further, there can be no assurance that our quality standards will be adhered to, and if they are not, that our quality control processes and inspections will accurately detect all deficiencies in the quality of our products at all times before such products reach the customers. Any shortcoming in the raw materials obtained by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products.

In addition, given the high volume of raw materials and scale of production of finished goods, we are not able to inspect every single item, and may rely instead on selective methods such as sampling. We have, from time to time, due to quality defects, exchanged or accepted returns of products sold to our customers, or otherwise, in accordance with our exchange and returns policy. Such incidents may impact our reputation, which in turn may adversely affect our business, results of operations and financial condition. We also face the risk of legal proceedings and product liability claims being brought against us by various entities including customers online retailers, for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims. Our inability to avoid or defend product liability claims may adversely affect our business, results of operations and financial condition.

***19. We utilize a range of marketing, advertising, and other initiatives to increase existing customers' spend and to acquire new customers; if the costs of advertising or marketing increase, or if our initiatives fail to achieve their desired impact, we may be unable to grow the business profitably.***


In order to remain competitive and expand and keep market share for our products across our various channels, we may need to increase our marketing and advertising spending to maintain and increase customer awareness, protect and grow our existing market share or promote new products, which could impact our operating results. In Fiscals 2019, 2020 and 2021 and the six months ended September 30, 2021, our total advertising and marketing expenses amounted to ₹258.43 million, ₹257.58 million, ₹84.49 million and ₹104.93 million. If our marketing efforts and messaging are not appropriately tailored to and accepted by our target customers, we may fail to attract customers, and our brand and reputation may be harmed. In addition, our marketing initiatives may become increasingly expensive as competition increases, and generating a meaningful return on those initiatives may be difficult. Our future growth and profitability and the success of our brand will depend in part upon the effectiveness and efficiency of these marketing efforts. In addition, the importance of our brand may increase to the extent we experience increased competition, which could require additional expenditures on our brand promotion activities.

Substantial advertising and promotional expenditures may be required to maintain or improve our brand's market position or to introduce new products to the market, and we are increasingly engaging with non-traditional media, including customer outreach through social media and web-based channels, which may not prove successful. An increase in our marketing and advertising efforts may not maintain our current reputation or lead to increased brand awareness. Further, social media platforms frequently change the algorithms that determine the ranking and display of results of a user's search and may make other changes to the way results are displayed, or may increase the costs of such advertising, which can negatively affect the placement of our links and, therefore, reduce the number of visits to our website and social media channels or make such marketing cost-prohibitive. In addition, social media platforms typically require compliance with their policies and procedures, which may be subject to change or new interpretation with limited ability to negotiate, which could negatively impact our marketing capabilities. If we are unable to maintain and promote a favorable perception of our brand and products on a cost-effective basis, our business, financial condition, results of operations and prospects could be adversely affected.

***20. We may be unable to adequately obtain, maintain, protect and enforce our intellectual property rights. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.***

We regard our trademarks, domain names, brand, copyrights and designs as critical to our success. As on the date of this Draft Red Herring Prospectus, our Company has obtained 100 registered trademarks under various classes of the Trademarks Act, 1999, including for our logo  and . Further, our Material Subsidiary, Organic India has obtained 68 registered trademarks under various classes of the Trademarks Act, 1999 including its logo



. One of the Material Subsidiaries, Organic India USA LLC has obtained 14 registered trademarks in the United States of America. We also have five trademark applications pending in various stages of the registration process in India and three trademark applications pending in Nepal and our Material Subsidiary, Organic India has 15 trademark applications pending in various stages of the registration process in India. In addition, our Company has made one application seeking registration of a patent in relation to a multifunctional bed chassis, as interlocking assembly and a method of assembling the bed chassis, which is pending registration under the Patents Act, 1970. See “Our Business – Intellectual Property” on page 204. However, effective intellectual property protection may not be available in every country in which our products are, or may be made, available. The protection of our intellectual property rights may require the expenditure of significant financial, managerial and operational resources. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing, misappropriating or otherwise violating our proprietary rights, and we may be unable to broadly enforce all of our intellectual property rights. Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation.

We believe that trademarks are important assets to our business. In the absence of the trademark registration for the trademarks pertaining to our brands, we may not be able to initiate an infringement action against any third party. We cannot assure you that we will be successful in such a challenge nor can we guarantee that eventually the trademark applications will be approved. In the event such trademark is not approved or if registered in the name of a third-party, it could result in significant monetary loss or prevent us from selling our products under our brand name. In relation to our other pending applications, third-parties may seek to oppose or otherwise challenge these registrations. As a result, we may not be able to prevent infringement of our trademarks and a passing off action



may not provide sufficient protection until such time that this registration is granted. In addition, our current and future trademarks are subject to expiration and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our tradename or brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights. Further, any other claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. For instance, Khadi and Village Industries Commission has initiated a suit against our Company before the High Court of Judicature at Bombay alleging unauthorised use of the trademark “KHADI” in advertisements and products of our Company and demanding ₹ 5,250 million as compensation and an order permanently restraining our Company from using the word “KHADI”. The High Court has *vide* its order dated August 27, 2018, recorded that our Company is not presently using the word “KHADI” and in the event we are desirous of using the word “KHADI” shall be required to provide a four week’s written notice to Khadi and Village Industries Commission for such usage. The suit is currently pending before the Bombay High Court. If the legal proceedings are not decided in our Company’s favour, we may not be able to use the word “KHADI” at all or may have to use it in a restricted manner. For further details, see the section titled “*Outstanding Litigation and Material Developments*” on page 409. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to alter our technologies or cease production of affected items, our revenue could be adversely affected.

**21. *Our business relies on the growth of online commerce industry in India and our ability to effectively respond to changing user behaviour on digital platforms.***

Over the last few years, India has witnessed the emergence and growth of the e-commerce industry, and the market penetration of online retail in India is likely to continue to increase, according to the EY Report. Although we operate through 309 retail stores across over 123 cities in India, and 11 retail stores outside India, as of September 30, 2021, our revenues depend substantially on the receptiveness of Indian customers, sellers and advertisers to the internet as a way to conduct commerce, purchase goods and services, and carry out financial transactions.

For online revenue base to grow, customers and sellers must continue to adopt new and alternative ways of conducting commerce, purchase goods and services and exchanging information, such as through the internet and mobile devices, and we must hence effectively respond to changing user behaviour on such digital platforms. As the development of mobile application based e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential customers are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India which despite recent growth, is still relatively low as compared to certain developed countries. There is no assurance that a more technologically sophisticated and reliable fixed telecommunications network or internet infrastructure will develop that would further facilitate growth of online ecommerce in India. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the ecommerce sector adversely. Other factors applicable to the industry that might prevent potential customers from purchasing products from e-commerce platforms, including our platform, include (i) concerns about buying products online without a physical storefront, face-to-face interaction with sales

personnel and the ability to physically handle and examine products; (ii) concerns about delayed shipments or the inconvenience and cost of returning or exchanging items purchased online; (iii) concerns about the security of online transactions and the privacy of personal information; and (iv) usability, functionality and features of online platforms. If the online commerce industry in India and in particular the online market for fashion, lifestyle, personal and organic food products does not develop and grow, our business will not grow and our results of operations, financial condition, cash flows and prospects could be adversely affected.

**22. *We derive a portion of our revenues from sales at retail franchise stores run by independent franchisees, and expect to continue to do so. Any failure to maintain relationships with such franchisees could adversely affect our business, results of operations and financial condition.***

As of September 30, 2021, we sold our Fabindia products through 309 retail stores in India, of which 96 were FOFOs and we sold our Organic India products through six franchisee stores. Our sales derived from such FOFOs or franchisee stores depend on our ability to retain existing and attract new franchisees on terms acceptable to us. Our agreements with our franchisees are renewable on terms mutually agreed between the franchisee and us. See “*Our Business — Retail Stores*” on page 194. There can be no assurance that we will be able to successfully renew our existing franchise agreements upon expiry, on acceptable terms or at all. Periodically we may have to discontinue business with certain franchisees, for reasons including delay in payments and inability to meet the expected sales targets, among others. Further, if we fail to maintain our relationships with our existing franchisees and are unable to attract new franchisees or find suitable replacements, or if we elect to terminate the relationships with one or more of our franchisees as a result of their breach of our franchise agreements, our ability to effectively sell our products in a given region could be negatively impacted, adversely affecting our results of operations and brand image in that particular region.

We cannot assure you that we will be able to continue to renew the arrangements with these franchisees on terms that are commercially acceptable to us, or at all. We cannot assure you that such franchisees shall fulfil their obligations under such agreements entirely, or at all, shall not breach certain terms of their arrangements with us, including with respect to payment obligations or quality standards, or shall not choose to terminate their arrangements with us. We may have to initiate litigation in respect of any breach by such franchisees, and such litigation could divert the attention of our management from our operations, and be decided against us, which may adversely affect our business, financial condition and results of operations. Moreover, our business model focuses on deep engagement with customers and we have developed stores and experience centres with the aim of providing a unique and seamless purchase experience to our customers. However, while we focus on ensuring that such an enhanced retail experience is provided to our customers, we cannot assure you that each franchise will consistently be able to provide such an experience, and the lack of such quality service could adversely affect our brands, reputation and business.

**23. *We depend on the performance of management and other highly-qualified and skilled personnel, and if we are unable to attract, retain, and motivate these and other well-qualified employees, our business could be harmed.***

We are highly dependent on our Promoters, senior management and other key personnel for formulating our business strategies, managing our business and developing and maintaining client relationships. For further information regarding the experience of our key personnel, see “*Our Management – Key Managerial Personnel*” on page 246. Our success and growth depends upon consistent and continued performance of our employees with direction and leadership from senior management. From time to time, there may be changes in our executive management team or other key employees to enhance the skills of our teams or as a result of attrition. The loss of one or more of our executive officers or other key employees could adversely affect our functions and business operations.

Our success depends on our ability to recruit, develop and retain qualified and skilled personnel, for all our lines of business. In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, our employee attrition rate was 33.58%, 31.97%, 32.77% and 10.70%, respectively. We may encounter higher attrition rates in the future. Retention of critical and key talent is an ongoing focus to enable business continuity and performance. Since our industry faces high demand and intense competition for talent, we may fail to timely attract or retain qualified or highly-skilled employees that we will need to achieve our strategic objectives. In addition to hiring new employees,

we must continue to focus on developing, motivating and retaining our best employees, many of whom are at-will employees who may terminate their employment relationship with us at any time for alternate career opportunities. If we fail to identify, recruit and integrate strategic personnel, our business, financial condition, cash flows and results of operations could be adversely affected. Any loss of members of our senior management team or key personnel could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and customer relationships. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. If the perceived value of our equity awards declines, experiences significant volatility, such that prospective employees believe there is limited upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees. If we are not able to retain and motivate our current personnel or effectively integrate and retain employees, our ability to achieve our strategic objectives, and our business, financial condition, cash flows and results of operations will be adversely affected

**24. *Our business depends on our ability to maintain and scale our technology. Any interruptions or delays in service on our mobile application or website or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of customers or sellers.***

A key element of our strategy is to generate a high volume of traffic on the digital platforms we offer. Our reputation and ability to attract, retain and serve our customers depend upon the reliable performance of our mobile application and website and the underlying network infrastructure, which are dependent on our infrastructure as well as partner solutions. We have experienced interruptions in these systems in the past that temporarily slowed down or interfered with the performance of our mobile application and website, and we may experience interruptions in the future.

As at Fiscals 2019, 2020 and 2021, and September 30, 2021, we hosted approximately 27,524, 31,319, 23,372 and 47,589 visits on our website and mobile application per day. As our customer base and the amount of information shared on our mobile application and website continue to grow, we will need an increasing amount of network capacity and computing power. We have spent and expect to continue to spend substantial amounts on our technology infrastructure to handle the traffic on our mobile application and website. Our IT spend in Fiscal 2019, 2020 and 2021 and the six months ended September 30, 2021 were ₹154.64 million, ₹192.99 million, ₹146.33 million and ₹151.76 million, respectively. The operation of these systems is complex and could result in operational failures. If the volume of traffic of our customers exceeds the capacity of our technology infrastructure or if our customer base or the amount of traffic on our mobile application and website grows more quickly than anticipated, we may be required to incur additional costs to enhance our underlying technology infrastructure.

The volume of traffic and activity on our ecosystem of e-commerce platforms spikes on certain days, such as during our sales periods, and any such interruption would be particularly problematic if it were to occur at a time of high volume. If sustained or repeated, these performance issues could reduce the attractiveness of our products and services and platforms. In addition, the costs and complexities involved in expanding and upgrading our systems may prevent us from doing so in a timely manner and may prevent us from adequately meeting the demand placed on our systems. Any interruption or inadequacy that causes performance issues or interruptions in the availability of our mobile application or website could reduce customer satisfaction and result in a reduction in the number of customers purchasing our products and services, adversely affecting our business and financial position.

**25. *Our focus on using sustainable materials and environmentally friendly manufacturing processes, product handling and supply chain practices may increase our cost of revenue and hinder our growth.***

We follow a purpose-driven business model with sustainability built into our core operations, which focuses on providing jobs and livelihood to rural artisans and farmers. We are dedicated to prioritizing sustainable materials (for instance, we launched the Shunya collection of rugs, which were handcrafted from recycled polyethylene terephthalate yarn from discarded single-use plastic bottles) and environmentally friendly supply chain and manufacturing/ product handling processes (e.g., handlooms and home-powered looms used by our artisans) that collectively limit our carbon footprint and providing natural, healthy and organic products. For further details, see “Our Business – Our ESG Initiatives” on page 201. As our business expands, it may be increasingly challenging to cost-effectively secure enough sustainably sourced materials to support our growth and achieve our sustainability goals while also achieving and maintaining profitability. In addition, our ability to expand into new product

categories depends in part on our ability to identify new sustainable materials that are suitable for our products. Our inability to source materials that meet our sustainability requirements in sufficient volumes could result in slower growth, increased costs, and/or lower net profits. Additionally, as our business expands, we may not be able to identify artisans, farmers and Contract Manufacturers with business practices that reflect our commitment to sustainability, which may harm our ability to expand our supply chain/ contract manufacturing network to meet the expected growth of our business. If any of these factors prevent us from meeting our sustainability goals or increase the carbon footprint of any our products, then it could have an adverse effect on our brand, reputation, results of operations, and financial condition.

**26. *The current locations of our stores and cafes may become unattractive, and suitable new locations may not be available for a reasonable price, if at all.***

As of September 30, 2021, we had 309 retail stores, including owned and franchisee, in India across more than 123 cities in India and 11 retail stores located outside India. The success of any of our stores or FabCafes depends in part on its location.

While we aim to make our products available and have new stores or FabCafes opened in strategic locations and in high-density cluster areas, there can be no assurance that the current locations of our stores or FabCafes will be attractive or profitable as demographic patterns change, or as leases are renewed/ extended on terms less favourable to us. Adverse economic conditions in such areas could result in us having reduced sales in the future. Neighbourhood or economic conditions where our stores or FabCafes are located could decline in the future, thus resulting in reduced sales in those locations. Alternatively, neighbourhoods could continue to improve and escalate real estate prices, which may not be proportionate to the sales we are able to carry out. In the event real estate prices increase or if we are unable to renew lease agreements for our existing stores on terms favorable to us, such store or FabCafe locations may not be profitable for our business, and we may be compelled to reassess the feasibility of such stores or FabCafes. Any inability on our part to secure alternate attractive locations at acceptable terms or at all, will adversely affect our business, growth strategies and results of operations.

**27. *We rely on independent certifications for a number of our products. Any loss of independent certifications or inability to abide by the terms of such certification could adversely affect our business, results of operations and financial condition and prospects.***

We rely on independent certifications for a number of our products, particularly for our ‘Organic India’ products and must comply with the requirements of independent organizations or certification authorities. In addition, the farmers from whom we source the raw materials for our ‘Organic India’ products are also required to be certified and registered with certain independent organizations. For instance, the farmers from whom we source organic raw materials are required to be registered with the Agriculture and Processed Food Production Export Development Authority (“**APEDA**”) and must comply with requirements stipulated by APEDA, in order for us to label our products as certified organic. Such certifications are typically required to be renewed annually. We could lose the certifications and accreditations for certain of our products if we or the farmers from whom we source raw materials, are not able to adhere to the quality standards and specifications required under such certifications and accreditations. All of our organic products produced at our manufacturing unit in Barabanki, Uttar Pradesh which are sold are certified in accordance with the National Programme for Organic Production (“**NPOP**”), India and National Organic Programme (“**NOP**”) technical standards, USA and India’s National Programme for Organic Production Standards. Also, all of our organic products which are exported to the EU are certified under the EU Organic Regulations. Further, for products which are exported to Japan and Canada are required to be certified under Japanese Agricultural Standards and Canadian Organic Standards, respectively. In addition, we are required to obtain various approvals and certifications from the authorities where we market our products. For instance, products which are sold in the United States are required to be registered with the USFDA. The loss of any independent certification and manufacturing practices, may lead to loss of significant customers for our products which could have a material adverse effect on our reputation, business, cash flows, financial condition, and results of operations.

In addition, certain of our Fabindia products which are labelled “natural” and our Organic India products which are labelled “organic” involves inherent legal and other risks, and there is increasing governmental scrutiny of and public awareness regarding product safety. Illness, injury or death related to allergens, foreign material

contamination or other product safety incidents may be caused by our products, or involving our Contract Manufacturers, could result in the disruption or discontinuance of sales of these products or our relationships with such Contract Manufacturers, or otherwise result in increased operating costs, regulatory enforcement actions or harm to our reputation. For example, we have received seizure memos and punchnama from Legal Meteorology Inspectors appointed for various jurisdictions, for confiscating and seizing certain of our products for inadequate or omission of requisite disclosures on their packages, in contravention of the Legal Meteorology Act, 2009 and Legal Meteorology (Packaged Commodities) Rules, 2011. Any such incidents may negatively affect our brand image and may require significant time and resources to address.

Further, our operations are subject to government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business. For details of approvals relating to our business and operations, see *“Government and Other Approvals”* on page 418.

Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. In particular, in India, the approval process for introducing a new product is complex, lengthy and expensive. If we fail to obtain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

**28. *We do not have documentary evidence for certain details in relation to Bimla Nanda Bissell and Madhukar Khera included in “Our Promoters and Promoter Group”, in this Draft Red Herring Prospectus.***

We do not have documentary evidence for certain details, such as evidences for educational qualifications and relevant work experiences, in relation to Bimla Nanda Bissell and Madhukar Khera, as included in *“Our Promoters and Promoter Group”* on page 248. These details have been included based on the details provided by the relevant individuals, certifying the authenticity of the information provided. We cannot assure you that all the details in relation to the aforementioned Promoters included in the *“Our Promoters and Promoter Group”* section are complete, true and accurate. Further, the above-mentioned Promoters will write to the relevant educational institutions requesting the copies of their degree certificates and we cannot assure you that the relevant individuals will receive any responses from their respective educational institutions, favourable or otherwise, within the timelines envisaged for the proposed listing of our Company.

**29. *Certain of our corporate records and filings with the RoC are not traceable or have discrepancies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

Certain of our Company’s corporate records are not traceable or have discrepancies, such as: (a) challan and return of allotment (Form 2) for the Bonus issue on April 24, 1981; (b) challan and return of allotment (Form 2) for the Bonus issue on October 29, 1984; (c) challan and return of allotment (Form 2) for the Bonus issue on October 12, 1987; (d) return of allotment (Form 2) with list of allottees of Bonus issue on April 4, 1997; (e) Form 32 for appointment of William Nanda Bissell on August 8, 2000; (f) forms filed with RoC for buyback in 2001; (g) form 32 filed for regularization of Monsoon Bissell on August 8, 2000 and (h) form 32 filed for appointment of Vijai Kumar Kapoor on January 31, 2006. We have included these details in the Draft Red Herring Prospectus basis the search report issued by the Practising Company Secretary pursuant to their inspection and independent verification

of the documents available or maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated January 18, 2022 prepared by Arun Kumar Gupta and Associates, Independent Practising Company Secretary (Membership number: FCS:5551), and certified by their certificate dated January 18, 2022 (“**RoC Search Report**”). For further details, see “*Capital Structure – Share Capital History of our Company*” and “*Our Management*” on page 94 and 227. Further, the Company also cannot trace records of certain forms in relation to transfer of shares by and from the promoters, including, (i) transfers dated January 10, 2003 and November 19, 2014 for William Nanda Bissell; (ii) transfers dated July 11, 1988 for Bimla Nanda Bissell; (iii) transfers dated June 28, 1991, December 22, 2017, October 31, 2018, November 5, 2018 and January 2, 2019 for Monsoon Latane Bissell and; (iv) transfers dated July 25, 2012 and September 7, 2012 for Madhukar Khera. We cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

**30. *Our operations could be adversely affected by labour shortages, strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

Our operations product storage and movement could be adversely affected by labour shortages, increased labour costs or work stoppages by our employees, those of our franchisees, our Contract Manufacturers (including artisans that we engage with through them) and farmers. We believe that such personnel are critical to maintaining our competitive position. In the event of labour shortages, we, our franchisees, our Contract Manufacturers (including artisans that we engage with through them) and farmers may have difficulties recruiting or retaining employees or may cause us to incur additional costs and result in delays or disruption to our production and sales. Any failure to attract qualified personnel at reasonable cost and in a timely manner could reduce our competitive advantages relative to our competitors and undermine our ability to expand. To sustain our operations and relations with our Contract Manufacturers (including artisans that we engage with through them) and farmers, we may need to increase the wages paid to them, and the price we pay for their services may increase due to increased labour costs incurred by them. If we are not able to pass on the increased labour costs to our customers, our business and results of operations may be adversely affected.

Any labour unrest directed against us, our franchisees, our Contract Manufacturers could directly or indirectly prevent or hinder our normal operating activities (including at our warehouse) and we cannot assure you that any disruptions in work due to strikes, wage disputes or other problems with the work force will not arise in the future. Further, the imposition of new laws, rules and regulations in such area could also adversely affect our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

**31. *Food safety and food-borne illness incidents or other safety concerns may materially adversely affect our business by exposing us to lawsuits, product recalls or regulatory enforcement actions, increasing our operating costs and reducing demand for our product offerings.***

Sale of food for human consumption involves inherent legal and other risks, and there is increasing governmental scrutiny of and public awareness regarding food safety. Unexpected side effects, illness, injury or death related to allergens, food-borne illnesses or other food safety incidents caused by products we sell or involving our Contract Manufacturers or co-manufacturers, could result in the discontinuance of sales of these products or our relationships with such Contract Manufacturers and co-manufacturers, or otherwise result in increased operating costs, regulatory enforcement actions or harm to our reputation. Shipment of adulterated or misbranded products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose us to product liability, negligence or other legal proceedings. Any claims brought against us may exceed or be outside the scope of our existing or future insurance policy coverage or limits. Any judgment against us that is more than our policy limits or not covered by our policies would have to be paid from our cash reserves, which would reduce our capital resources.

The occurrence of food-borne illnesses or other food safety incidents could also adversely affect the price and availability of affected ingredients and raw materials, resulting in higher costs, disruptions in supply and a reduction in our sales. Further, any instances of food contamination or regulatory noncompliance, whether or not caused by our actions, could compel us to conduct a recall in accordance with the applicable regulations, including the FSSAI, the United States Food and Drug Administration (the “**USFDA**”) regulations and comparable state laws and

applicable EU and EU member state laws and regulations, as well as other regulations and laws in the other jurisdictions in which we market our products. Food recalls could result in significant losses due to their associated costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time and potential loss of existing customers and a potential negative impact on our ability to attract new customers and maintain our current customer base due to negative customer experiences or because of an adverse impact on our brand and reputation. The costs of a recall could exceed or be outside the scope of our existing or future insurance policy coverage or limits. In the European Union, our operations are also subject to a number of EU and EU member state regulations, in particular Regulation (EC) No 178/2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority (“EFSA”) and laying down procedures in matters of food safety. The regulation sets forth essential requirements such as food safety and traceability requirements and a food operator’s responsibilities. Food business operators must at all stages of production, processing and distribution within the businesses under their control ensure that foods satisfy the requirements of food law, in particular as to food safety. If we do not adequately address the possibility, or any actual instance, of product tampering, we could face possible seizure or recall of our products and the imposition of civil or criminal sanctions, which could materially adversely affect our business, financial condition and results of operations. In the European Union, Regulation (EU) No 2017/625 of March 15, 2017 provides the general framework for official controls and other official activities, either at EU or member state level, to ensure the application of food law including with respect to food safety.

***32. Failure to renew our current leases or licenses or locate desirable alternatives for our stores, offices, FabCafes, warehouses, obtainment centres, manufacturing facility, or increasing lease rentals could adversely affect our business.***

We either lease or enter into lease and license arrangements for properties in relation to the retail stores that we own and operate, FabCafes, offices (including our registered and corporate office), warehouses, obtainment centres and manufacturing facility. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in relocation expenses, which could adversely affect our business, financial condition, cash flows and results of operations. In addition, we may not be able to locate desirable alternative sites for our operations as our business continues to grow or our leases near their end, and failure in relocating our affected operations could adversely affect our business and operations. Further, there are risks associated with the disputes of the property that may also lead to business disruptions. In addition, we compete with other businesses for premises at certain retail locations or of desirable sizes. As a result, even though we could extend or renew our leases, our rental payments may increase because of the high demand for the leased properties. Further, any unanticipated or steep increase in the regulatory costs on account of stamp duty, municipal taxes or any other local duties, taxes, levies may adversely impact our ability to sustain or expand retail stores or warehouses in an affordable manner.

***33. If we are unable to manage our growth or execute our strategies effectively, our business plan and expansion may not be successful, and our business and prospects may be adversely affected.***

We have evolved into a lifestyle brand and our products portfolio includes apparel and accessories, home and lifestyle products, personal care products and organic foods products. While we continue to grow our business, we will need to continuously and efficiently invest in developing and expanding our product portfolio, building relationships with our Contract Manufacturers, artisans and farmers, increasing our stores network and marketing activities to build our brand. To support our growth, we may have to implement a variety of new and upgraded managerial, operating, technology, logistics, financial and human resource systems, procedures and controls, which in turn may lead to higher costs and oversight by management.

We also plan to introduce new product ranges to our portfolio, which would require us to understand or make informed judgements as to customer demands, trends and preferences. We may misjudge customer demands, trends and preferences for new products offered by us and face challenges in inspecting and controlling quality, third party manufacturers, regulatory requirements, handling, storage and delivery of such new products. We may also need to price aggressively in new categories to obtain traction with customers to improve brand awareness. We may also make substantial investments in launching such new products or business verticals on our platform. Additionally, we expect to obtain new products as a result of acquisition activity, which may require greater investment. Expansion of

our offerings or business verticals may also strain our management and operational resources. It may also be difficult for us to achieve profitability with new products and as a result, our profit margins may be lower than we anticipate, which would adversely affect our results of operations. We cannot assure you that we will be able to recover our investments in introducing any new products or that any such new products will be successful by any measure. In addition, we may risk diluting or losing our brand positions as a lifestyle brand as we expand our business model and offerings that may detach some high value customers.

Further, there is no assurance that new business initiatives will be successful, or that we will be able to successfully implement all or some of the managerial, operating, financial and human resource systems, procedures and control measures listed above. If we are unable to manage our growth through the online platform or the retail stores or if we are unable to execute any of our strategies effectively, our business and prospects may be adversely affected.

**34. *We may engage in transactions with countries or persons that are subject to U.S. and other sanctions.***

We sold a proportion of our ‘Fabindia’ and ‘Organic India’ products outside India. In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, our Company’s revenue from operations from outside India amounted to ₹1,05.80 million, ₹103.53 million, ₹72.05 million and ₹44.44 million, representing 0.94%, 0.91%, 1.24% and 1.29%, respectively, of our Company total revenue from operations in such periods. In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, Organic India’s revenue from operations from outside India amounted to ₹1,920.59 million, ₹1,899.60 million, ₹2,151.58 million and ₹985.90 million, representing 57.71%, 55.44%, 55.61% and 54.32%, respectively, of its total revenue from operations in such periods. In particular, we sold small amounts of our ‘Fabindia’ and ‘Organic India’ products to Myanmar, Turkey, Russia and Ukraine, among other countries. Dealings with Myanmar, Turkey, Russia and Ukraine come with risks of dealing with individuals or entities that have been specifically targeted with sanctions by the US government (“SDN”), and entities that are owned by SDNs (“**Blocked Persons**”). Any dealings with SDNs or Blocked Persons create risks under US sanctions laws. We cannot assure you that our business will not be impacted by such US sanctions in the future, particularly if there are changes to or more stringent application of US sanctions laws. Since sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in certain of our business activities being deemed to have violated sanctions, or being sanctionable. Any future changes to US sanctions laws may also require us to discontinue our arrangements with our customers in such jurisdictions, or prevent us from having dealings in jurisdictions subject to such US sanctions, which could have a material adverse effect on our financial condition and results of operations.

**35. *If sensitive information about our customers is disclosed, or if we or our third-party providers are subject to real or perceived cyberattacks or misuse, our customers may curtail use of our website or mobile app, we may be exposed to liability, and our reputation could suffer as well as adversely effect on our business, results of operations and financial condition.***

Operating our business involves the collection, storage, and transmission of proprietary and confidential information, as well as the personal information of our employees and customers, for instance, we collect and store information related to clients when they sign up to our website or app and when they join our loyalty program. Some of our third-party service providers, such as identity verification and payment processing providers, also regularly have access to customer data. In an effort to protect sensitive information, we rely on a variety of security measures, including encryption and authentication technology licensed from third parties. However, advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography, or other developments may result in our failure or inability to adequately protect sensitive information.

Similar to other companies involved in ecommerce, we are also vulnerable to hacking, malware, computer viruses, unauthorized access, phishing or social engineering attacks, ransomware attacks, credential stuffing attacks, denial-of-service attacks, exploitation of software vulnerabilities, and other real or perceived cyberattacks. Additionally, as a result of the ongoing COVID-19 pandemic, certain functional areas of our workforce remain in a remote work environment, which has heightened the risk of these potential vulnerabilities. Any of these incidents could lead to interruptions or shutdowns of our platform, loss or corruption of data or unauthorized access to, or disclosure of personal data or other sensitive information. Cyberattacks could also result in the theft of our intellectual property, damage to our IT systems or disruption of our ability to make financial reports, and other public disclosures



required of public companies. We have been subject to attempted cyber, phishing, or social engineering attacks in the past and may continue to be subject to such attacks and other cybersecurity incidents in the future. For instance, we have had instances of individuals penetrating our website and attempting to place orders through gift cards or at minimal prices. If we gain greater visibility, we may face a higher risk of being targeted by cyberattacks. Advances in computer capabilities, new technological discoveries, or other developments may result in cyberattacks becoming more sophisticated and more difficult to detect. We and our third-party service providers may not have the resources or technical sophistication to anticipate or prevent all such cyberattacks. Moreover, techniques used to obtain unauthorized access to systems change frequently and may not be known until launched against us or our third-party service providers. Security breaches can also occur as a result of non-technical issues, including intentional or inadvertent actions by our employees, our third-party service providers, or their personnel.

We and our third-party service providers may experience cyberattacks aimed at disrupting our and their services. If we or our third-party service providers experience, or are believed to have experienced, security breaches that result in marketplace performance or availability problems or the loss or corruption of, or unauthorized access to or disclosure of, personal data or confidential information, customers may become unwilling to provide us the information necessary to make purchases on our website or mobile app. Existing customers may also decrease or stop their purchases altogether. While we have taken steps to protect the security of the information that we handle, there can be no assurance that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats. While we maintain data protection and cyber security insurance coverage that covers certain aspects of cyber risks, these losses may not be adequately covered by insurance or other contractual rights available to us. The successful assertion of one or more large claims against us that exceed or are not covered by our insurance coverage or changes in our insurance policies, including premium increases, could have an adverse effect on our business, financial condition, and results of operations.

Furthermore, we may be required to disclose personal data pursuant to demands from individuals, privacy advocates, regulators, government agencies, and law enforcement agencies in various jurisdictions with conflicting privacy and security laws. Any disclosure or refusal to disclose personal data may result in a breach of privacy and data protection policies, notices, laws, rules, court orders, and regulations and could result in proceedings or actions against us in the same or other jurisdictions, damage to our reputation and brand, and inability to provide our products to customers in certain jurisdictions. Additionally, changes in the laws and regulations that govern our collection, use, and disclosure of customer data could impose additional requirements with respect to the retention and security of customer data, could limit our marketing activities, and have an adverse effect on our business, financial condition, and results of operations.

***36. Perishable food product losses could materially impact our results of operations.***

We offer a number of perishable products through FabCafe and Organic India, which can only be stored for a limited amount of time before they spoil and cannot be sold. Our offering of perishable products may result in significant product inventory losses in the event of extended power outages, natural disasters or other occurrences. We must therefore continuously monitor our inventory and product mix against forecasted demand or risk having inadequate supplies to meet customer demand as well as having too much inventory that may reach its expiration date. If we are unable to manage our operations efficiently and ensure that our products are available to meet customer demand, our operating costs could increase and our margins could fall, which could have a material and adverse effect on our business, financial condition or results of operations.

***37. We are dependent on third-party transportation providers for the delivery of raw materials and our products.***

Our success depends on the uninterrupted transportation and delivery of the various raw materials required in the manufacture of our products and of our products from manufacturing facilities of our Contract Manufacturers/ our obtainment centres, to our customers, or intermediate delivery points such as our warehouse and stores, that are subject to various uncertainties and risks. We transport our raw materials and our finished products by road and rail. We rely on third party logistic companies and freight forwarders to deliver our raw materials and finished products. We enter into contractual relationships with such logistic companies. To the extent they are unable to provide satisfactory services to customers or us, which may be due to events that are beyond our or their control, such as inclement weather or transportation disruptions, additional compliance costs as a result of COVID-19, we may suffer reputational damage, and our business, financial condition, cash flows and results of operations may be

adversely affected. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and Contract Manufacturers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

**38. *If we are unable to regularly offer new items on our menu at our FabCafe or if we fail to respond to changes in customer preferences in a timely manner, our business, results of operations and financial condition would be adversely affected.***

We offer a wide variety of dishes at our FabCafe outlets. The markets where we operate may demand frequent change in the future including new dishes and dish variant introductions. We plan our menus and dishes based on consumption patterns as well as on anticipated trends and customer preferences. Any mismatch between our forecasts, our planning, introduction of new dishes and the actual demand by our guests could impact us adversely, leading to loss of existing customers or lower footfalls. Before we can introduce a new dish, we must successfully execute a number of steps, including market research and customer feedback, while adapting our infrastructure networks to increase or change the nature of our raw material requirements. However, there can be no assurance that such efforts will always result in identifying successful new dishes and avoiding unsuccessful introductions. Although we rarely substantially modify our menus, an inability to successfully introduce new menu items could adversely affect our business, financial condition, results of operations and prospects.

**39. *Any delay or default in payment from third-parties may adversely impact our profits and affect our cash flows.***

Our operations involve extending credit for periods of time, for up to days, to third-parties, including in relation to the business-to-business sales by Organic India, and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts, particularly for our Organic India products. Accordingly, we may have high levels of outstanding receivables. As of March 31, 2019, 2020 and 2021, and September 30, 2021, our trade receivables were ₹960.93 million, ₹1,031.76 million, ₹728.32 million and ₹880.68 million, respectively. If such third-parties delay or default in making payments in the future, our profits margins and cash flows may be adversely affected.

**40. *Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.***

Our business and the industry we operate in are vulnerable to the problem of shoplifting by customers, pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our existing and future retail stores or our retail channels may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash from our retail stores to banks. For example, we have had instances where store employees have withdrawn cash from the cash registers for personal use. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

**41. *We are exposed to foreign currency exchange rate fluctuations and our results of operations have and will impacted by such fluctuations in the future.***

Although our reporting currency is Indian Rupees, we may be exposed to exchange rate fluctuations, as we transact

a portion of our business in several other currencies on account of international operations, particularly for our 'Organic India' products, primarily in U.S. Dollars, Euro, AUD and NZD. In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2021, 11.96%, 12.19%, 18.73% and 15.36% respectively, of our sales were denominated in currencies other than Indian Rupees. In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2021, 31.91%, 10.99 %, 14.11% and 3.67%, respectively, of our borrowings were denominated in currencies other than INR. Any significant fluctuation in the value of the Indian Rupee against such currencies including as noticed recently in the case of the US Dollar, may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in reduction of our margins and consequently have an adverse effect on business and result of operations.

In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, results of operations and cash flows. We closely monitor our exposure to foreign currencies, however, this may not be sufficient to protect us against incurring potential foreign exchange related losses. Our use of these derivatives broadly subjects us to market and credit risk, including counterparty credit risk and the risk of incurring financial losses when foreign exchange rates move contrary to expectations or if our risk management procedures prove to be inadequate, which could adversely affect our results of operation, liquidity and financial condition. For further details on our foreign currency exposure that we hedge by derivative instruments, see "*Financial Statements – Note 40 – Financial Risk Management*" on page 325.

***42. If we pursue strategic acquisitions or investments, we may not be able to successfully consummate favourable transactions or successfully integrate acquired businesses.***

We may evaluate potential strategic acquisitions or investments that would be complementary to our business and offerings as well as further our strategic objectives, as part of our growth strategy. However, we may not be able to identify suitable targets or companies, consummate a transaction on terms that are favourable to us, or achieve the anticipated synergies, expected returns and other benefits as a result of integration challenges or anti-monopoly regulations. Companies or operations acquired or investments made by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our corporate development activities may entail financial and operational risks, including diversion of management attention from its existing core businesses, difficulty in integrating or separating personnel, financial, information technology and other systems, difficulty in retaining key employees, and negative impacts on existing business relationships with Coand clients. Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition, results of operations and prospects.

***43. We and our Subsidiaries are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations and financial condition.***

As of September 30, 2021, our total outstanding borrowings amounted to ₹7,075.27 million and the total outstanding borrowings availed by our Subsidiaries, in aggregate amounted to ₹1,323.23 million. The ability of our Company and of our Subsidiaries to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. The outstanding indebtedness of our Company and of our Subsidiaries and any additional indebtedness we incur may have significant consequences, including, without limitation: requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditures, acquisitions, and strategic investments; reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions; and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate and other purposes.

Our financing arrangements entered into by us and our Subsidiaries include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the

conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, reducing or changing the shareholding of our Promoters or change in our shareholding in our Subsidiaries or change in Promoters' directorship or our directorship resulting in change in management control of our Company and our Subsidiaries, issue corporate guarantees, change in our shareholding in our Subsidiaries, changes to the capital structure of our Company and Subsidiaries, investment by way of share capital in a company and changes in the MoA and AoA of our Company and our Subsidiaries, raising of new loans or creating of fresh charge on any of our assets. Failure to comply with such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. Some of our lenders are also entitled to appoint directors on the Board of our Company. Our Company is also required to maintain certain financial covenants. We have in the past not complied with certain financial covenants set out in certain of our loan agreements, however, our Company obtained waivers for such breaches from the relevant lenders. There is no assurance that in the event we are unable to comply with such financial covenants in the future, the lenders will waive the non-compliance, in which case we may be in breach of the relevant financing agreement.

A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt.

***44. Our insurance coverage could prove inadequate to satisfy potential claims or protect us from potential operational hazards and losses which may have a material adverse effect on our business, results of operations and financial condition.***

Our operations are subject to various risks inherent to the retail industry including defects, malfunction and failure of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. We have obtained insurance policies that we believe are customary in our industry and provide for commercially appropriate insurance coverage for a variety of risks. For further information regarding the insurance policies obtained by us, see “*Our Business – Insurance*” on page 203. As of September 30, 2021, our gross block of total fixed assets (excluding land) was ₹5,265.42 million and the insurance coverage on such fixed assets was ₹4,212.00 million, or 80.00%. However, there can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In cases where certain loss or damages are not covered under our insurance policies, or even if such losses are insured, we are required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss or the premium charged is significantly increased, our results of operations and cash flows could be adversely affected. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

***45. We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate.***

Certain non-GAAP financial measures, such as EBITDA, EBITDA margin and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of similar businesses, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. These non-GAAP financial measures and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other similar companies. Such supplemental financial and operational information is therefore of limited utility as an analytical

tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Consolidated Financial Statements disclosed elsewhere in this Draft Red Herring Prospectus. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” beginning on page 398.

**46. *Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.***

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

We are also subject to anti-corruption laws and regulations, which generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

**47. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.***

We propose to utilise the Net Proceeds towards premature redemption of NCDs issued by our Company and prepayment or scheduled repayment of a portion of certain outstanding borrowings availed by our Company. For further information of the proposed objects of the Offer, see “*Objects of the Offer*” on page 124. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**48. *We have in the past entered into related party transactions and may continue to do so in the future, which***

*may potentially involve conflicts of interest with the equity shareholders.*

We have entered into transactions with certain related parties, including our Promoters, certain members of our Promoter Group, certain Directors and Key Managerial Personnel of our Company. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, sale of goods, rent expense and reimbursement of expenses. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2019, 2020 and 2021 and the six months ended September 30, 2021, the aggregate amount of such related party transactions was ₹902.87 million, ₹1,019.38 million, ₹278.66 million and ₹224.44 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2021 was 6.12%, 6.76%, 2.63% and 4.04%, respectively. For further information on our related party transactions, see “*Related Party Transactions*” on page 363. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

**49. *Our Promoters and certain of our Directors have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.***

Our Promoters and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Our Promoters and Directors holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 227 and 248, respectively.

**50. *Our Company proposes to utilize the Net Proceeds for voluntary redemption of NCDs and the accrued interest thereon and prepayment or scheduled re-payment of a portion of certain outstanding borrowings and the accrued interest thereon, and accordingly, the utilization of the Net Proceeds will not result in creation of any tangible assets.***

Our Company intends to utilise the Net Proceeds for voluntary redemption of NCDs and the accrued interest thereon and prepayment or scheduled re-payment of a portion of certain outstanding borrowings and the accrued interest thereon. The details of the NCDs and the loans identified to be repaid or prepaid using the Net Proceeds have been disclosed in the section titled “*Objects of the Offer*” on page 124 of this Draft Red Herring Prospectus. While we believe that voluntary redemption of NCDs and prepayment or scheduled re-payment of a portion of certain outstanding borrowings will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion, the premature redemption will not result in the creation of any tangible assets for our Company.

**51. *We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.***

As of September 30, 2021, our Restated Consolidated Financial Statements disclosed the following contingent liabilities that have not been provided for were as follows:

Particulars	Amount
	(₹ million)
<b><i>Claims against our Company not acknowledged as debts</i></b>	
Income Tax demands under appeal	108.42
Value Added Tax demands under appeal	17.78
Employees' Provident Fund demands under appeal	0.12

Particulars	Amount
	(₹ million)
FSSAI Demands not provided for	3.00
Labour laws demands under appeal	6.17
Central Excise/ Service Tax demand under appeal	1.31
Others	7.40
<b>Total</b>	<b>144.20</b>

For further information on our contingent liabilities, see “*Financial Statements – Note 44 Contingent Liabilities and commitments*” on page 346.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

**52. *We have had negative net cash flows from operating activities in the past and may continue to have negative cash flows in the future.***

Our Company and certain of our subsidiaries have had negative cash flows from operating activities in the past. For instance, our Company had negative net cash flows from operating activities of ₹181.09 million in September 30, 2021.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially affect our ability to operate our business and implement our growth plans. For further details, see “*Financial Information – Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 257 and 364, respectively.

**53. *After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on the date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group held 55.06% of the paid-up share capital of our Company, for details of their shareholding pre and post Offer, see “*Capital Structure*” on page 94. After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders’ approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters in the Company, please see “*Our Promoters and Promoter Group*”, “*Our Management*” and “*Restated Consolidated Financial Statements*” on pages 248, 227 and 257, respectively.

**54. *We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.***

We have issued Equity Shares in the last 12 months preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price. For further details, see “*Capital Structure - Notes to the capital structure –Share capital history of our Company*” at page 94.

The prices at which Equity Shares were issued by us in the past year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing. We cannot assure you that the Equity Shares to be issued in the future will be at or lower than the Offer Price.

**55. *Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the report titled “*Fashion, Lifestyle and Organic Products Market in India*” dated December 20, 2021, which has been prepared by EY. The EY Report has been commissioned and paid for by us for the purposes of confirming our understanding of the industry, and has been prepared in connection with the Offer. Further, the EY Report is prepared based on information as of specific dates and may no longer be current or reflect current trends. Certain information in the EY Report is also based on estimates, projections, forecasts and assumptions, that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For the disclaimer regarding the EY Report, see “*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data - Disclaimer of EY Report*” on page 17.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the EY Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Industry Report before making any investment decision regarding the Offer. For further details, see “*Industry Overview*” on page 141.

**56. *We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Offer includes an offer for sale of such number of Equity Shares aggregating up to 25,050,543 Equity Shares by the Selling Shareholders, which includes the Promoter Selling Shareholders. The Promoter Selling Shareholders are, therefore, interested in the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

**57. *Certain of our Subsidiaries and Group Companies may have conflicts of interest as they are engaged in similar business or industry segments and may compete with us.***

Our Subsidiaries, namely, Organic India Private Limited, Fabcafe Foods Private Limited, Biome Life Sciences India Private Limited, Clean Program Corp., USA, Indigo Origins Pte. Limited and Organic India USA, LLC and our Group Companies, namely Rangсутra Crafts India Limited, Nutriwel Health (India) Private Limited, Weavers India General Trading LLC, Fabindia S.r.l., Italy, Orissa Artisans and Weavers Limited and LEV True Wellness Private Limited have common pursuits similar to that of our Company, therefore, there may be conflicts of interest in allocating business opportunities between us, our Subsidiaries and our Group Companies. We cannot assure you that there will not be any conflict of interest between our Company, our Subsidiaries or our Group Companies in future. We have not entered into any non-compete agreements with such Subsidiaries and Group Companies and there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance. For further details, please see, “*Our Subsidiaries*” and “*Our Group Companies*” at page 222 and 252, respectively of this Draft Red Herring Prospectus.

**58. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Board has adopted a dividend policy at their meeting held on January 15, 2022. For further information, see “*Dividend Policy*” on page 256. Our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the



state of the economy and capital markets, applicable taxes including dividend distribution tax, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We cannot assure you that we will be able to pay dividends in the future.

## **EXTERNAL RISK FACTORS**

### ***Risks Relating to India***

#### ***59. Changing laws or regulations in India, including taxation laws, or their interpretation could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The government of India may implement new laws or other regulations and policies that could affect the industries we operate in, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government of India and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, may adversely affect our business, financial condition, results of operations, cash flows and prospects:

For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which ultimately reduces the rate of income tax payable to 22% (exclusive of applicable health and education cess and surcharge), from the erstwhile 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, the Government of India has notified the Finance Act, 2021, which has introduced various amendments to taxation laws in India. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business and operations or on the industry in which we operate. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017 and all subsequent changes and amendments thereto.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

Further, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which provides for a framework for protection of personal data and use of non-personal data and seeks to, among others, lay down norms for cross-border transfer of personal data, define the scope of the definition of personal data and non-personal data, establishment of a data protection authority and ensure the accountability of entities processing personal data and as on the date of this Draft Red Herring Prospectus, the Joint Parliament

Committee on the PDP Bill has adopted the final draft and it is scheduled to be tabled before the parliament. Should such a framework be notified, our ability to collect, use, disclose and transfer information with respect to our counterparties may be further restricted. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

We have not fully determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Any increase in the compliance requirements as result of a change in law, regulation or policy, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, prospects, financial condition and results of operations. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected. There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

***60. A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's, and from BBB- with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS in May 2021. India's sovereign ratings from S&P is BBB- with a "stable" outlook in May 2021. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

***61. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

***62. Our business could be affected and disrupted by other kinds of catastrophic occurrences and similar events.***

Natural disasters (such as cyclones, typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19,

acts of war, civil unrest, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, financial condition, cash flow and results of operations.

Our operations may be adversely affected by fires, floods, natural disasters and severe weather, which can result in damage to our property or inventory, and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. For more details, see “- *The COVID-19 pandemic has had, and may in the future continue to have, particularly on the ability or desire of customers to visit our stores, a material adverse impact on our business, results of operations and financial condition*” on page 37. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of any current outbreaks or future outbreaks of avian or swine influenza or a similar contagious disease could adversely affect the Indian, Asian or Global economy and economic activity and in turn have an adverse effect on our business and the trading price of the Equity Shares.

**63. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom’s exit from the European Union (“**Brexit**”), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India’s major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**64. *A third party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

***65. Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and a majority of our Company's Key Managerial Personnel and Directors are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("CPC"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

***66. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Consolidated Financial Statements for Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021 have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Consolidated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

***67. If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate

or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our services to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

***Risks Relating to the Equity Shares and this Offer***

**68. *We cannot be certain that an active trading market for the Equity Shares will develop or be sustained after this offering, and, following the offering, the price of the Equity Shares may fluctuate significantly, which could cause you to suffer substantial losses.***

We cannot guarantee that an active trading market will develop or be sustained after the offering. Nor can we predict the prices at which the Equity Shares may trade after the offering.

The Issue Price of our Equity Shares may not be indicative of the market price for the Equity Shares after the Issue. If purchase the Equity Shares in our initial public offering, you may not be able to resell them at or above the initial public offering price. We cannot assure you that the initial public offering price of the Equity Shares, or the market price following our initial public offering, will equal or exceed prices in privately negotiated transactions of our shares that may have occurred from time to time prior to our initial public offering. The market price of the Equity Shares may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- developments with respect to the spread or worsening of the COVID-19 pandemic;
- the impact of COVID-19 on our business operations and our ability to be able to service clients, and the consequential impact on our operating results;
- actual or anticipated fluctuations in our operating results;
- announcements about our earnings that are not in line with analyst expectations;
- the public's reaction to our press releases, other public announcements and filings with the regulator;
- significant liability claims or complaints from our clients;
- changes in senior management or key personnel;
- macroeconomic conditions in India;
- fluctuations of exchange rates;
- the operating and stock price performance of comparable companies;
- changes in our shareholder base;
- changes in our dividend policy;
- issuances, exchanges or sales, or expected issuances, exchanges or sales;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- changes in the regulatory and legal environment in which we operate; or
- market conditions in the construction and development industry and the domestic and worldwide economies as a whole, including in relation to the COVID-19 crisis.

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

**69. *The requirements of being a publicly listed company may strain our resources.***

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs associated with being a listed company by shareholders, regulators and the public at large. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did

not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies.

Further, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

***70. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

***71. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Under the IT Act long-term capital gains (i.e. gain realized on the sale of shares held for more than 12 months) exceeding ₹100,000 arising from sale of equity shares listed on a recognized stock exchange, are taxed at the rate of 10% (plus applicable surcharge and cess). This beneficial rate is subject to payment of Securities Transaction Tax ("STT"). Further, any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits or 20% (plus applicable surcharge and cess) with indexation benefits.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Such gains will be subject to tax at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

In cases where the seller is a non-resident, the aforementioned rates would be subject to the beneficial provisions of the tax treaty between India and the country of which the seller is resident, read with Multilateral Instruments ("MLI") (if and to the extent applicable).

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief that may be available under the applicable tax treaty read with MLI (if and to the extent applicable) or under the laws of their own jurisdiction.

**72. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilise the Net Proceeds of the Offer as set forth in “Objects of the Offer” beginning on page 124. The funding requirements mentioned as a part of the objects of the Offer have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, inability to identify suitable location for our stores at favourable terms and other financial and operational factors.

Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment and prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

**73. *Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors’ shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**74. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment pursuant to the Offer within six Working Days from the Bid/Issue Closing Date, or such other period as may be prescribed by the SEBI events affecting the Bidders’ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**75. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a

special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that the investors are in does not permit the exercise of such pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of our Equity Shares held by them, their proportional interests in our Company may be reduced.

***76. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.



## SECTION III – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

<b>Offer of Equity Shares<sup>(1)</sup></b>	Up to [●] Equity Shares, aggregating up to ₹ [●] million
<b>of which:</b>	
<b>Fresh Issue<sup>(1) (6)</sup></b>	Up to [●] Equity Shares, aggregating up to ₹ 5,000 million
<b>Offer for Sale<sup>(2)</sup></b>	Up to 25,050,543 Equity Shares aggregating up to ₹ [●] million.
<b>The Offer comprises:</b>	
<b>Employees Reservation Portion<sup>(7)</sup></b>	Up to [●] Equity Shares aggregating up to ₹ [●] million
<b>Net Offer</b>	Up to [●] Equity Shares aggregating up to ₹ [●] million
<b>The Net Offer comprises:</b>	
<b>A) QIB Portion<sup>(3)(4)</sup></b>	Not less than [●] Equity Shares
<b>of which:</b>	
(i) <b>Anchor Investor Portion</b>	Up to [●] Equity Shares
(ii) <b>Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>	[●] Equity Shares
<b>of which:</b>	
(a) <b>Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	[●] Equity Shares
(b) <b>Balance for all QIBs including Mutual Funds</b>	[●] Equity Shares
<b>B) Non-Institutional Portion</b>	Not more than [●] Equity Shares
<b>C) Retail Portion<sup>(5)</sup></b>	Not more than [●] Equity Shares
<b>Pre and post-Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)<sup>(8)</sup></b>	147,779,475 Equity Shares
<b>Equity Shares outstanding after the Offer</b>	[●] Equity Shares
<b>Use of Net Proceeds</b>	See “Objects of the Offer” on page 124 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

- (1) The Offer has been authorized by a resolution of our Board dated December 22, 2021, and the Fresh Issue was approved by a resolution of our Shareholders dated January 15, 2022.
- (2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. Each of the Selling Shareholders has, severally and not jointly, approved the transfer of their respective portion of the Offered Shares, pursuant to the Offer for Sale. For further details of authorizations received for the Offer, see “Other Regulatory and Statutory Disclosures” on page 420.
- (3) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see “Offer Procedure” on page 451.
- (4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable law. In

the event of an under-subscription in the Offer, (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed and compliance of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957; (ii) upon Equity Shares been Allotted as per (i), all the Equity Shares held by the Selling Shareholders and offered for sale shall be Allotted on a proportionate basis (in proportion to the percentage of Offered Shares); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion;

- (5) Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, see “Offer Procedure” on page 451. Our Company will not receive any proceeds from the Offer for Sale.
- (6) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of Equity Shares for a cash consideration aggregating up to ₹ 1,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
- (7) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see “Offer Procedure” and “Offer Structure” on pages 451 and 447 respectively.
- (8) Pursuant to shareholders’ resolution dated March 9, 2021 and the resolution passed by our Board dated January 15, 2022, our Company has approved the issuance and allotment of 1,35,135 Equity Shares to FOPL Employees Benefit Trust (“**ESPS Trust**”) under the ESPS 2021. The allotment of Equity Shares to the ESPS Trust will be completed subsequent to the filing of this Draft Red Herring Prospectus with SEBI and completed prior to filing of the Red Herring Prospectus and relevant details, including the updated share capital of our Company shall be updated in the Red Herring Prospectus.

For further details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on pages 447 and 451, respectively. For further details of the terms of the Offer, see “Terms of the Offer” on page 441.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Consolidated Financial Statements as of and for the six months period ended September 30, 2021 and the Fiscal Years ended March 31, 2021, March 31, 2020 and March 31, 2019. The summary financial information presented below should be read in conjunction with ‘*Financial Information*’ and ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operations*’ beginning on pages 257 and 364, respectively.

*[Remainder of this page intentionally kept blank]*

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

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	3,430.34	3,569.81	3,938.04	3,519.15
Capital work-in-progress	283.04	302.22	296.43	451.19
Right-of-use assets	5,437.05	4,975.72	5,837.47	4,982.00
Goodwill on consolidation	601.63	594.97	605.47	567.90
Intangible assets	4,490.12	4,577.39	4,784.69	4,965.68
Intangible assets under development	51.97	10.10	8.79	10.76
Financial assets				
Investments	219.48	254.15	280.35	154.21
Loans	87.26	81.64	1.00	-
Other financial assets	554.42	533.39	561.45	581.92
Income tax assets (net)	350.47	311.30	301.47	79.93
Other non-current assets	237.80	154.68	18.07	62.26
<b>TOTAL NON-CURRENT ASSETS</b>	<b>15,743.58</b>	<b>15,365.37</b>	<b>16,633.23</b>	<b>15,375.00</b>
<b>CURRENT ASSETS</b>				
Inventories	4,319.56	3,224.37	4,299.97	3,992.44
Financial assets				
Trade receivables	880.68	728.32	1,031.76	960.93
Cash and cash equivalents	1,072.44	572.64	1,987.49	387.63
Bank balances other than cash and cash equivalents	101.89	132.52	36.08	51.52
Loans	33.14	26.61	-	-
Other financial assets	154.16	181.36	77.52	30.56
Other current assets	940.32	798.83	574.95	510.43
<b>TOTAL CURRENT ASSETS</b>	<b>7,502.19</b>	<b>5,664.65</b>	<b>8,007.77</b>	<b>5,933.51</b>
Assets classified as held for sale and discontinued operations	-	-	19.42	-
<b>TOTAL ASSETS</b>	<b>23,245.77</b>	<b>21,030.02</b>	<b>24,660.42</b>	<b>21,308.51</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	147.78	147.36	144.66	23.90
Other equity	5,055.40	7,424.90	8,358.22	8,601.90
Non-controlling interest	2,174.28	2,959.31	2,897.99	2,981.92
<b>TOTAL EQUITY</b>	<b>7,377.46</b>	<b>10,531.57</b>	<b>11,400.87</b>	<b>11,607.72</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings	1,041.45	1,397.83	580.31	689.83
Lease Liabilities	4,701.17	4,295.34	4,816.31	4,019.76
Other financial liabilities	53.12	51.55	39.10	22.65
Provisions	208.09	244.02	175.99	62.86
Deferred tax liabilities (net)	54.82	298.26	685.03	835.08
Other non-current liabilities	1.23	1.78	2.26	4.38
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,059.88</b>	<b>6,288.78</b>	<b>6,299.00</b>	<b>5,634.56</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings	6,033.82	1,494.28	3,751.41	1,376.63
Lease Liabilities	1,023.38	889.44	1,015.73	869.49
Trade payables				
total outstanding dues of micro enterprises and small enterprises	614.11	320.92	99.26	77.48
total outstanding dues of creditors other than micro enterprises and small enterprises	1,305.69	772.47	1,326.70	977.35
Other financial liabilities	292.31	322.60	393.43	450.06
Other current liabilities	369.12	340.62	289.01	268.69
Provisions	170.00	69.34	70.06	46.53
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,808.43</b>	<b>4,209.67</b>	<b>6,945.60</b>	<b>4,066.23</b>
Liabilities directly associated with discontinued operations	-	-	14.95	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,245.77</b>	<b>21,030.02</b>	<b>24,660.42</b>	<b>21,308.51</b>

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

Particulars	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CONTINUING OPERATIONS</b>				
<b>INCOME</b>				
Revenue from operations	5,560.40	10,596.43	15,080.47	14,743.07
Other income	100.28	277.70	163.73	71.87
<b>TOTAL INCOME</b>	<b>5,660.68</b>	<b>10,874.13</b>	<b>15,244.20</b>	<b>14,814.94</b>
<b>EXPENSES</b>				
Cost of materials consumed	1,550.15	1,821.72	3,159.89	2,917.45
Cost of contract manufactured goods	1,586.91	1,352.63	2,987.15	2,935.49
Decrease/ (increase) in inventories of finished goods and stock-in-trade	(1,148.62)	628.34	(453.34)	(402.25)
Employee benefits expense	1,129.34	1,963.15	2,330.87	2,119.74
Finance costs	396.32	733.08	629.55	467.14
Depreciation and amortization expense	975.88	2,022.09	1,864.10	1,580.64
Impairment losses	3.60	18.82	-	-
Other expenses	1,892.60	3,807.25	4,332.48	3,671.52
<b>TOTAL EXPENSES</b>	<b>6,386.18</b>	<b>12,347.08</b>	<b>14,850.70</b>	<b>13,289.73</b>
(Loss)/ profit from continuing operations before share of accumulated (loss)/ profit in associate companies, exceptional items and tax	(725.50)	(1,472.95)	393.50	1,525.21
Share of accumulated profit in associate companies	4.58	1.95	0.41	3.08
(Loss)/ profit from continuing operations before exceptional items and tax	(720.92)	(1,471.00)	393.91	1,528.29
<b>TAX EXPENSE:</b>				
Current tax	(26.30)	(44.91)	(321.09)	(775.85)
Earlier years tax	-	(36.26)	0.92	(3.02)
Deferred tax	229.97	395.83	267.73	123.29
(Loss)/ profit for the period/year from continuing operations (I)	(517.25)	(1,156.34)	341.47	872.71
<b>DISCONTINUED OPERATIONS</b>				
(Loss) before tax from discontinued operations	-	-	(19.77)	(45.37)
(Loss)/ profit on disposal of subsidiary	-	(15.03)	0.92	-
Tax expense of discontinued operations	-	-	(15.71)	16.30
(Loss) after tax from discontinued operations (II)	-	(15.03)	(34.56)	(29.07)
(Loss)/ profit for the period/year ( III= I+II)	(517.25)	(1,171.37)	306.91	843.64
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>A. Items that will not be re-classified to statement of profit and loss</b>				
Actuarial (loss)/ gain on defined benefit obligation	(62.74)	2.48	10.86	2.28
Income tax relating to items that will not be re-classified to statement of profit and loss	13.97	(0.64)	(2.70)	(0.78)
Share of other comprehensive income/ (loss) in associates	(0.22)	0.04	(0.02)	0.03
<b>B. Items that will be re-classified to statement of profit and loss</b>				
Foreign currency translation differences	0.29	37.03	7.85	(20.77)
Income tax relating to items that will be re-classified to statement of profit and loss	(0.50)	(8.42)	(9.64)	-
Share of other comprehensive (loss) in associates	(2.26)	(0.75)	(1.77)	(1.05)
<b>Other comprehensive (loss)/income for the period/year</b>	<b>(51.46)</b>	<b>29.74</b>	<b>4.58</b>	<b>(20.29)</b>
<b>Total comprehensive (loss)/ income for the period/year</b>	<b>(568.71)</b>	<b>(1,141.63)</b>	<b>311.49</b>	<b>823.35</b>
<b>(Loss)/ profit for the period/year attributable to</b>				
Owners of the Company	(456.46)	(1,078.95)	417.07	833.29
Non-controlling interests	(60.79)	(92.41)	(110.16)	10.32
<b>Other comprehensive income/ (loss) (net) for the period/year attributable to</b>				
Owners of the Company	(50.92)	15.16	(0.37)	(17.06)
Non-controlling interests	(0.54)	14.59	4.94	(3.23)
<b>Total comprehensive (loss)/ income for the period/year attributable to</b>				
Owners of the Company	(507.38)	(1,063.79)	416.70	816.23
Non-controlling interests	(61.33)	(77.82)	(105.22)	7.09
<b>Earnings per equity share - continuing operations (in ₹)</b>				
Basic	(3.10)	(7.41)	2.99	5.85
Diluted	(3.10)	(7.41)	2.97	5.82
<b>Earnings per equity share - discontinued operations (in ₹)</b>				
Basic	-	(0.04)	(0.10)	(0.09)
Diluted	-	(0.04)	(0.10)	(0.09)
<b>Earnings per equity share - continuing and discontinued operations (in ₹)</b>				
Basic	(3.10)	(7.45)	2.88	5.77
Diluted	(3.10)	(7.45)	2.87	5.74

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

Particulars	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net (loss)/ profit before tax and after exceptional items from continuing operations	(720.92)	(1,471.00)	393.91	1,528.28
Net (loss) before tax and after exceptional items from discontinued operations	-	(15.03)	(18.85)	(45.37)
Adjustments to reconcile (loss)/ profit before tax to net cash flows:				
Depreciation and amortization expense	975.88	2,022.09	1,864.10	1,580.64
Interest expense	166.18	289.93	196.50	107.60
Interest expense on lease liabilities	223.30	441.01	433.48	359.50
Interest income	(53.32)	(87.46)	(66.91)	(46.14)
Rental income	(0.67)	(2.34)	(2.41)	(0.10)
Rent Expense	-	-	-	32.52
Employee stock options compensation expense	11.64	-	-	-
Employee share purchase scheme expense	42.57	58.45	60.31	67.83
Loss on property, plant and equipment and intangible assets sold/ discarded (net)	28.54	58.45	93.57	56.55
Obsolete stock written off	1.85	51.08	13.05	5.99
(Gain)/Loss on right-of-use assets (net)	(27.30)	(47.40)	24.86	2.03
(Gain)/Loss on sale of investment (net)	-	(0.10)	-	0.19
Loss on sale of government scrips	0.11	-	0.25	0.20
Loss on disposal of subsidiary	-	15.03	-	-
Loss on fair value of investment in OCPs and OCCDs	-	43.54	3.84	-
(Gain) arising on investments measured at FVTPL	-	(6.62)	(74.87)	(12.05)
Loss/(Gain) arising on derivatives measured at FVTPL	27.36	(25.88)	36.98	-
Share of accumulated (loss) in associate company	(4.58)	(1.95)	(0.41)	(3.08)
Bad debts/ advances written off	3.24	45.53	17.03	11.17
Allowance for credit losses/ doubtful advances/ (written back)	2.06	10.10	13.34	3.78
Provision for impairment of Investments	2.77	43.88	-	-
Provision for impairment loss on property, plant and equipment	3.59	18.82	-	-
Provision for expiry	-	17.37	15.53	-
Provision/ liability no longer required/ (written back)	(199.38)	(628.69)	(74.74)	(65.14)
Provision for asset retirement obligation/ (written back)	(5.07)	(4.53)	(7.91)	(4.03)
Provision for sales returns/ (written back)	(1.78)	(0.73)	0.72	0.12
Provision for rent equalisation	(0.01)	-	-	-
Provision for non-moving inventory/ (written back)	93.94	289.80	(5.19)	21.04
Corporate dividend distribution tax written back	-	-	(4.26)	-
Provision for gratuity and leave encashment	(34.88)	31.33	7.03	7.80
Depreciation credited	-	(67.00)	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>535.12</b>	<b>1,077.68</b>	<b>2,918.95</b>	<b>3,609.33</b>
Adjustments for changes in working capital:				
Decrease/ (increase) in trade receivables	(154.82)	271.14	(112.61)	(270.80)
Decrease/ (increase) in inventories	(1,190.98)	734.73	(315.39)	(764.57)
Decrease/ (increase) in loans and other assets	(150.66)	(563.51)	(176.36)	(144.45)
(Decrease)/ increase in trade payables	826.41	(330.00)	734.25	70.05
(Decrease)/ increase in other liabilities	63.16	153.00	(168.86)	313.97
(Decrease)/ increase due to foreign exchange translation	(37.58)	(0.75)	(33.58)	(18.33)
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>(109.35)</b>	<b>1,342.29</b>	<b>2,846.40</b>	<b>2,795.20</b>
Income tax paid (net of refund received)	(65.47)	(90.81)	(544.71)	(842.07)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(174.82)</b>	<b>1,251.48</b>	<b>2,301.69</b>	<b>1,953.13</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment and intangible assets	(307.49)	(255.26)	(876.96)	(990.66)
Proceeds from sale of property, plant and equipment and intangible assets	6.58	23.35	3.42	9.34
Government grant received	-	-	23.00	-
Proceeds from sale of non-current investments	-	0.36	1.60	92.06
Purchase of non-current investments	(2,637.93)	-	(45.00)	(138.43)
(Investment in)/Proceeds from bank deposits (with original maturity over 12 months)	0.50	(0.31)	72.42	(31.95)
(Investment in)/Proceeds from bank deposits (with original maturity over 3 months)	20.11	(95.54)	21.51	76.94
Principal receipts of lease rentals	(0.02)	(0.29)	1.87	(1.76)
Interest received on lease rentals	2.02	3.47	2.17	0.14
Interest received	22.88	32.45	17.34	34.59
Dividend received	-	-	-	-
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(2,893.35)</b>	<b>(291.77)</b>	<b>(778.63)</b>	<b>(949.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from short-term borrowings	4,408.94	4,983.92	2,346.83	395.84
Proceeds from long-term borrowings	-	1,456.92	102.68	-
Proceeds from equity component of compound financial instrument	-	-	-	-
Repayment of short-term borrowings	-	(7,395.96)	-	(107.73)
Repayment of long-term borrowings	(233.97)	(291.37)	(157.48)	52.00
Proceeds from issue of shares (including share premium)	31.53	245.17	127.49	81.40
Proceed from non-controlling interest	-	-	3.70	(190.98)
Principal payment of lease liabilities	(278.50)	(431.02)	(820.46)	(751.44)
Interest paid on lease liabilities	(223.30)	(441.01)	(433.48)	(359.50)
Interest paid	(142.33)	(276.89)	(188.56)	(100.86)
Final dividend paid	-	(27.75)	(398.54)	(282.56)
Dividend distribution tax paid On final dividend	-	-	(90.65)	(65.20)
Interim dividend paid	-	-	(325.49)	-
Dividend distribution tax paid on interim dividend	-	-	(66.92)	-
<b>NET CASH FROM/ (USED IN) FINANCING ACTIVITIES</b>	<b>3,562.37</b>	<b>(2,177.99)</b>	<b>99.12</b>	<b>(1,329.03)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>494.19</b>	<b>(1,218.28)</b>	<b>1,622.18</b>	<b>(325.62)</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD/YEAR</b>	<b>495.08</b>	<b>1,713.36</b>	<b>91.18</b>	<b>378.99</b>
<b>CASH &amp; CASH EQUIVALENTS - ACQUIRED ON ACCOUNT OF ACQUISITIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.81</b>
<b>CASH AND CASH EQUIVALENT AT PERIOD/YEAR END</b>	<b>989.27</b>	<b>495.08</b>	<b>1,713.36</b>	<b>91.18</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>494.19</b>	<b>(1,218.28)</b>	<b>1,622.18</b>	<b>(325.62)</b>

**NOTES:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in the Ind AS - 7 "Statements of Cash Flows".
- Figures in bracket indicate cash outflow.
- Previous year figures have been regrouped and recast wherever necessary to conform to current period's/year's classification.
- Cash and cash equivalents at the end of the period/year consist of cash on hand and balance with banks as follows:

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash on hand	20.33	16.98	8.42	100.58
Cheque in hand	0.06	0.06	0.05	-
Balance with banks				
- in current accounts	468.14	310.68	509.55	210.64
- in deposit with original maturities upto three months	583.91	244.92	1,469.70	76.41
				-
Bank overdrafts used for cash management purpose	(83.17)	(77.56)	(274.36)	(296.45)
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>989.27</b>	<b>495.08</b>	<b>1,713.36</b>	<b>91.18</b>

## GENERAL INFORMATION

Our 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. On July 1, 1994, the Company’s name was changed to ‘Fabindia Overseas Limited’ by the Registrar of Companies, Delhi and Haryana, as it became a deemed public company under Section 43A of the Companies Act, 1956. Pursuant to the amendment in Section 43A of the Companies Act, 1956 by Companies Amendment Act, 2000, the Company’s status was converted from a deemed public company to a private limited company and consequently the name was changed to ‘Fabindia Overseas Private Limited’ on May 8, 2001. Subsequently, the name of our Company was changed to ‘Fabindia Private Limited’ and a fresh certificate of incorporation dated October 13, 2021 was issued by the RoC. Thereafter, our Company was converted into a public limited company, consequent to which its name was changed to ‘FABINDIA LIMITED’, pursuant to the resolution passed by our Board of Directors on September 2, 2021 and by our Shareholders on September 30, 2021. Fresh certificate of incorporation consequent to the conversion of our Company into a public limited company was issued by the RoC on October 22, 2021. For further details, in relation to change in name and registered office of our Company, see “*History and Certain Corporate Matters*” beginning on page 212.

### FABINDIA LIMITED

#### Registered Office

Plot No. 10, Local Shopping Complex  
Sector B, Pocket – 7  
Vasant Kunj  
New Delhi – 110 070  
India

#### Corporate Office

C-40, 2<sup>nd</sup> Floor  
Okhla Industrial Area, Phase-II  
New Delhi-110020  
India

#### Corporate identity number and registration number

Corporate Identity Number: U74899DL1976PLC008436  
Registration Number: 008436

#### Address of the RoC

Our Company is registered with the RoC situated at the following address:

#### Registrar of Companies, National Capital Territory of Delhi and Haryana

4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi, 110019

#### Our Board

Our Board comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
William Nanda Bissell	Executive Vice-Chairman and Director	00012819	N-19, Panchsheel Park, New Delhi – 110 017
Gyanendra Nath Gupta	Chairman and Independent Director	00027502	D-902, Surya Vihar, VPO Doondahera, Gurugram – 122 016, Haryana
Yoav Lev	Non – Executive Director	00183462	892, The Pocket Road Billindgel, NSW 2483, New South Wales, Australia - 2483

Name	Designation	DIN	Address
Viney Singh	Managing Director	00932145	No. 201/2, Heather Block, Woodsvale Apartments, 78, Nandidurg Road, Benson Town, Bengaluru 560 046, Karnataka
Vijai Kumar Kapoor	Non-Executive Director	01084371	23/1A, Prithvi Raj Road, NDMC, Central Delhi, Delhi – 110 011
Saurabh Navinchandra Mehta	Independent Director	01115594	A/9 Sea Face Park, 50 Bhulabhai Desai Road, Breach Candy, Mumbai – 400 026, Maharashtra
Aditya Ghosh	Non – Executive Director	01243445	MG-0425, The Magnolias, DLF Golf Links, DLF City Phase V, Gurugram 122 009, Haryana
Prakash Parthasarathy	Independent Director	02011709	C1111, Windmills, 5B EPIP Zone, Whitefield, Behind SAP Labs, Bengaluru 560 066, Kanataka
Monsoon Latane Bissell	Non-Executive Director	02705935	N-19, Panchsheel Park, New Delhi – 110 017
Tekkethalakal Kurien Kurien*	Non – Executive Director*	03009368	701, ETA BEAU MONDE, 7 <sup>th</sup> Floor, 17 Benson Cross Road, Benson Town, Bengaluru 560 046, Karnataka
Mukesh Kumar Chauhan	Executive Director (Whole-time Director)	05108075	80, Upper Ground Floor, Model Town, Northex, Near Queen Marry School, Delhi – 110 009
Richard Frank Celeste	Independent Director	09296533	720 Crestfield Grove, Colorado Springs, Colorado, USA - 80906
Nikhil Khera	Non – Executive Director	09298685	C-103, Defence Colony, Lajpat Nagar, New Delhi – 110 024
Smita Mankad	Independent Director	02009838	403, Tower No. 34, Common Wealth Games Village, Near Akshardham Temple, New Delhi 110 092

\*Nominee director of PI Opportunities Fund – I.

For further details of our Directors, see “Our Management” on page 227.

### Company Secretary and Compliance Officer

#### Monika Uppal Arora

Address C-40 2<sup>nd</sup> Floor

Okhla Industrial Area, Phase- II

New Delhi-110020

Tel: 0114069 2000

E-mail: stakeholders@fabindia.net

### Investor Grievances

**Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.**

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Book Running Lead Managers giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number,



Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

#### **Book Running Lead Managers**

##### **ICICI Securities Limited**

ICICI Venture House,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai – 400025  
Maharashtra, India  
**Tel.:** +91 22 6807 7100  
**E-mail:** fabindia.ipo@icicisecurities.com  
**Investor grievance e-mail:** customercare@icicisecurities.com  
**Website:** www.icicisecurities.com  
**Contact Person:** Kristina Dias  
**SEBI Registration No.:** INM000011179

##### **Credit Suisse Securities (India) Private Limited**

9<sup>th</sup> Floor, Ceejay House Plot F  
Shivsagar Estate, Dr. Annie Besant Road  
Worli, Mumbai 400 018  
Maharashtra, India  
**Tel.:** +91 22 6777 3885  
**E-mail:** list.fabindiaipo@credit-suisse.com  
**Investor grievance e-mail:** list.igcellmerbnkg@credit-suisse.co  
**Website:** <https://www.creditsuisse.com/in/en/investment-bankingapac/investment-banking-in-india/ipo.html>  
**Contact Person:** Abhishek Joshi  
**SEBI Registration No.:** INM000011161

##### **J.P. Morgan India Private Limited**

J.P. Morgan Tower, Off C.S.T. Road, Kalina,  
Santacruz (East), Mumbai - 400 098  
Maharashtra, India  
**Tel.:** +91 22 6157 3000  
**E-mail:** FABINDIA\_ipo@jpmorgan.com  
**Investor grievance e-mail:** Investorsmb.jpmpil@jpmorgan.com  
**Website:** www.jpmpil.com  
**Contact Person:** Saarthak K. Soni  
**SEBI Registration No.:** INM000002970

##### **Nomura Financial Advisory and Securities (India) Private Limited**

Ceejay House, Level 11,  
Plot F, Shivsagar Estate,  
Dr. Annie Besant Marg,  
Worli, Mumbai - 400 018  
Maharashtra, India  
**Tel.:** +91 22 4037 4037  
**E-mail:** fabindiaipo@nomura.com  
**Investor grievance e-mail:** investorgrievances-in@nomura.com  
**Website:** [www.nomuraholdings.com/company/group/asia/india/index.html](http://www.nomuraholdings.com/company/group/asia/india/index.html)  
**Contact Person:** Vishal Kanjani / Chirag Shah  
**SEBI Registration No.:** INM000011419

##### **SBI Capital Markets Limited**

202, Maker Tower 'E'  
Cuffe Parade, Mumbai 400 005  
Maharashtra, India  
**Tel.:** +91 22 2217 8300  
**E-mail:** fabindia.ipo@sbicaps.com

**Investor grievance e-mail:** investor.relations@sbicaps.com  
**Website:** www.sbicaps.com  
**Contact Person:** Karan Savardekar  
**SEBI Registration No.:** INM000003531

**Equirus Capital Private Limited**  
12th Floor, C Wing, Marathon Futurex,  
N. M. Joshi Marg,  
Lower Parel, Mumbai – 400 013  
Maharashtra, India  
**Tel.:** +91-22 4332 0700  
**E-mail:** fabindia.ipo@equirus.com  
**Investor grievance e-mail:** investorsgrievance@equirus.com  
**Website:** www.equirus.com  
**Contact Person:** Mrunal Jadhav  
**SEBI Registration No.:** INM000011286

#### **Syndicate Members**

[•]

#### **Legal Counsel to our Company as to Indian law**

**AZB & Partners**  
AZB House  
Plot No. A-8, Sector-4  
Noida 201 301  
National Capital Region, Delhi  
**Tel:** +91 120 417 9999

**AZB & Partners**  
AZB House,  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013, India  
**Tel:** +91 22 6639 6880

#### **Legal Counsel to the Book Running Lead Managers as to Indian law**

**Shardul Amarchand Mangaldas & Co**  
Amarchand Towers  
216, Okhla Industrial Estate Phase III  
New Delhi - 110020, India  
**Tel:** + 91 11 4159 0700

#### **Legal Counsel to the Investor Selling Shareholders as to Indian law**

**Cyril Amarchand Mangaldas**  
3<sup>rd</sup> floor, Prestige Falcon Towers  
19, Brunton Road  
Bengaluru 560 025  
Karnataka, India  
**Tel:** + 91 80 6792 2000

#### **International Legal Counsel to the Book Running Lead Managers**

**Allen & Overy**  
50 Collyer Quay  
09-01 OUE Bayfront  
Singapore 049321  
**Tel:** +65 6671 6000

#### **Legal counsel to Bajaj Holdings Investment Limited**

**Chitale Legal**  
Advocates & Solicitors  
Nirlon House, Annie Besant Road,

Worli, Mumbai 400 030,  
Maharashtra, India.  
**Tel:** +91 22 4004 1010 - 15 / 6639 6833 – 34

#### **Auditors to our Company**

##### **MSKA & Associates, Chartered Accountants**

**Address:** The Palm Springs Plaza  
Office No. 1501-8, 15<sup>th</sup> Floor, Sector-54  
Golf Course Road, Gurgaon  
Haryana, India  
**Email:** amitmitra@mska.in  
**Tel:** +91 012 4281 9004  
**Firm registration number:** 105047W  
**Peer review number:** 013267

##### **A Puri & Associates, Chartered Accountants**

**Address:** 2H, Vandhna Building  
11 Tolstoy Marg  
New Delhi – 110 001, India  
**Email:** apuri@apuriassociates.in  
**Tel:** +91 11 4710 3350  
**Firm registration number:** 009203N  
**Peer review number:** 011926

#### **Changes in the auditors**

Except as disclosed below, there has been no change in the statutory auditors of the Company in the last three years preceding the date of this Draft Red Herring Prospectus.

<b>Particulars</b>	<b>Date of change</b>	<b>Reason for change</b>
<b>MSKA &amp; Associates</b> Chartered Accountants Office No. 1501-1508 The Palm Springs Plaza Sector 54, Golf Course road Gurugram-122001, Haryana Tel. No.: +91 124 281 9000 Email: price@rgnprice.com Peer Review Certificate Number: 013267 Firm Registration Number: 105047W	March 9, 2021	Appointment as Joint Statutory Auditors for the period April 1, 2020 to March 31, 2021.
	September 30, 2021	Appointment for a term of five years as Joint Statutory Auditor of the Company from the conclusion of the annual general meeting held on September 30, 2021

#### **Registrar to the Offer**

##### **Link Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, 247 Park  
L.B.S Marg  
Vikhroli West  
Mumbai - 400 083  
Maharashtra, India  
**Tel:** + 91 22 4918 6200  
**E-mail:** fabindia.ipo@linkintime.co.in  
**Investor grievance e-mail:** fabindia.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact person:** Ms. Shanti Gopalkrishnan  
**SEBI registration number:** INR000004058

#### **Escrow Collection Bank(s)**

[•]

**Public Offer Bank(s)**

[•]

**Refund Bank(s)**

[•]

**Sponsor Bank**

[•]

**Banker to our Company****CitiBank N.A.**

9<sup>th</sup> Floor, DLF Square Block  
Jacaranda Marg, DLF City Phase-II  
Gurgaon – 122002  
Haryana, India  
**Tel:** +91 012 4418 6915  
**Contact Person:** Aamol NK Gupta  
**Website:** www.citibank.co.in  
**Email:** aamol.nk.gupta@citi.com

**HDFC Bank**

2<sup>nd</sup> Floor, Vatika Atrium Tower A  
Sector 53, Gurgaon - 122022  
Haryana, India  
**Tel:** +91 012 4466 4522  
**Contact Person:** Manoj Bajaj  
**Website:** www.hdfcbank.com  
**Email:** manoj.bajaj@hdfcbank.com  
**CIN:** L65920MH1994PLC080618

**Kotak Mahindra Bank**

Kotak Aerocity, Asset Area 9  
2<sup>nd</sup> Floor, Ibis Commercial Block Hospitality District  
IGI Airport, New Delhi – 110037  
India  
**Tel:** +91 22 6166 0001  
**Contact Person:** Husnal Kaur  
**Website:** www.kotak.com  
**Email:** corporateservicedesk@kotak.com  
**CIN:** L65110MH1985PLC038137

**Standard Chartered Bank**

Commercial Banking, Standard Chartered Bank  
DLF Building No. 7A, 2nd Floor  
DLF Cyber City, Gurgaon - 122002  
Haryana, India  
**Tel:** +91 012 4487 6750/ +91 85 2751 4555  
**Contact Person:** Surabhi Tiwari (Relationship Manager)  
**Website:** www.standardchartered.com  
**Email:** surabhi.tiwari@sc.com  
**CIN:** NA

**The Hongkong and Shanghai Banking Corporation, India**

Institutional Plot No. 68, Sector 44  
Gurugram- 122002, Haryana, India  
**Tel:** +91 95 6000 2788  
**Website:** www.hsbco.co.in

**Email:** reenas@hsbc.co.in  
**Contact Person:** Reena Singh  
**CIN:** F00947 (FCRN)

## **Designated Intermediaries**

### **Self-Certified Syndicate Banks**

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

### **SCSBs and mobile applications enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism, is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, as updated from time to time.

### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any other website prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> as updated from time to time or any other website prescribed by SEBI from time to time.

### **Registered Brokers**

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com/>, as updated from time to time.

### **RTAs**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and <https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm>, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

- i. Our Company has received written consent dated January 21, 2022 from MSKA & Associate and A Puri & Associates, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of (i) their examination report dated January 20, 2022 on our Restated Consolidated Financial Statements; and (ii) their report dated January 21, 2022 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act;
- ii. Our Company has received written consent dated January 17, 2022, from the independent chartered accountant, namely AKGVG & Associates, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013;
- iii. Our Company has received written consent dated December 17, 2021, from the chartered engineer, namely Prabhat Srivastava, to include its name in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

The above-mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

### Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer*” on page 124.

### Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

### Statement of inter-se allocation of responsibilities of the Book Running Lead Managers

Sr No	Activities	Responsibility	Coordination
1	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	I-Sec
2	Pre-Offer due diligence of our Company including its operations/management/business plans/legal etc., Drafting and design of DRHP, RHP and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	I-Sec
3	Drafting and approval of all statutory advertisements	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	Credit Suisse
4	Drafting and approval of all publicity material other than statutory advertisements as mentioned in 3 above, including corporate advertising, brochures, media monitoring, etc. & filing of media compliance report	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBI Caps, Equirus	Nomura
5	Appointment of Registrar to the Offer, printers, Escrow Collection Banks, share escrow agent, advertising agency (including coordinating all agreements to be entered with such parties)	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	SBICAP
6	Preparation of road show presentation and FAQs for the road show team	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	Nomura
7	International institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Institutional marketing strategy</li> <li>• Finalising the list and division of international investors for</li> </ul>	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	J.P. Morgan & CS

Sr No	Activities	Responsibility	Coordination
	one-to-one meetings <ul style="list-style-type: none"> <li>Finalising international road show and investor meeting schedules</li> </ul>		
8	Domestic institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>Finalising the list and division of domestic investors for one-to-one meetings</li> <li>Finalising domestic road show and investor meeting schedules</li> </ul>	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	I-Sec & Nomura
9	Conduct non-institutional marketing of the Offer Conduct retail marketing of the Offer, which will cover, inter-alia: <ul style="list-style-type: none"> <li>Finalising media, marketing, public relations strategy and publicity budget</li> <li>Finalising collection centres</li> <li>Finalising centres for holding conferences for brokers etc.</li> <li>Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material</li> </ul>	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	I-Sec & SBICAP
10	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, deposit of 1% security deposit	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	J.P. Morgan
11	Managing the book and finalization of pricing in consultation with our Company	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	I-Sec
12	Post-Bidding activities—managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue, management of escrow accounts, coordinating underwriting, coordination of non-institutional allocation, finalization of the basis of allotment based on technical rejections, listing of instruments, demat credit and refunds/unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc, payment of the applicable STT, coordination with SEBI and Stock Exchanges for refund of 1% security deposit	I-Sec, Credit Suisse, J.P. Morgan, Nomura, SBICAP, Equirus	SBICAP

### Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

### IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

### Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

### Green Shoe Option

No green shoe option is contemplated under the Offer.

### Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in) in accordance with the SEBI circular dated March 27, 2020, in relation to “*Easing of Operational Procedure – Division of Issues and Listing – CFD*”; and will be filed with SEBI’s electronic platform at: <https://siportal.sebi.gov.in/intermediary/index.html>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and Regulation 25(8) of the SEBI ICDR Regulations.

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will

be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC.

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company, and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, will be advertised in all editions of [●], a widely circulated English daily national newspaper and all editions of [●], a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company, and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For further details, see “Offer Procedure” on page 451.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs and Sponsor Bank, as the case may be. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion (subject to the Bid Amount being up to ₹200,000) and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/Offer Period. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.**

**Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each of the Selling Shareholders have, severally and not jointly, specifically confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to such Selling Shareholder, in relation to its portion of the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the Book Running Lead Managers to manage this Offer and procure Bids for this Offer.**

**The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.**

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see “Offer Structure” and “Offer Procedure” on pages 447 and 451, respectively.

### **Illustration of Book Building Process and Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, see “Terms of the Offer” and “Offer Procedure” on pages 441 and 451, respectively.

### **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the



Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)*

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered as merchant bankers with SEBI or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders respectively procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer by each Book Running Lead Manager shall be as per the Underwriting Agreement.

## CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

		(in ₹, except share data)	
		Aggregate nominal value	Aggregate value at Offer Price <sup>(1)</sup>
<b>A</b>	<b>AUTHORIZED SHARE CAPITAL*</b>		
	160,000,000 Equity Shares of face value ₹1 each	160,000,000	-
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	147,779,475 Equity Shares of face value ₹1 each	147,779,475	-
<b>C</b>	<b>PRESENT OFFER</b>		
	Offer of up to [●] Equity Shares of face value ₹1 each <sup>(2)(4)(5)</sup>	[●]	[●]
	<i>Of which</i>		
	Fresh Issue of up to [●] Equity Shares of face value ₹1 each aggregating up to 5,000 million <sup>(2)(5)</sup>	[●]	[●]
	Offer for Sale of up to 25,050,543 Equity Shares of face value ₹1 each aggregating up to [●] million <sup>(3)</sup>	[●]	[●]
	<i>Which includes;</i>		
	Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ [●] million <sup>(4)</sup>	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>		
	[●] Equity Shares of face value ₹1 each	[●]	-
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer (as on date of this Draft Red Herring Prospectus)		2,190,570,409
	After the Offer		[●]

<sup>(1)</sup> To be included upon finalization of the Offer Price.

<sup>(2)</sup> The Offer has been authorised by our Board pursuant to its resolution dated December 22, 2021 and the Fresh Issue has been approved by our Shareholders pursuant to their resolution dated January 15, 2022.

<sup>(3)</sup> Each of the Selling Shareholders confirms severally and not jointly that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8. Further, each of the Selling Shareholders severally and not jointly confirms that its portion of the Offered Shares is within the thresholds prescribed under Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it. Our Board/IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution at its meeting held on January 15, 2022. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 420.

<sup>(4)</sup> In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 200,000), shall be added to the Net Offer. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date.

<sup>(5)</sup> Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of securities for a cash consideration aggregating up to ₹ 1,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue.

\*For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association in the last 10 years" on page 213.

### Notes to the Capital Structure

#### 1. Share capital history of our Company:

**(a) Equity Share capital**

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment/buy-back of equity shares	Number of equity shares allotted/bought-back	Face value per equity share (₹)	Issue/buy-back price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)
December 14, 1976	2	5,000	5,000.00	Cash	Initial subscription to MoA <sup>(1)</sup>	2	10,000
October 27, 1978	98	5,000	5,000.00	Cash	Further issue <sup>(2)</sup>	100	500,000
April 24, 1981*	100	5,000	5,000.00	N.A.	Bonus issue <sup>(3)</sup>	200	1,000,000
October 29, 1984*	200	5,000	5,000.00	N.A.	Bonus issue <sup>(4)</sup>	400	2,000,000
October 12, 1987*	400	5,000	5,000.00	N.A.	Bonus issue <sup>(5)</sup>	800	4,000,000
April 4, 1997*	800	5,000	5,000.00	N.A.	Bonus issue <sup>(6)</sup>	1,600	8,000,000
March 13, 2001*	(160)	5,000	61,981.00	Cash	Buy-back <sup>(7)</sup>	1440	7,200,000
June 4, 2003	1,440	5,000	5,000.00	Cash	Rights issue <sup>(8)</sup>	2,880	14,400,000
March 11, 2006	The equity shares of our Company were sub-divided into face value of ₹ 100 per equity share of our Company from face value of ₹ 5,000 per equity share. Accordingly, 2,880 issued, subscribed and paid-up equity shares of face value of ₹ 5,000 per equity share were sub-divided into 144,000 equity shares of face value of ₹ 100 per equity share.					144,000	14,400,000
March 17, 2006	2,160	100	100.00	Cash	Preferential allotment <sup>(9)</sup>	146,160	14,616,000
March 17, 2006	2,160	100	100.00	Cash	Preferential allotment <sup>(10)</sup>	148,320	14,832,000
September 30, 2006	14,832	100	100.00	Cash	Preferential allotment <sup>(11)</sup>	163,152	16,315,200
March 30, 2007	13,381	100	1,179.00	Cash	Preferential allotment <sup>(12)</sup>	176,533	17,653,300
March 30, 2007	28,608	100	100.00	Cash	Preferential allotment <sup>(13)</sup>	205,141	20,514,100
April 12, 2007	13,229	100	34,016.18	Cash	Preferential allotment <sup>(14)</sup>	218,370	21,837,000
October 11, 2010	(9,353)	100	25,000.00	Cash	Buy-back <sup>(15)</sup>	209,017	20,901,700
November 15, 2010	The equity shares of our Company were sub-divided into face value of ₹ 10 per equity share of our Company from face value of ₹ 100 per equity share. Accordingly, 209,017 issued, subscribed and paid-up equity shares of face value of ₹ 100 per equity share were sub-divided into 2,090,170 equity shares of face value of ₹ 10 per equity share.					2,090,170	20,901,700
November 10, 2011	125,000	10	1,500.00	Cash	Preferential allotment <sup>(16)</sup>	2,215,170	22,151,700
February 2, 2012	15,000	10	6,600.00	Cash	Preferential allotment <sup>(17)</sup>	2,230,170	22,301,700
February 22, 2012	85,000	10	6,600.00	Cash	Preferential allotment <sup>(18)</sup>	2,315,170	23,151,700
July 16, 2012	50,000	10	6,600.00	Cash	Preferential allotment <sup>(19)</sup>	2,365,170	23,651,700
June 22, 2016	5,000	10	1,605.00	Cash	Preferential allotment <sup>(20)</sup>	2,370,170	23,701,700
June 22, 2016	9,052	10	1,605.00	Cash	Allotment pursuant to FOPL Employee Share Purchase Scheme,	2,379,222	23,792,220

Date of allotment/buy-back of equity shares	Number of equity shares allotted/bought-back	Face value per equity share (₹)	Issue/buy-back price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)
					2016 <sup>(21)</sup>		
September 19, 2016	125,000	10	-	Other than Cash	Share swap pursuant to Scheme of Arrangement <sup>(22)</sup>	2,379,222	23,792,220
October 31, 2017	7,543	10	10.00	Cash	Allotment pursuant to exercise of employee stock options under the ESOP 2016 <sup>(23)</sup>	2,386,765	23,867,650
August 21, 2018	2,863	10	10.00	Cash	Allotment pursuant to exercise of employee stock options under the ESOP 2016 <sup>(24)</sup>	2,389,628	23,896,280
October 15, 2018	88	10	10.00	Cash	Allotment pursuant to exercise of employee stock options under the ESOP 2016 <sup>(25)</sup>	2,389,716	23,897,160
June 19, 2019	15,000	10	8,495.00	Cash	Preferential allotment <sup>(26)</sup>	2,404,716	24,047,160
September 2, 2019	6,299	10	10.00	Cash	Allotment pursuant to exercise of employee stock options under the ESOP 2016 <sup>(27)</sup>	2,411,015	24,110,150
October 12, 2019	12,055,075	10	10.00	N.A.	Bonus issue <sup>(28)</sup>	14,466,090	144,660,900
January 28, 2021	78,654	10	10.00	Cash	Allotment pursuant to exercise of employee stock options under the ESOP 2016 <sup>(29)</sup>	14,544,744	145,447,440
March 25, 2021	189,926	10	733.36	Cash	Allotment pursuant to ESPS 2021 <sup>(30)</sup>	14,734,670	147,346,700
March 30, 2021	1,708	10	733.36	Cash	Allotment pursuant to ESPS 2021 <sup>(31)</sup>	14,736,378	147,363,780
June 8, 2021	The equity shares of our Company were sub-divided into face value of ₹ 1 per Equity Share of our Company from face value of ₹ 10 per equity share. Accordingly, 14,736,378 issued, subscribed and paid-up equity shares of face value of ₹ 10 per equity share were sub-divided into 147,363,780 equity shares of face value of ₹ 1 per equity share.					147,363,780	147,363,780
September 28, 2021	415,695	1	82.28	Cash	Allotment pursuant to the ESPS 2021 <sup>(32)</sup>	147,779,475	147,779,475

\* For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors- Certain of our corporate records and filings with the RoC are not traceable or have discrepancies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 57.

- (1) Allotment of one equity share to Meena Chowdhury and one equity share to Lt. General Harkrishen Sibal.
- (2) Allotment of one equity share to Dr. P.N. Nanda, one equity share to Sita Nanda, two equity shares to Bimla Nanda Bissell, four equity shares to William Nanda Bissell u/g Bimla Nanda Bissell, three equity shares to Monsoon Latane Bissell u/g Bimla Nanda Bissell, 13 equity shares to Lt. General Harkrishen Sibal, 11 equity shares to Meena Chowdhury, three equity shares to Amrita Verma, nine equity shares to Rama Puri, nine equity shares to Madhukar Khera, two equity shares to Fatima Rashid-Al-Talib and Rashid-Al-Talib and 40 equity shares to Fabindia Inc. USA.
- (3) Bonus issue in the ratio 1:1 authorised by the resolution passed by the Board dated April 24, 1981 and our Shareholders through a resolution passed in the AGM/EGM dated August 9, 1980.
- (4) Bonus issue in the ratio 1:1 authorised by the resolution passed by the Board dated October 29, 1984 and our Shareholders through a resolution passed in the AGM/EGM dated March 31, 1984.
- (5) Bonus issue in the ratio 1:1 authorised by the resolution passed by the Board dated October 12, 1987 and our Shareholders through a resolution passed in the AGM/EGM dated April 11, 1987.
- (6) Bonus issue in the ratio 1:1 authorised by the resolution passed by the Board dated April 10, 1997 and our Shareholders through a resolution passed in the AGM/EGM dated August 17, 1996.
- (7) Buy-Back of one equity share each from Madhu Mathur, Amrita Verma, Sudarshan Madhok, Neela Sontaky and Tara Sahney, two equity shares from Jagdish Rai Banga, 57 equity shares from Meena Chowdhury, 53 equity shares from Lt. General Harkrishen Sibal, 16 equity shares from Fatima Rashid-Al-Talib and Rashid-Al-Talib, 13 equity shares from Shaila Chowdhary and 14 equity shares from Rama Puri.
- (8) Allotment of 46 equity shares to Bimla Nanda Bissell, 393 equity shares to William Nanda Bissell, 25 equity shares to Monsoon Latane Bissell, 145 equity shares to Madhukar Khera, eight equity shares to Fatima Rashid-Al-Talib and Rashid-Al-Talib, 640 equity shares to Fabindia Inc. USA, six equity shares to Shaila Chowdhury, three equity shares to Vineet Manocha, three equity shares to J R Banga, one equity share to Chaman Siddique, one equity share to Charu Sharma, one equity share to Madhu Mathur, one equity share to Neela Sontaky, two equity shares to Nikhil Khera, seven equity shares to Saurab N Mehta, 20 equity shares to Indian Finance & Investment Services Private Limited, 20 equity shares to Sunil Chainani, five equity shares to Suraiya Hasan, 113 equity shares to William Nanda Bissell, Trustee of Fabindia Employee Welfare Trust.
- (9) Allotment of 2,160 equity shares to Fabindia Employees Welfare Trust.
- (10) Allotment of 2,160 equity shares to Fabindia Employees Welfare Trust.
- (11) Allotment of 14,832 equity shares to Fabindia Employees Welfare Trust.
- (12) Allotment of 13,381 equity shares to Fabindia Employees Welfare Trust. The amount of ₹100 per share (including ₹92 as premium) was received by the Company as application money on the date of allotment, towards partly paid-up equity shares and the remaining ₹1,079 per share (including ₹987 as premium) was received by the Company and such equity shares were made fully paid-up on April 5, 2007.
- (13) Allotment of 25,641 equity shares to William Nanda Bissell and 2,967 equity shares to Sunil Chainani.
- (14) Allotment of 13,229 equity shares to WCP Mauritius Holding.
- (15) Buy-Back of 100 equity shares from Vineet Minocha, 83 equity shares from Seema Jain, 85 equity shares from Raja Ghosh, seven equity shares from Meenal Babbar, 77 equity shares from Albert Ian Rigo, 20 equity shares from Neela Sontakay, 50 equity shares from Pooja Bhalla, 30 equity shares from Mira Gupta, 106 equity shares from Rani Brar, 100 equity shares from Fatima Rashid-Al-Talib and Rashid-Al-Talib, 20 equity shares from Aneeta Shah, 137 equity shares Kaveri Cariappa, 14 equity shares from Monika Batra, 11 equity shares from Saiba Suri, 120 equity shares from Rohit Agrawala, 180 equity shares from Radhika Chhabra, nine equity shares from Nisha Sharma, six equity shares from Meghna Zutshi, 125 equity shares from Archana Nandal, 37 equity shares from Poonam Singh Chauhan, 20 equity shares from Prateek Singh, 150 equity shares from Anjana Batra, 19 equity shares from Parinita Ranpal, 15 equity shares Richa Joshi, 150 equity shares Aman Chowdhary, 76 equity shares from Soma Sen, 75 equity shares from Gitanjali Saihgal, 19 equity shares from Anita Duggal, 22 equity shares from Amir Z. Singh Pasrich, 25 equity shares from Madhu Mathur, three equity shares from Nikita Mathur, 100 equity shares from k. Prakash, 20 equity shares from Arati Kohli, 32 equity shares from Swati Singh, 100 equity shares from Shakti Bhandary, 1200 equity shares from Charu Sharma, 300 equity shares from Mala A. Malhotra, four equity shares from Jashwant Purohit, 20 equity shares from Ashish Grover, 1700 equity shares Rama Puri, 20 equity shares from Unnikrishan C, 80 equity shares from Meena Sharma, four equity shares from Aparna Kaul Datta, 11 equity shares Shraddha Pandey, 855 equity shares from Anita Thapar Kathpalia, 582 equity shares from Damini Narain, 10 equity shares from Sanjay Kumar Pandey, 368 equity shares from Shipla Sharma, 118 equity shares from Samapti Shah, 38 equity shares from Punam H. Singh, 75 equity shares from Anuradha Kumra, 16 equity shares from Shivam Nathan, 42 equity shares from Sudarshan Madhok, 87 equity shares from Anuradha Iyer, 550 equity shares from Meena Chowdhary, 10 equity shares from Soumitra Sen Gupta, 22 equity shares from Sujata Absar, six equity shares from Meenakshi Singh, 28 equity shares from Ria Patel, 14 equity shares from Sandhya Sakhuja, 100 equity shares Monisha Gupta, five equity shares from Kavita Joshi, 18 equity shares from Diltaj Grewal, 17 equity shares from Rajni Srivastava, 450 equity shares from Jagdish Rai Banga, 400 equity shares from Smita Mankad, 40 equity shares from R. Sujatha and 20 equity shares from Renu Kalevar.
- (16) Allotment of 125,000 equity shares to Fabindia Franchise & Consulting Private Limited. An amount of ₹15 per share (including ₹14 as premium) was received by the Company as application money on the date of allotment, towards partly paid-up equity shares and the remaining ₹1,485 per share (including ₹1,476 as premium) was received by the Company in two calls and such equity shares were made fully paid-up on March 19, 2015.
- (17) Allotment of 15,000 equity shares to WCP Mauritius Holding.
- (18) Allotment of 85,000 equity shares to PI Opportunities Fund I.
- (19) Allotment of 50,000 equity shares to PI Opportunities Fund I.
- (20) Allotment of 5,000 equity shares to Subrata Dutta - Executive Trustee, Fabindia Employees Welfare Trust
- (21) Allotment of 9,052 equity shares to 85 eligible employees of our Company under Fabindia Overseas Private Limited Employee Share Purchase Scheme 2016.
- (22) Allotment of 125,000 equity shares to 91 shareholders of AHIPL Management Consulting Private Limited ("AHIPL") in the swap ratio of one equity share of our Company against every 100 equity shares of AHIPL, pursuant to order of Hon'ble High Court of Delhi dated August 12, 2016. Further, 125,000 equity shares held by AHIPL in our Company were cancelled due to which there was no change in total issued, subscribed and paid-up share capital of the Company. For further details, see "History and Certain Corporate Matters" beginning on page 212.
- (23) Allotment of 7,543 equity shares to 95 eligible employees of our Company under Fabindia Overseas Private Limited Employee Stock Option Plan 2016.
- (24) Allotment of 2,863 equity shares to 95 eligible employees of our Company under Fabindia Overseas Private Limited Employee Stock Option Plan 2016.

- (25) Allotment of 88 equity shares to six eligible employees of our Company under Fabindia Overseas Private Limited Employee Stock Option Plan 2016.
- (26) Allotment of 15,000 equity shares to Ms. Bimla Nanda Bissell.
- (27) Allotment of 6,299 equity shares to 112 eligible employees of our Company under Fabindia Overseas Private Limited Employee Stock Option Plan 2016.
- (28) Bonus issue in the ratio 5:1 authorised by our Shareholders through a resolution passed in the EGM dated October 1, 2019.
- (29) Allotment of 78,654 equity shares to 1,158 eligible employees of our Company under Fabindia Overseas Private Limited Employee Stock Option Plan 2016.
- (30) Allotment of 189,926 equity shares to Poonam Singh Chauhan jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan (Designated Trustees of Fabindia Overseas Private Limited Employees Benefit Trust) under Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021.
- (31) Allotment of 1,708 equity shares to Poonam Singh Chauhan jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan (Designated Trustees of Fabindia Overseas Private Limited Employees Benefit Trust) under Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021.
- (32) Allotment of 415,695 equity shares to Poonam Singh Chauhan jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan, Designated Trustees of FOPL Employees Benefit Trust under Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021.

Pursuant to shareholders' resolution dated March 9, 2021 and the resolution passed by our Board dated January 15, 2022, our Company has approved the issuance and allotment of 1,35,135 Equity Shares to FOPL Employees Benefit Trust ("**ESPS Trust**") under the ESPS 2021. The allotment of Equity Shares to the ESPS Trust will be completed subsequent to the filing of this Draft Red Herring Prospectus with SEBI and completed prior to filing of the Red Herring Prospectus and relevant details, including the updated share capital of our Company shall be updated in the Red Herring Prospectus.

**(b) Preference share capital**

Our Company has not issued any preference shares as on the date of the filing of this Draft Red Herring Prospectus.

**(c) Shares issued for consideration other than cash or out of revaluation reserves**

- (i) Our Company has not issued any shares out of revaluation of reserves since its incorporation.
- (ii) Except for the allotment of 125,000 equity shares on September 19, 2016, as disclosed at "*Notes to the Capital Structure - Share capital history of our Company - Equity Share capital*" on page 94, our Company has not issued any Equity Shares for consideration other than cash.
2. Except for the allotment of 125,000 equity shares on September 19, 2016 as disclosed at "*Notes to the Capital Structure - Share capital history of our Company - Equity Share capital*" on page 94, our Company has not issued or allotted any equity shares pursuant to schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable. For details of the Scheme of Arrangement, refer "*History and Certain Corporate Matters*" on page 212.
3. Except as disclosed below, our Company has not issued any equity shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason for allotment	Whether part of Promoter Group
January 28, 2021	78,654	10	10.00	Allotment pursuant to exercise of employee stock options under the ESOP 2016 <sup>(1)</sup>	No
March 25, 2021	189,926	10	733.36	Allotment pursuant to the ESPS 2021 <sup>(2)</sup>	No
March 30, 2021	1,708	10	733.36	Allotment pursuant to the ESPS 2021 <sup>(3)</sup>	No
September 28, 2021	415,695	1	82.28	Allotment pursuant to the ESPS 2021 <sup>(4)</sup>	No

(1) Allotment of 78,654 equity shares to 1,158 eligible employees of our Company under Fabindia Overseas Private Limited Employee Stock Option Plan 2016.

(2) Allotment of 189,926 equity shares to Poonam Singh Chauhan jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan (Designated Trustees of Fabindia Overseas Private Limited Employees Benefit Trust) under Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021.

- (3) *Allotment of 1,708 equity shares to Poonam Singh Chauhan jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan (Designated Trustees of Fabindia Overseas Private Limited Employees Benefit Trsut) under Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021.*
- (4) *Allotment of 415,695 equity shares to Poonam Singh Chauhan jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan, Designated Trustees of FOPL Employees Benefit Trust under Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021.*

#### 4. Shareholding pattern of our Company

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of partly paid-up equity shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others									
(A)	Promoters and Promoter Group	12	81,365,070	-	-	81,365,070	55.06	81,365,070	-	81,365,070	55.06	-	-	-	-	-	-	81,012,080
(B)	Public	1,526	64,082,370	-	-	64,082,370	43.36	64,082,370	-	64,082,370	43.36	-	-	-	-	-	-	60,294,220
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	1	2,332,035 <sup>*</sup>	-	-	2,332,035	1.58	2,332,035	-	2,332,035	1.58	-	-	-	-	-	-	2,332,035
	<b>Total</b>	<b>1,539</b>	<b>147,779,475<sup>*</sup></b>	<b>-</b>	<b>-</b>	<b>147,779,475</b>	<b>100</b>	<b>147,779,475</b>	<b>-</b>	<b>147,779,475</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,638,335</b>

<sup>\*</sup>Pursuant to shareholders' resolution dated March 9, 2021 and the resolution passed by our Board dated January 15, 2022, our Company has approved the issuance and allotment of 1,35,135 Equity Shares to FOPL Employees Benefit Trust ("ESPS Trust") under the ESPS 2021. The allotment of Equity Shares to the ESPS Trust will be completed subsequent to the filing of this Draft Red Herring Prospectus with SEBI and completed prior to filing of the Red Herring Prospectus and relevant details, including the updated share capital of our Company shall be updated in the Red Herring Prospectus.



## 5. Other details of shareholding of our Company

- a) As on the date of filing of this Draft Red Herring Prospectus, our Company has 1,539 Shareholders.
- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as on January 19, 2022.

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹1 each on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	JLB Partners Holding Inc. (Formerly JLB Canton LLC)	32,438,160	21.95
2.	PI Opportunities Fund I	30,106,560	20.37
3.	William Nanda Bissell	23,001,400	15.56
4.	Bimla Nanda Bissell	12,214,970	8.27
5.	Madhukar Khera	8,875,080	6.01
6.	Sunil Chainani jointly with Kiran Chainani	6,231,720	4.22
7.	Monsoon Latane Bissell	2,733,000	1.85
8.	Prazim Trading and Investment Company Private Limited	2,730,420	1.85
9.	Poonam Singh Chauhan Jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan Designated Trustees of FOPL Employees Benefit Trust	2,332,035	1.58
10.	Axis New Opportunities AIF-I	2,252,280	1.52
11.	Bajaj Holdings And Investment Limited	2,252,280	1.52
12.	India 2020 Fund II, Limited	2,141,280	1.45
13.	Charu Sharma	2,008,920	1.36
<b>TOTAL</b>		<b>129,318,105</b>	<b>87.51</b>

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹1 each on a fully diluted basis	Percentage of Equity Share capital on a fully diluted basis (%)
1.	JLB Partners Holding Inc. (Formerly JLB Canton LLC)	32,438,160	21.95
2.	PI Opportunities Fund - I	30,106,560	20.37
3.	William Nanda Bissell	23,001,400	15.56
4.	Bimla Nanda Bissell	12,214,970	8.27
5.	Madhukar Khera	8,875,080	6.01
6.	Sunil Chainani (Jointly with Kiran Chainani)	6,231,720	4.22
7.	Monsoon Latane Bissell	2,733,000	1.85
8.	Prazim Trading and Investment Company Private Limited	2,730,420	1.85
9.	Poonam Singh Chauhan Jointly with Rajendran Kavil Poduvattil Achutan and Lalitha Raghavan Designated Trustees of FOPL Employees Benefit Trust	2,332,035	1.58
10.	Axis New Opportunities AIF-I	2,252,280	1.52
11.	Bajaj Holdings And Investment Limited	2,252,280	1.52
12.	India 2020 Fund II, Limited	2,141,280	1.45
13.	Charu Sharma	2,008,920	1.36
<b>Total</b>		<b>129,318,105</b>	<b>87.51</b>

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date one year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each on a fully diluted basis	Percentage of the Equity Share capital on a fully diluted basis (%)
1.	JLB Partners Holding Inc. (Formerly JLB Canton LLC)	3,243,816	22.42
2.	PI Opportunities Fund - I	3,010,656	20.81
3.	William Nanda Bissell	2,300,140	15.90
4.	Bimla Nanda Bissell	1,221,542	8.44
5.	Madhukar Khera	887,508	6.14
6.	Sunil Chainani (Jointly with Kiran Chainani)	625,122	4.32
7.	Monsoon Latane Bissell	273,300	1.89
8.	Prazim Trading and Investment Company Private Limited (Formerly Meadows Consulting Services Private Limited)	273,042	1.89
9.	Bajaj Holdings and Investment Ltd	225,228	1.56
10.	Axis New Opportunities AIF-1	225,228	1.56
11.	India 2020 Fund II, Limited	214,128	1.48
12.	Charu Sharma	200,892	1.39
<b>Total</b>		<b>12,700,602</b>	<b>87.80</b>

- e) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each on a fully diluted basis	Percentage of the Equity Share capital on a fully diluted basis (%)
1.	William Nanda Bissell	3,280,140	22.67
2.	JLB Partners Holding Inc. (Formerly JLB Canton LLC)	3,243,816	22.42
3.	PI Opportunities Fund - I	3,010,656	20.81
4.	Madhukar Khera	887,508	6.14
5.	Sunil Chainani (Jointly with Kiran Chainani)	625,122	4.32
6.	Monsoon Latane Bissell	273,300	1.89
7.	Prazim Trading and Investment Company Private Limited (Formerly Meadows Consulting Services Private Limited)	273,042	1.89
8.	Bimla Nanda Bissell	241,542	1.67
9.	Bajaj Holdings and Investment Ltd	225,228	1.56
10.	Axis New Opportunities AIF-1	225,228	1.56
11.	India 2020 Fund II, Limited	214,128	1.48
12.	Charu Sharma	200,892	1.39
<b>Total</b>		<b>12,700,602</b>	<b>87.80</b>

#### 6. Details of Shareholding of our Promoters, members of the Promoter Group in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold 79,262,610 Equity Shares, equivalent to 53.64% of the issued, subscribed and paid-up equity share capital of our Company.

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below.

William Nanda Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)

William Nanda Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
October 27, 1978	Further issue	4	Cash	5,000	5,000	0.01%	[●]
April 24, 1981	Bonus issue	4	Nil	5,000	Nil	0.03%	[●]
October 29, 1984	Bonus issue	8	Nil	5,000	Nil	0.05%	[●]
October 12, 1987	Bonus issue	16	Nil	5,000	Nil	0.11%	[●]
April 10, 1997	Bonus issue	32	Nil	5,000	Nil	0.22%	[●]
January 10, 2003	Share transfer	73	Cash	5,000	5,000	0.46%	[●]
June 4, 2003	Rights issue	137	Cash	5,000	5,000	0.93%	[●]
June 4, 2003	Rights issue	256	Cash	5,000	5,000	1.79%	[●]
March 11, 2006	Subdivision of 530 equity shares of face value of ₹ 5000 to 26,500 equity shares of ₹ 100 each	26,500	Nil	100	Nil	1.79%	[●]
June 23, 2006	Transfer from Fabindia Employee Welfare Trust	2,160	Cash	100	100	1.94%	[●]
June 23, 2006	Shares acquired from individual shareholders	1,669	Cash	100	8,350	2.05%	[●]
March 30, 2007	Preferential allotment	25,641	Cash	100	100	3.79%	[●]
December 22, 2008	Shares acquired from General Harkrishen Sibal	200	Cash	100	12,200	3.80%	[●]
August 21, 2009	Shares acquired from individual shareholders	534	Cash	100	14,500	3.84%	[●]
January 18, 2010	Shares acquired from individual shareholders	250	Cash	100	13,700	3.85%	[●]
August 3, 2010	Shares acquired from Vandana Malik	700	Cash	100	9,592	3.90%	[●]
August 20, 2010	Gift from Vijay Kumar Kapoor	3,000	Nil	100	Nil	4.10%	[●]
November 15, 2010	Subdivision of 60,654 equity shares of face value ₹ 100 to 606,540 equity shares of face value ₹ 10 each	606,540	Nil	10	Nil	4.10%	[●]
February 22, 2012	Transfer to WCP Mauritius Holdings	(9,000)	Cash	10	6,600	4.04%	[●]
February 22, 2012	Transfer to PI Opportunities Fund I	(11,443)	Cash	10	6,600	3.97%	[●]
February 27, 2012	Transfer to WCP Mauritius Holdings	(10,000)	Cash	10	6,660	3.90%	[●]
September 7, 2012	Transfer to WCP Mauritius Holdings	(8,557)	Cash	10	6,600	3.84%	[●]
September 17, 2012	Transfer to PI Opportunities Fund I	(5,000)	Cash	10	6,600	3.81%	[●]
September 24, 2012	Transfer to PI Opportunities Fund I	(6,706)	Cash	10	6,600	3.76%	[●]

William Nanda Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
September 16, 2013	Shares acquired from individual shareholders	200	Cash	10	7,600	3.76%	[●]
September 10, 2014	Shares acquired from Fabindia Employees Welfare Trust	13,500	Cash	10	120	3.85%	[●]
November 11, 2014	Shares acquired from Albert Ian Rigo	156	Cash	10	8,300	3.86%	[●]
November 18, 2014	Shares acquired from Charu Belle	139	Cash	10	8,300	3.86%	[●]
November 18, 2014	Shares acquired from Raja Ghosh	10	Cash	10	8,300	3.86%	[●]
November 18, 2014	Shares acquired from Shakti Bhandary	100	Cash	10	8,300	3.86%	[●]
November 19, 2014	Shares acquired from Chaman Siddiqui	156	Cash	10	8,300	3.86%	[●]
November 19, 2014	Shares acquired from Ruchira Puri	243	Cash	10	8,300	3.86%	[●]
December 11, 2014	Shares acquired from individual shareholders	196	Cash	10	8,300	3.86%	[●]
September 23, 2016	Transfer to Anjali Kapoor Bissell	(6,000)	Gift	10	Nil	3.82%	[●]
December 30, 2016	Transfer to India 2020 Fund-II	(17,844)	Cash	10	18,500	3.70%	[●]
October 12, 2019	Bonus issue	2,733,450	Nil	10	Nil	22.20%	[●]
October 5, 2020	Transfer to Bimla Nanda Bissell by way of gift	(980,000)	Gift	10	Nil	15.56%	[●]
June 8, 2021	Sub division of 2,300,140 equity shares of face value ₹10 each to 23,001,400 of ₹ 1 each	23,001,400	Nil	1	Nil	15.56%	[●]
<b>Total</b>		<b>23,001,400</b>				<b>15.56%</b>	

Bimla Nanda Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
October 27, 1978	Further issue	2	Cash	5,000	5,000	0.01%	[●]
April 24, 1981	Bonus issue	2	Nil	5,000	Nil	0.01%	[●]
October 29, 1984	Bonus issue	4	Nil	5,000	Nil	0.03%	[●]
October 12, 1987	Bonus issue	8	Nil	5,000	Nil	0.05%	[●]

Bimla Nanda Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
July 11, 1988	Transfer from Sita Nanda	6	Cash	5,000	5,000	0.07%	[●]
July 11, 1988	Transfer from General Harkrishen Sibal	6	Cash	5,000	5,000	0.09%	[●]
April 10, 1997	Bonus issue	28	Nil	5,000	Nil	0.19%	[●]
November 7, 1997	Transfer from General Harkrishen Sibal	16	Cash	5,000	5,000	0.24%	[●]
May 20, 2000	Transmission from Sita Nanda after death	20	Nil	5,000	Nil	0.31%	[●]
June 4, 2003	Rights issue	46	Cash	5,000	5,000	0.47%	[●]
February 26, 2004	Transfer to Sara Kamla Bissell	(2)	Gift	5,000	Nil	0.46%	[●]
March 11, 2006	Subdivision of 136 equity shares of face value ₹ 5000 each to 6,800 equity shares of face value ₹ 100 each	6,800	Nil	100	Nil	0.46%	[●]
June 23, 2006	Transfer to Vijai Kapoor	(100)	Cash	100	8,350	0.45%	[●]
June 23, 2006	Transfer to Monsoon Latane Bissell	(200)	Cash	100	8,350	0.44%	[●]
February 17, 2009	Transfer to Master John Varun Bissell*	(2)	Gift	100	Nil	0.44%	[●]
August 21, 2009	Transfer to Madhukar Khera	(200)	Cash	100	14,500	0.43%	[●]
November 15, 2010	Subdivision of 6298 equity shares of face Value ₹ 100 each to 62,980 equity shares of face value ₹ 10 each	62,980	Nil	10	Nil	0.43%	[●]
December 10, 2010	Transfer to Monsoon Latane Bissell	(2,500)	Gift	10	Nil	0.41%	[●]
December 10, 2010	Transfer to Sara Kamla Bissell	(300)	Gift	10	Nil	0.41%	[●]
December 10, 2010	Transfer to Master John Varun Bissell*	(300)	Nil	10	Nil	0.41%	[●]
February 14, 2012	Transfer to WCP Mauritius Holdings	(16,000)	Cash	10	6,600	0.30%	[●]
February 22, 2012	Transfer to PI Opportunities Fund - I	(14,000)	Cash	10	6,600	0.20%	[●]
August 24, 2016	Transfer to NRJN Family Trust <sup>&amp;</sup>	(6,000)	Cash	10	18,500	0.16%	[●]
September 19, 2016	Share swap pursuant to Scheme of Arrangement	1,377	Nil	10	-	0.17%	[●]

Bimla Nanda Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
June 19, 2019	Preferential allotment	15,000	Cash	10	8,495	0.27%	[●]
October 12, 2019	Bonus issue	201,285	Nil	10	Nil	1.63%	[●]
October 5, 2020	Transfer by William Nanda Bissell	980,000	Gift	10	Nil	8.27%	[●]
June 8, 2021	Sub-Division of 1,221,542 equity shares of face value ₹ 10 each to 12,215,420 equity shares of face value ₹ 1 each	12,215,420	Nil	1	Nil	8.27%	[●]
November 1, 2021	Transfer to Mallika Khurana by way of gift	(400)	Nil	1	Nil	8.27%	[●]
November 1, 2021	Transfer to Renuka Raj Singh by way of gift	(50)	Nil	1	Nil	8.27%	[●]
	<b>Total</b>	<b>12,214,970</b>				<b>8.27%</b>	<b>[●]</b>

\* Master John Varun Bissell is a minor and his shareholding is held under the natural guardianship of William Nanda Bissell.

\*Held through its corporate trustee, Entrust Family Office Legal and Trusteeship Services Private Limited

Monsoon Latane Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
October 27, 1978	Further issue	3	Cash	5,000	5,000	0.01%	[●]
April 24, 1981	Bonus issue	3	Nil	5,000	Nil	0.02%	[●]
October 29, 1984	Bonus issue	6	Nil	5,000	Nil	0.04%	[●]
October 12, 1987	Bonus issue	12	Nil	5,000	Nil	0.08%	[●]
June 28, 1991	Transfer	1	Cash	5,000	5,000	0.08%	[●]
April 10, 1997	Bonus issue	25	NA	5,000	-	0.17%	[●]
June 4, 2003	Rights issue	25	Cash	5,000	5,000	0.25%	[●]
March 11, 2006	Subdivision of 75 equity shares of face value ₹ 5000 each to 3,750 equity shares of face value ₹. 100 each	3,750	Nil	100	Nil	0.25%	[●]
June 23, 2006	Shares acquired from Shama Ara	32	Cash	100	8,350	0.26%	[●]
June 23, 2006	Shares acquired from Bimla Nanda Bissell	200	Cash	100	8,350	0.27%	[●]
June 23, 2006	Shares acquired from Meena Choudhary	150	Cash	100	8,350	0.28%	[●]
June 23, 2006	Shares acquired from Soma Sen	30	Cash	100	8,350	0.28%	[●]

Monsoon Latane Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
July 11, 2007	Shares acquired from Kavita Joshi	7	Cash	100	10,800	0.28%	[●]
July 11, 2007	Shares acquired from Gitanjali Saihgal	29	Cash	100	10,800	0.28%	[●]
January 21, 2008	Shares acquired from Diltaj Garewal	47	Cash	100	11,800	0.29%	[●]
March 29, 2008	Shares acquired from Rajni Sehgal	143	Cash	100	11,800	0.30%	[●]
March 29, 2008	Shares acquired from Kathir Kaman	21	Cash	100	13,650	0.30%	[●]
March 29, 2008	Shares acquired from Sushila Mulani	54	Cash	100	13,650	0.30%	[●]
March 29, 2008	Shares acquired from Manu Hjasija	38	Cash	100	13,650	0.30%	[●]
December 22, 2008	Shares acquired from Meena Choudhary	72	Cash	100	12,200	0.31%	[●]
August 21, 2009	Shares acquired from Aparna Kaul Datta	100	Cash	100	14,500	0.32%	[●]
January 18, 2010	Shares acquired from Punam H. Singh	192	Cash	100	13,700	0.33%	[●]
November 15, 2010	Subdivision of 4,865 equity shares of face value ₹ 100 to 48,650 equity shares of face value ₹ 10 each	48,650	Nil	10	Nil	0.33%	[●]
December 10, 2010	Shares acquired from Bimla Nanda Bissell by way of gift	2,500	Nil	10	10	0.35%	[●]
February 22, 2012	Transfer to PI Opportunities Fund - I	(10,000)	Cash	10	6,600	0.28%	[●]
September 24, 2012	Transfer to PI Opportunities Fund - I	(958)	Cash	10	6,600	0.27%	[●]
November 10, 2014	Shares acquired from Sunil Kumar Rautela	28	Cash	10	8,300	0.27%	[●]
December 11, 2014	Shares acquired from Shraddha Pandey	200	Cash	10	8,300	0.27%	[●]
December 8, 2016	Share acquired from K Prakash	180	Cash	10	18,500	0.27%	[●]
December 9, 2016	Shares acquired from Aman Choudhary	300	Cash	10	18,500	0.28%	[●]
December 22, 2017	Shares acquired from Soumitra Sengupta	115	Cash	10	21,000	0.28%	[●]

Monsoon Latane Bissell							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
December 26, 2017	Shares acquired from Charu Sharma	2,035	Cash	10	21,000	0.29%	[●]
October 31, 2018	Share acquired from Kuldeep Sharma	32	Cash	10	21,000	0.29%	[●]
October 31, 2018	Shares acquired from Shakti Bhandary	25	Cash	10	21,000	0.29%	[●]
October 31, 2018	Shares acquired from Avian Management Consultants Private Limited	10	Cash	10	21,000	0.29%	[●]
November 2, 2018	Shares acquired from Sudha Ahmad	11	Cash	10	21,000	0.29%	[●]
November 2, 2018	Shares acquired from Supriya Dey	27	Cash	10	21,000	0.29%	[●]
November 2, 2018	Shares acquired from Ria Patel	5	Cash	10	21,000	0.29%	[●]
November 2, 2018	Shares acquired from Shaila Tyagi	29	Cash	10	21,000	0.29%	[●]
November 2, 2018	Shares acquired from Ashish Tiwari	10	Cash	10	21,000	0.29%	[●]
November 5, 2018	Shares acquired from Aman Choudhary	100	Cash	10	21,000	0.29%	[●]
November 5, 2018	Shares acquired from Sumit Arora	72	Cash	10	21,000	0.29%	[●]
November 5, 2018	Shares acquired from Shivam Nathan	120	Cash	10	21,000	0.29%	[●]
November 27, 2018	Share acquired from Ramu Chandrashekhar Iyer	259	Cash	10	21,000	0.30%	[●]
November 27, 2018	Shares acquired from Sunil Kumar Rautela	100	Cash	10	21,000	0.30%	[●]
January 2, 2019	Shares acquired from Sujata Absar	200	Cash	10	21,000	0.30%	[●]
January 7, 2019	Shares acquired from IFIS Corporate Advisory Services Private Limited	1,500	Cash	10	21,000	0.31%	[●]
October 12, 2019	Bonus issue	227,750	Nil	10	Nil	1.85%	[●]
June 8, 2021	Subdivision of 273,300 equity shares of face value ₹ 10 to 2,733,000 equity shares of face value ₹ 1 each	2,733,000	Nil	1	Nil	1.85%	[●]
<b>Total</b>		<b>2,733,000</b>				<b>1.85%</b>	<b>[●]</b>



Madhukar Khera							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
October 27, 1978	Further issue	9	Cash	5,000	5,000	0.03%	[●]
April 24, 1981	Bonus issue	9	Nil	5,000	Nil	0.06%	[●]
October 29, 1984	Bonus issue	18	Nil	5,000	Nil	0.12%	[●]
October 12, 1987	Bonus issue	36	Nil	5,000	Nil	0.24%	[●]
April 10, 1997	Bonus issue	72	Nil	5,000	Nil	0.49%	[●]
January 10, 2003	Shares acquired	73	Cash	5,000	5,000	0.73%	[●]
June 4, 2003	Rights issue	145	Cash	5,000	5,000	1.22%	[●]
March 11, 2006	Subdivision of 362 equity shares of face value ₹ 5,000 each to 18,100 equity shares of face value ₹ 100 each	18,100	Nil	100	Nil	1.22%	[●]
June 23, 2006	Shares acquired from individual shareholders	1,500	Cash	100	8,350	1.33%	[●]
July 11, 2007	Shares acquired from Rasheed Al Talib & Fatima Rasheed Al Talib	168	Cash	100	10,800	1.34%	[●]
September 1, 2007	Transfer to Madhukar Kher & Mitali Khera	(1,832)	Nil	100	Nil	1.21%	[●]
December 22, 2008	Shares acquired from Aman choudhary	200	Cash	100	12,200	1.23%	[●]
August 21, 2009	Shares acquired from Bimla Nanda Bissell	200	Cash	100	14,500	1.24%	[●]
November 15, 2010	Subdivision of 18,336 equity shares of face value ₹ 100 each to 183,360 equity shares of face value ₹ 10 each	183,360	Nil	10	Nil	1.24%	[●]
November 30, 2011	Transfer from Madhukar Khera and Mitali Khera	23,940	Cash	10	10	1.40%	[●]
February 22, 2012	Transfer to WCP Mauritius Holdings	(12,500)	Cash	10	6,600	1.32%	[●]
February 22, 2012	Share transfer to PI Opportunities Fund - I	(21,462)	Cash	10	6,600	1.17%	[●]
July 25, 2012	Transfer to PI Opportunities Fund - I	(3,298)	Cash	10	6,600	1.15%	[●]
September 7, 2012	Transfer to WCP Mauritius Holdings	(12,477)	Cash	10	6,600	1.07%	[●]
September 17, 2012	Transfer to PI Opportunities Fund - I	(891)	Cash	10	6,600	1.06%	[●]
September 24, 2012	Transfer to PI Opportunities Fund - I	(3,831)	Cash	10	6,600	1.03%	[●]

Madhukar Khera							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
November 10, 2014	Shares acquired from Albert Ian Rigo	70	Cash	10	8,300	1.03%	[●]
November 10, 2014	Shares acquired from Saveen Sharma	430	Cash	10	8,300	1.04%	[●]
November 10, 2014	Shares acquired from Shivam Nathan	125	Cash	10	8,300	1.04%	[●]
November 10, 2014	Shares acquired from Shivam Nathan	5	Cash	10	8,300	1.04%	[●]
November 11, 2014	Shares acquired from Aartee Roy	213	Cash	10	8,300	1.04%	[●]
November 18, 2014	Shares acquired from Aartee Roy	27	Cash	10	8,300	1.04%	[●]
August 11, 2016	Shares Transfer to Rohini Nilekani	(6,000)	Cash	10	18,500	1.00%	[●]
September 19, 2016	Shares swap pursuant to Scheme of Arrangement	207	Nil	10	-	1.00%	[●]
October 12, 2019	Bonus issue	739,590	Nil	10	Nil	6.01%	[●]
June 8, 2021	Subdivision of 887,508 equity shares of face value ₹ 10 each to 8,875,080 equity shares of face value ₹ 1 each	8,875,080	Nil	1	Nil	6.01%	[●]
	<b>Total</b>	<b>8,875,080</b>				<b>6.01%</b>	<b>[●]</b>

JLB Partners Holdings Inc.							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
October 27, 1978	Further issue	40	Cash	5,000	5,000	0.14%	[●]
April 24, 1981	Bonus issue	40	Nil	5,000	Nil	0.27%	[●]
October 29, 1984	Bonus issue	80	Nil	5,000	Nil	0.54%	[●]
October 12, 1987	Bonus issue	160	Nil	5,000	Nil	1.08%	[●]
April 10, 1997	Bonus issue	320	Nil	5,000	Nil	2.17%	[●]
June 4, 2003	Rights issue	640	Cash	5,000	5,000	4.33%	[●]
March 11, 2006	Subdivision of 1,280 equity shares of face value ₹ 5000 to 64,000 equity shares of face value ₹ 100 each	64,000	Nil	100	Nil	4.33%	[●]
November 12, 2007	Shares acquired from Pooja Bhalla	69	Cash	100	10,800	4.34%	[●]
November 12, 2007	Shares	161	Cash	100	10,800	4.35%	[●]

JLB Partners Holdings Inc.							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
	acquired from Dilpreet Sokhi Singh						
November 12, 2007	Shares acquired from Dilpreet Sokhi Singh	118	Cash	100	10,800	4.35%	[●]
November 12, 2007	Shares acquired from Charu Sharma	100	Cash	100	10,800	4.36%	[●]
November 12, 2007	Shares acquired from Lt. General Harkrishen Sibal	100	Cash	100	10,800	4.37%	[●]
November 15, 2010	Subdivision of 64,548 equity shares of face Value ₹ 100 to 645,480 equity shares of face value ₹ 10 each	645,480	Nil	10	Nil	4.37%	[●]
June 15, 2011	Shares acquired from Meena Chowdhury	1,000	Cash	10	12,200	4.37%	[●]
June 15, 2011	Shares acquired from Shilpa Sharma	2,500	Cash	10	14,500	4.39%	[●]
June 15, 2011	Shares acquired from Suraiya Hasan	2,000	Cash	10	14,500	4.41%	[●]
June 15, 2011	Shares acquired from Saurabh N Mehta	3,500	Cash	10	13,700	4.43%	[●]
June 15, 2011	Shares acquired from Damini Narain	1,500	Cash	10	13,700	4.44%	[●]
July 29, 2011	Shares acquired from Shaila Chowdhury	2,000	Cash	10	12,200	4.45%	[●]
July 29, 2011	Shares acquired from Gitanjali Sehgal	500	Cash	10	14,500	4.46%	[●]
September 7, 2012	Transfer to WCP Mauritius Holdings	(55,000)	Cash	10	6,600	4.08%	[●]
September 17, 2012	Transfer to WCP Mauritius Holdings	(45,000)	Cash	10	6,600	3.78%	[●]
November 30, 2016	Transfer to India 2020 Fund-II Limited	(17,844)	Cash	10	18,500	3.66%	[●]

JLB Partners Holdings Inc.							
Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital	Percentage of the post- Offer capital (%)
October 12, 2019	Bonus issue	2,703,180	Nil	10	Nil	21.95%	[●]
June 8, 2021	Sub-division of 3,243,816 equity shares of face value ₹ 10 each to 32,438,160 equity shares of face value ₹ 1 each	32,438,160	Nil	1	Nil	21.95%	[●]
	<b>Total</b>	<b>32,438,160</b>				<b>21.95%</b>	<b>[●]</b>

The details of the shareholding of our Promoters, as on the date of the Draft Red Herring Prospectus, are set forth in the table below:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹1 each	Percentage of the pre- Offer Equity Share Capital (%)	Percentage of the post- Offer Equity Share Capital (%)
1.	Bimla Nanda Bissell	12,214,970	8.27	[●]
2.	William Nanda Bissell	23,001,400	15.56	[●]
3.	Monsoon Latane Bissell	2,733,000	1.85	[●]
4.	Madhukar Khera	8,875,080	6.01	[●]
5.	JLB Partners Holding Inc.	32,438,160	21.95	[●]
	<b>Total</b>	<b>79,262,610</b>	<b>53.64</b>	<b>[●]</b>

The entire shareholding of our Promoters is in dematerialised form as of the date of this Draft Red Herring Prospectus.

Except as disclosed below, the members of the Promoter Group (other than our Promoters) do not hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Offer equity share capital (%)	Percentage of the post- Offer Equity Share Capital (%)
1.	Anjali Kapoor Bissell	1,377,420	0.93	[●]
2.	Sara Kamla Bissell	130,200	0.09	[●]
3.	Master John Varun Bissell*	19,200	0.01	[●]
4.	Vijai Kumar Kapoor	61,260	0.04	[●]
5.	Mini Kapoor	144,000	0.10	[●]
6.	Nikhil Khera	336,360	0.23	[●]
7.	Meena Rajbir Singh	34,020	0.02	[●]
	<b>Total</b>	<b>2,102,460</b>	<b>1.42</b>	<b>[●]</b>

\* Master John Varun Bissell is a minor and his shareholding is held under the natural guardianship of William Nanda Bissell.

## 7. Details of Promoter's contribution and lock-in

- Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital, assuming exercise of all vested options of our Company as on the date of this Draft Red Herring Prospectus, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of 18 months from the date of Allotment as minimum Promoter's contribution ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

- b) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below\*:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre- Offer paid-up capital (%)	Percentage of the post- Offer paid-up capital (%)
JLB Partners Holding Inc.	[●]	[●]	[●]	[●]	[●]	[●]	[●]
William Nanda Bissell	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Bimla Nanda Bissell	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Madhukar Khara	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Monsoon Latane Bissell	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>	[●]				[●]	[●]	[●]

\*To be included in the Prospectus.

- c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Minimum Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Minimum Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- d) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see “- Details of Shareholding of our Promoters, members of the Promoter Group in our Company” on page 102.
- e) In this connection, please note that:
- (i) The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and out of revaluation of assets or capitalisation of intangible assets, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;
  - (ii) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
  - (iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm; and
  - (iv) The Equity Shares offered for Minimum Promoter's Contribution are not subject to any pledge or any other encumbrance.

#### 8. Details of Equity Shares locked-in for six months

Unless provided otherwise under applicable law, pursuant to the SEBI ICDR Regulations, the entire pre-Offer capital of our Company (including those Equity Shares held by our Promoters in excess of the

Minimum Promoter's Contribution) shall be locked-in for a period of six months from the date of Allotment or such other minimum lock-in period as may be prescribed under the SEBI ICDR Regulations, except for (i) the Equity Shares offered pursuant to the Offer for Sale; and (ii) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCI, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI". Additionally, in accordance with Regulation 8A of the SEBI ICDR Regulations, the relaxation from lock-in period provided under Regulation 17(c) of the SEBI ICDR Regulations shall not be available to any Shareholder(s) holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of the Company on fully diluted basis.

#### **9. Lock-in of Equity Shares Allotted to Anchor Investors**

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

#### **10. Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

#### **11. Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

- (i) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
- (ii) with respect to the Equity Shares locked-in as Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in in terms of Regulation 16 of the SEBI ICDR Regulations, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the Takeover Regulations, as applicable.

Our Promoters have agreed not to transfer, create any pledge or any other type of encumbrance on the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee for the remaining period and compliance with the applicable provisions of the Takeover Regulations, as applicable.

- 12. Our Company, pursuant to a resolution passed by our Board on August 19, 2016 and the resolution passed by our Shareholders on June 6, 2016, adopted "Fabindia Overseas Private Limited Employee Stock Option Plan, 2016" to reward the employees for their performance and to motivate them to contribute to the growth and profitability of our Company. Our Company, in the Annual General Meeting dated September 30, 2021 terminated the "Fabindia Overseas Private Limited Employee Stock Option Plan, 2016".

Details of the ESOP 2016 are disclosed below as certified by AKGVG & Associates, Chartered

Accountants, through a certificate dated January 21, 2022 are as follows:

Pursuant to the ESOP 2016, the Company has granted total 117,700 options to employees of the Company. Out of the granted options, an aggregate of 96,681 options have been vested and 95,447 options have been exercised. 22,253 options have been lapsed/forfeited and Nil options are outstanding to exercise as on the date of this Draft Red Herring Prospectus.

The Company, in the Annual General Meeting dated September 30, 2021 terminated the “Fabindia Overseas Private Limited Employee Stock Option Plan, 2016”. The Company had not granted any options under ESOP 2016 from April 1, 2021 to September 30, 2021 (i.e. the date on which the ESOP 2016 was terminated).

Particulars	Details	
Options granted	Financial Year/Period	Total No. of Options Granted
	Financial Year ended 2019	13,100
	Financial Year ended 2020	84,000
	Financial Year ended 2021	
	From April 1, 2021 to September 30, 2021	Nil
Options Vested	Financial Year/Period	Total No. of Options Vested
	Financial Year ended 2019	3,176
	Financial Year ended 2020	6,797
	Financial Year ended 2021	78,654
	From April 1, 2021 to September 30, 2021	Nil
Options Exercised	Financial Year/Period	Total No. of Options Exercised
	Financial Year ended 2019	2,951
	Financial Year ended 2020	6,299
	Financial Year ended 2021	78,654
	From April 1, 2021 to September 30, 2021	Nil
Exercise Price of Option (per option) (in ₹)	₹ 10	
Options vested and not exercised	Financial Year/Period	Total No. of Equity Shares
	Financial Year ended 2019	225
	Financial Year ended 2020	498
	Financial Year ended 2021	-
	From April 1, 2021 to September 30, 2021	Nil
The total number of Equity Shares arising as a result of exercise of options	Financial Year/Period	Total No. of Equity Shares
	Financial Year ended 2019	13,100
	Financial Year ended 2020	84,000
	Financial Year ended 2021	-
	From April 1, 2021 to September 30, 2021	Nil
Options forfeited/lapsed/cancelled	Financial Year/Period	Total No. of Options forfeited/lapsed/cancelled
	Financial Year ended 2019	8,439
	Financial Year ended 2020	6,801
	Financial Year ended 2021	5,346
	From April 1, 2021 to September 30, 2021	Nil
Vesting Period (from date of grant)	1 year	
Variation in terms of options	NIL	
Money realized by exercise of options	Financial Year/Period	Amount in million (in ₹)
	Financial Year ended 2019	29,510
	Financial Year ended 2020	62,990
	Financial Year ended 2021	7,86,540
	From April 1, 2021 to September 30, 2021	Nil

Particulars	Details			
Total number of options in force	Financial Year/Period		Total No. of Options in force	
	Financial Year ended 2019		46,971	
	Financial Year ended 2020		7,99,207	
	Financial Year ended 2021		7,20,553	
	From April 1, 2021 to September 30, 2021		Nil	
Employee wise details of options granted to				
Key managerial personnel	Name of key managerial personnel		Total no. of options granted during “relevant period”	
	Mr Mukesh Kumar Chauhan		9,946	
	Ms. Monika Uppal Arora		1,931	
	Mr. Viney Singh		18,125	
	Mr. Siddhant Mehra		840	
	Ms. Charu Sharma		1,200	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	NIL			
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Name of key managerial personnel		Total no. of options granted during “relevant period”	
	NIL		NIL	
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard ‘Earning Per Share’	Financial Year		Reported Diluted EPS as per Consolidated Restated Financial Information (post adjustment for bonus shares & sub- division all years/period)	Reported Diluted EPS as per Restated Standalone Financial Information
	Financial Year 2019		5.74	68.34
	Financial Year 2020		2.87	36.92
	Financial Year 2021		(7.45)	(76.91)
Lock-in	NIL			
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹2 per Equity Share)	Not applicable- Fair value is done as per Black scholes method			
Weighted average exercise price of options whose exercise price either equals or exceeds or is less than the market *price of the stock (in ₹)	For Financial Year 2019: 10 For Financial Year 2020: 10 For Financial Year 2021: 10 From April 1, 2021 to September 30, 2021: Nil			
Weighted average fair value of options at the time of grant, whose exercise price either equals or exceeds or is less than the market price of the stock (in ₹)	For Financial Year 2019: 7,654.38 For Financial Year 2020: 6,972.02 For Financial Year 2021: 0.00 From April 1, 2021 to September 30, 2021: Nil			



Particulars	Details												
Description of pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information	For Financial Year 2019												
	<table><tr><th>Particulars</th><th>Grant</th></tr><tr><td>Weighted Average Price per Share</td><td>10</td></tr><tr><td>Expected Volatility</td><td>33.05%</td></tr><tr><td>Expected Life</td><td>1 year</td></tr><tr><td>Risk-free interest rate</td><td>6.49%</td></tr><tr><td>Expected dividends</td><td>Nil</td></tr></table>	Particulars	Grant	Weighted Average Price per Share	10	Expected Volatility	33.05%	Expected Life	1 year	Risk-free interest rate	6.49%	Expected dividends	Nil
	Particulars	Grant											
	Weighted Average Price per Share	10											
	Expected Volatility	33.05%											
	Expected Life	1 year											
	Risk-free interest rate	6.49%											
	Expected dividends	Nil											
	For Financial Year 2020												
	<table><tr><th>Particulars</th><th>Grant</th></tr><tr><td>Weighted Average Price per Share</td><td>10</td></tr><tr><td>Expected Volatility</td><td>48.12%</td></tr><tr><td>Expected Life</td><td>1 year</td></tr><tr><td>Risk-free interest rate</td><td>5.46%</td></tr><tr><td>Expected dividends</td><td>Nil</td></tr></table>	Particulars	Grant	Weighted Average Price per Share	10	Expected Volatility	48.12%	Expected Life	1 year	Risk-free interest rate	5.46%	Expected dividends	Nil
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	Weighted Average Price per Share	10											
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	Expected Life	1 year											
	Risk-free interest rate	5.46%											
	Expected dividends	Nil											
	For Financial Year 2021												
	<table><tr><th>Particulars</th><th>Grant</th></tr><tr><td>Weighted Average Price per Share</td><td>-</td></tr><tr><td>Expected Volatility</td><td>-</td></tr><tr><td>Expected Life</td><td>-</td></tr><tr><td>Risk-free interest rate</td><td>-</td></tr><tr><td>Expected dividends</td><td>Nil</td></tr></table>	Particulars	Grant	Weighted Average Price per Share	-	Expected Volatility	-	Expected Life	-	Risk-free interest rate	-	Expected dividends	Nil
	Particulars	Grant											
	Weighted Average Price per Share	-											
Expected Volatility	-												
Expected Life	-												
Risk-free interest rate	-												
Expected dividends	Nil												
From April 1, 2021 to September 30, 2021													
<table><tr><th>Particulars</th><th>Grant</th></tr><tr><td>Weighted Average Price per Share</td><td>-</td></tr><tr><td>Expected Volatility</td><td>-</td></tr><tr><td>Expected Life</td><td>-</td></tr><tr><td>Risk-free interest rate</td><td>-</td></tr><tr><td>Expected dividends</td><td>-</td></tr></table>	Particulars	Grant	Weighted Average Price per Share	-	Expected Volatility	-	Expected Life	-	Risk-free interest rate	-	Expected dividends	-	
Particulars	Grant												
Weighted Average Price per Share	-												
Expected Volatility	-												
Expected Life	-												
Risk-free interest rate	-												
Expected dividends	-												
Impact on profits and EPS of the last three years if our Company had not followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years	Not applicable since the company is following accounting policies specified in the said regulations.												
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer	As of the date of this Draft Red Herring Prospectus, no such key managerial personnel and whole-time directors have informed the Company about their intention to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer												
Intention to sell Equity Shares arising out of the ESOP 2016 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the	As of the date of this Draft Red Herring Prospectus, no such key managerial personnel and whole-time directors have informed the Company about their intention to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer												

Particulars	Details
issued capital (excluding outstanding warrants and conversions)	

Our Company in the Annual General Meeting dated September 30, 2021 terminated the "Fabindia Overseas Private Limited Employee Stock Option Plan, 2016. Pursuant to ESOP 2016, the Company has issued 87,904 Equity Shares to 1,371 employees of the Company. The details of allotments made by the Company pursuant to the ESOP 2016 until the quarter ended September 30, 2021 are as set forth below:

Financial Year	Quarter	Date of Allotment	Number of equity shares	Face Value (in ₹)
2018-2019	1st Quarter (April'18 to June'18)	-	-	-
2018-2019	2nd Quarter (July'18 to September'18)	August 21, 2018	2,863	10
2018-2019	3rd Quarter (October'18 to December'18)	October 15, 2018	88	10
2018-2019	4th Quarter (January'19 to March'19)	-	-	-
2019-2020	1st Quarter (April'19 to June'19)	-	-	-
2019-2020	2nd Quarter (July'19 to September'19)	September 2, 2019	6,299	10
2019-2020	3rd Quarter (October'19 to December'19)	-	-	-
2019-2020	4th Quarter (January'20 to March'20)	-	-	-
2020-2021	1st Quarter (April'20 to June'20)	-	-	-
2020-2021	2nd Quarter (July'20 to September'20)	-	-	-
2020-2021	3rd Quarter (October'20 to December'20)	-	-	-
2020-2021	4th Quarter (January'21 to March'21)	January 28, 2021	78,654	10
2021-2022	1st Quarter (April'21 to June'21)	-	-	-
2021-2022	2nd Quarter (July'21 to September'21)	-	-	-

13. Our Company, pursuant to a resolution passed by our Board on January 28, 2021 and the resolution passed by our Shareholders on March 9, 2021, adopted "Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021" to reward the employees for their performance and to motivate them to contribute to the growth and profitability of our Company. Further, pursuant to a resolution passed by our Board on November 24, 2021 and the resolution passed by our Shareholders on December 18, 2021, the Company amended the scheme and renamed it as "FABINDIA LIMITED Employees Share Purchase Scheme (ESPS) 2021" ("ESPS 2021")

During the previous year, the members of the company had approved ESPS 2021 in their meeting held on March 09, 2021. The ESPS 2021 provides for issue of equity 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 (NEC) of the Board of Directors of the Company from time to time, in accordance with Applicable Laws, subject to terms and condition as specified in the Employee Share Purchase Scheme Agreements entered with employees and ESP 2021. The implementation of ESPS 2021 is done through FOPL Employees Benefit Trust:

Details of the ESPS 2021 are disclosed below as certified by AKGVG & Associates, Chartered Accountants, through a certificate dated January 21, 2022 are as follows:

Particulars	Fiscal Year 2020- 2021	For the period from April 01, 2021 till the date of DRHP
Opening Number of shares		191,634
Number of share issued under ESPS to trust (Face Value ₹ 10)	1,91,634	4,15,695
No. of equity share transferred to eligible employee by trust after share split from ₹ 10 to ₹ 1 per share subject to lock-in		1,724,706
Number of shares issued transferred to eligible employees by trust during period subject to lock-in	1,91,634	3,79,695
Closing Number of shares	191,634	2,332,035
Employee wise details of shares granted to		

(i) Key management personnel	<b>Name of key managerial personnel</b>	<b>Total no. of options granted (after considering sub division)</b>
	Mr. Viney Singh	1,20,000
	Mr. Mukesh Kumar Chauhan	2,22,500
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b>	<b>Total no. of options granted (after considering sub division)</b>
	Mr. Ajay Kapoor	1,50,000
	Ms. Anuradha Kumra	1,50,000
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b>	<b>Total no. of options granted</b>
	NIL	NIL
(iv) Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer	As of the date of this Draft Red Herring Prospectus, no such key managerial personnel and whole-time directors have informed the Company about their intention to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer.	
(v) Intention to sell Equity Shares arising out of the ESPS within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	As of the date of this Draft Red Herring Prospectus, no such key managerial personnel and whole-time directors have informed the Company about their intention to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer	
(vi) Diluted Earnings Per Share (EPS) pursuant to issuance of shares under employee share purchase scheme; and consideration received against the issuance of shares	Diluted EPS For March 31, 2021 (continuing): Rs.(7.41) For March 31, 2021 (discontinuing): Rs. (0.04) For September 30, 2021: Rs. (3.10)  Consideration received against shares issued under the scheme For March 31, 2021: Rs. 1,916,340 For September 30, 2021: Rs. 415,695	

14. Pursuant to shareholders' resolution dated March 9, 2021 and the resolution passed by our Board dated January 15, 2022, our Company has approved the issuance and allotment of 135,135 Equity Shares to FOPL Employees Benefit Trust ("**ESPS Trust**") under the ESPS 2021. The allotment of Equity Shares to the ESPS Trust will be completed subsequent to the filing of this Draft Red Herring Prospectus with SEBI and completed prior to filing of the Red Herring Prospectus and relevant details, including the updated share capital of our Company shall be updated in the Red Herring Prospectus.
15. Except for the issue of any Equity Shares pursuant to ESPS 2021 and the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.
16. Except as disclosed in this Draft Red Herring Prospectus under "*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*" on page 102, none of the members of the Promoter Group, our Promoters, and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
17. There have been no financing arrangements whereby our Promoter, members of the Promoter Group, and / or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

18. None of the Equity Shares held by our Promoters and other members of our Promoter Group are pledged or otherwise encumbered as on the date of this Draft Red Herring Prospectus.
19. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
20. Pursuant to resolution dated January 15, 2022, the Board of Directors took note of letter dated January 14, 2022 by William Nanda Bissell, one of our Promoters, which records his intention to transfer up to 32,200 Equity Shares by way of gift to certain acquaintances (“Donees”). Since, the relevant de-mat accounts of certain Donees is ongoing and not complete (and necessary legal formalities are yet to be completed) as on the date of this Draft Red Herring Prospectus, William Nanda Bissell proposes to transfer such Equity Shares to the Donees subsequent to the filing of this Draft Red Herring Prospectus with SEBI, provided that such transfers will be completed prior to filing of the Red Herring Prospectus, and relevant details, including the updated shareholding of William Nanda Bissell in our Company shall be updated in the Red Herring Prospectus.
21. In order to reward and express gratitude to certain artisans and farmers engaged with the Company or its Subsidiaries, certain of our Promoters, namely, Bimla Nanda Bissell and Madhukar Khera, pursuant to their letters each dated January 14, 2022, respectively intend to transfer 400,000 Equity Shares and 375,080 Equity Shares, respectively subsequent to the filing of this Draft Red Herring Prospectus, and either: (i) prior to filing of the Red Herring Prospectus or (ii) post the consummation of the Offer and applicable regulatory lock-in period under the SEBI ICDR Regulations, in compliance with the applicable law. If such proposed transfer (or any part thereof) is undertaken prior to filing of the Red Herring Prospectus, relevant details, including the updated shareholding of Bimla Nanda Bissell and Madhukar Khera in our Company shall be updated in the Red Herring Prospectus. Our Promoters, namely, Bimla Nanda Bissell and Madhukar Khera have opened their respective demat accounts and have transferred 400,000 Equity Shares and 375,080 Equity Shares, respectively, that are proposed to be transferred by way of gift to the artisans and farmers.
22. The details of the price at which Equity Shares were acquired in the three years preceding the filing of this Draft Red Herring Prospectus, by each of the Promoters, members of the Promoter group, Selling Shareholders and shareholders entitled with right to nominate Directors or any other rights, are as follows:

S.No	Name of the Acquirer	Date of Acquisition of Equity Shares	Number of Shares Acquired	Acquisition Price per Equity Shares
<b>Promoters</b>				
1	William Nanda Bissell*	October 12, 2019	2,733,450	Nil <sup>#</sup>
2	Bimla Nanda Bissell*	June 19, 2019	15,000	8,495
		October 12, 2019	201,285	Nil <sup>#</sup>
		October 5, 2020	980,000	Nil <sup>##</sup>
3	Monsoon Latane Bissell	January 2, 2019	200	21,000
		January 7, 2019	1,500	21,000
		October 12, 2019	227,750	Nil <sup>#</sup>
4	Madhukar Khera*	October 12, 2019	739,590	Nil <sup>#</sup>
5	JLB Partners Holding Inc.	October 12, 2019	2,703,180	Nil <sup>#</sup>
<b>Promoter Group</b>				
6	Anjali Kapoor Bissell	October 12, 2019	114,785	Nil <sup>#</sup>
7	Sara Kamla Bissell	October 12, 2019	10,850	Nil <sup>#</sup>
8	Master John Varun Bissell**	October 12, 2019	1,600	Nil <sup>#</sup>
9	Vijai Kumar Kapoor*	October 12, 2019	5,105	Nil <sup>#</sup>
10	Mini Kapoor*	October 12, 2019	12,000	Nil <sup>#</sup>
11	Meena Rajbir Singh	October 12, 2019	2,835	Nil <sup>#</sup>
12	Nikhil Khera	October 12, 2019	28,030	Nil <sup>#</sup>
<b>Investor Selling Shareholders</b>				
13	PI Opportunities Fund I <sup>6</sup>	October 12, 2019	2,696,570	Nil <sup>#</sup>
14	Prazim Trading and Investment Company Private Limited	October 12, 2019	227,535	Nil <sup>#</sup>
<b>Other Selling Shareholders</b>				
15	India 2020 Fund II, Limited	October 12, 2019	178,440	Nil <sup>#</sup>
16	Bajaj Holdings and Investment Limited	September 17, 2019	28,527	33,300
		September 26, 2019	5,670	33,300

		September 27, 2019	3,341	33,300
		October 12, 2019	187,690	Nil <sup>#</sup>
17	Kotak India Advantage Fund - I	September 17, 2019	6,411	33,300
		October 12, 2019	32,055	Nil <sup>#</sup>
18	NRJN Family Trust <sup>ac</sup>	October 12, 2019	65,270	Nil <sup>#</sup>
19	IFIS Corporate Advisory Services Private Limited	October 12, 2019	34,220	Nil <sup>#</sup>
<b>Individual Selling Shareholders</b>				
20	Charu Sharma	September 2, 2019	1,200	10
		October 12, 2019	167,410	Nil <sup>#</sup>
21	Geeta Amar Lulla	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
22	Sanjay Kalra (Jointly with Jyotika Kapoor)	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
23	Rama Puri	October 12, 2019	72,000	Nil <sup>#</sup>
24	Arjun Sharma	October 12, 2019	75,000	Nil <sup>#</sup>
25	Rohini Nilekani	October 12, 2019	66,490	Nil <sup>#</sup>
26	Elizabeth Nanda	September 2, 2019	231	10
		October 12, 2019	36,165	Nil <sup>#</sup>
27	Subrata Dutta	October 12, 2019	19,605	Nil <sup>#</sup>
28	Sunil Chainani (Jointly with Kiran Chainani)	October 12, 2019	520,935	Nil <sup>#</sup>
29	Agnello Oswin Dias	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
30	Kartik Ganapathy	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
31	Nehal Abhay Vakil	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
32	William Sean Sovak	October 12, 2019	5,000	Nil <sup>#</sup>
33	Ajay Bahl	September 17, 2019	3,000	33,300
		October 12, 2019	15,000	Nil <sup>#</sup>
34	Mukesh Kumar Chauhan	September 2, 2019	546	10
		October 12, 2019	14,850	Nil <sup>#</sup>
		January 28, 2021	4,638	10
		January 28, 2021	78	10
35	Kavita Mitter	October 12, 2019	5,500	Nil <sup>#</sup>
		April 16, 2021	150	Nil <sup>##</sup>
36	Rajesh Ramaiaha	October 12, 2019	13,125	Nil <sup>#</sup>
		March 12, 2021	1,698	4,717
37	Prableen Sabhaney	October 12, 2019	10,425	Nil <sup>#</sup>
38	Damini Narain	October 12, 2019	5,865	Nil <sup>#</sup>
39	Rekha Mehrotra Menon	October 12, 2019	15,750	Nil <sup>#</sup>
40	Saurabh Naithani	October 12, 2019	1,455	Nil <sup>#</sup>
41	Tekkethalakal Kurien Kurien	October 12, 2019	7,000	Nil <sup>#</sup>
42	Ruchira Puri Pujari (Jointly with Ashutosh Prabhakar Pujari)	October 12, 2019	1,065	Nil <sup>#</sup>
43	Lakshminarayana Ramanathan Kollengode	October 12, 2019	2,445	Nil <sup>#</sup>
		March 12, 2021	300	4,717
44	Dilpreet Sokhi Singh	September 2, 2019	126	21,000
		October 12, 2019	905	Nil <sup>#</sup>
45	Smita Mankad	October 12, 2019	16,440	Nil <sup>#</sup>
46	Suzanne Jane Spink	October 12, 2019	3,350	Nil <sup>#</sup>
47	Manoj Kumar Jaiswal	October 12, 2019	1,150	Nil <sup>#</sup>
		March 12, 2021	1,302	4,717
48	Chaman Singh Bisht	October 12, 2019	665	Nil <sup>#</sup>
49	Tingmuankim Vaiphei	October 12, 2019	750	Nil <sup>#</sup>
50	Bertha Beck (earlier known as Jyoti Beek)	October 12, 2019	750	Nil <sup>#</sup>
51	Rahul Garg	October 12, 2019	12,915	Nil <sup>#</sup>
52	Ramanan Venkateswaran (Jointly with Kala Ramanan)	October 12, 2019	2,750	Nil <sup>#</sup>
53	Anuradha Kumra	September 2, 2019	88	10

		October 12, 2019	6,625	Nil <sup>#</sup>
		January 28, 2021	1,258	10
		January 28, 2021	54	10
54	Sashikanth Balachandar (Jointly with Ganga Sashikanth)	October 12, 2019	4,710	Nil <sup>#</sup>
55	Ajay Kapoor	September 2, 2019	340	10
		October 12, 2019	3,360	Nil <sup>#</sup>
		January 28, 2021	629	10
		January 28, 2021	12	10
56	Poonam Singh Chauhan	September 2, 2019	127	10
		October 12, 2019	5,020	Nil <sup>#</sup>
		January 28, 2021	54	10
57	Premkumar G	October 12, 2019	790	Nil <sup>#</sup>
58	Vaishali Bahel	September 2, 2019	68	10
		October 12, 2019	1,825	Nil <sup>#</sup>
		January 28, 2021	522	10
		January 28, 2021	36	10
59	Roopali Gupta	October 12, 2019	3,500	Nil <sup>#</sup>
60	Raja Ghosh	September 2, 2019	81	10
		October 12, 2019	1,865	Nil <sup>#</sup>
		January 28, 2021	459	10
		January 28, 2021	60	10
61	Usha Rawat	October 12, 2019	70	Nil <sup>#</sup>
		January 28, 2021	72	10

<sup>#</sup>Also Selling Shareholders in the Offer.

<sup>\*\*</sup>Master John Varun Bissell is a minor and his shareholding is held under the natural guardianship of William Nanda Bissell.

<sup>&</sup>Also entitled to certain special rights in the Company. For further details, please see "History and Certain Corporate Matters - Details of Shareholders' Agreements" on page 218.

<sup>#</sup>On October 12, 2019, our Company has issued bonus shares in the ratio of 5:1.

<sup>##</sup>Represents transfer by way of gift.

<sup>&</sup>Held through its corporate trustee, Entrust Family Office Legal and Trusteeship Services Private Limited

23. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Managers, and their respective associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The Book Running Lead Managers and their associates may engage in the transactions with and perform services for our Company, our Subsidiaries, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, our Subsidiaries, the Selling Shareholders and their respective group companies, affiliates or associates or third parties for which they may in the future receive customary compensation.
24. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
25. Our Company, the Promoter, our Directors and the Book Running Lead Managers have no existing buy-back arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
26. Except for the issue of any Equity Shares pursuant to ESPS 2021, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
28. Our Promoters and the members of our Promoter Group will not participate in the Offer, except to the extent of the sale of Offered Shares by way of Offer for Sale.
29. No person connected with the Offer, including, but not limited to, the Book Running Lead Managers, the members of the Syndicate, our Company, our Directors, our Promoter, members of our Promoter Group or Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

30. Neither the (i) Book Running Lead Managers or any associate of the Book Running Lead Managers (other than mutual funds sponsored entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers or AIFs sponsored by the entities which are associates of the Book Running Lead Managers or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the Book Running Lead Managers); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.
31. Except for the issue of any Equity Shares pursuant to ESPS 2021 or pursuant to the Fresh Issue and / or Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
32. Except as disclosed under “*Capital Structure - Notes to Capital Structure*” on page 94, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

## OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

### Offer for Sale

Each of the Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting their respective portion of the Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. The object of the Offer for Sale is to allow the Selling Shareholders to sell up to 25,050,543 Equity Shares held by them aggregating up to ₹ [●] million.

### Fresh Issue

#### Requirement of funds

We propose to utilise the Net Proceeds towards funding the following objects:

1. Voluntary redemption of NCDs issued by our Company and the accrued interest thereon (“**NCD Redemption**”)
2. Prepayment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company and the accrued interest thereon; and
3. General corporate purposes

(collectively, the “**Objects**”).

In addition, we expect to achieve the benefits of listing of the Equity Shares on the Stock Exchanges which, we believe, will result in the enhancement of our brand name and creation of a public market for our Equity Shares in India.

### Proceeds of the Fresh Issue

The details of the proceeds of the Fresh Issue are set forth below:

*(In ₹ million)*

Particulars	Amount <sup>^</sup>
<b>Gross Proceeds of the Fresh Issue</b>	Up to 5,000 million
(Less) Offer related expenses in relation to the Fresh Issue <sup>(1)*</sup>	[●]
<b>Net Proceeds*</b>	[●]

*(1) For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to the heading “Objects of the Offer - Offer Expenses” at page 129.*

*\*To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

*<sup>^</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.*

### Schedule of Implementation, Utilisation and Deployment of Net Proceeds

We propose to utilise and deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

*(In ₹ million)*

Particulars	Total estimated amounts	Amount to be funded from Net Proceeds <sup>^</sup>	Estimated deployment of Net Proceeds in Financial Year 2023
Voluntary redemption of NCDs issued by our Company and the accrued interest thereon	2,513.94	2,500	2,500
Prepayment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company and the accrued interest thereon	1,250	1,250	1,250
General corporate purposes*	[●]	[●]	[●]
<b>Total*</b>	[●]	[●]	[●]

*\*To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for*



<sup>^</sup> general corporate purposes shall not exceed 25% of the Net Proceeds.

<sup>^</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, our Company may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

The main objects of our Memorandum of Association enable us to carry on our existing business activities, and the activities for which funds are being raised through the Fresh Issue.

We propose to deploy the entire Net Proceeds towards the Objects by the end of Financial Year 2023. In the event of that estimated utilisation of the Net Proceeds in Financial Year 2023 being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Financial Years, as may be decided by our Company, in accordance with applicable laws. If the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) economic and business conditions; (ii) the timing of completion of the Offer; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see “*Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval*” on page 65.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and/or debt arrangements from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. If the actual utilisation towards the NCD Redemption and prepayment or scheduled repayment of a portion of certain outstanding borrowings availed by our Company along with the accrued interest thereon is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations.

## **Details of the Objects of the Offer**

### **1. Voluntary redemption of NCDs issued by our Company and the accrued interest thereon**

Our Company has issued secured, unlisted, unrated, redeemable and non-convertible debentures of face value of ₹ 100,000 each, aggregating to an amount of ₹ 2,500 million (“NCDs”). For further details of the NCDs, including key terms and conditions thereof, see “*Financial Indebtedness*” on page 405. As at September 30, 2021, the outstanding NCDs aggregated to ₹ 2,513.94 million.

Our Company proposes to utilise an aggregate amount of ₹ 2,500 million from the Net Proceeds towards voluntary redemption of the NCDs along the accrued interest thereon and the balance amount of ₹ 13.94 million shall be repaid by our Company through internal accruals. Given the nature of the NCDs and the terms of redemption, the aggregate outstanding amounts under the NCDs may vary from time to time.

The voluntary redemption of the NCDs will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that our improved leverage ratio, consequent to such redemption of NCDs, will improve our ability to raise debt in the future to fund potential business development opportunities and plans.

The following table provides details of the NCDs along with the accrued interest thereon, which are proposed to be repaid from the Net Proceeds to the extent of an aggregate amount of ₹ 2,500 million:

Non-convertible debentures holders and Debenture trustee/ Bank	Non-convertible debentures	Sanctioned amount (In ₹ million)	Amount disbursed as on September 30, 2021 (In ₹ million)	Outstanding amount including accrued interest as on September 30, 2021 (In ₹ million)	Utilised/ Utilised (as on September 30, 2021)	Purpose for borrowing
<p>Debenture holders: Azim Premji Trust, represented by its trustee, Azim Premji Trust Services Private Limited</p> <p>Debenture Trustee: Vistra ITCL (India) Limited</p>	9.25 % 25,000 Non-Convertible Debentures of Nominal value of ₹ 1,00,000 each	2,500	2,500	2,513.94	Utilised	<p>i) General Corporate Purpose, which includes further acquisition of stake in subsidiary as per email clarification received on December 09, 2021 from the holder of NCDs.</p> <p>ii) Capital Expenditure</p> <p>iii) Operating expenses of the business and payment of all transaction related costs, fees and expenses</p> <p>As part of General Corporate Purpose, the Company has increased its stake in one of the subsidiary company namely Organic India Private Limited by way of purchase of equity shares on September 10, 2021.</p>

<sup>(1)</sup> In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Joint Statutory Auditors have confirmed that the proceeds from the NCDs have been utilised for the purpose for which it was issued pursuant to certificate dated January 21, 2022.

## 2. Prepayment or scheduled repayment of a portion of certain outstanding borrowings availed by our Company and the accrued interest thereon

Our Company has entered into various borrowing arrangements with banks for borrowings in the form of, working capital term loans and demand loans. As on September 30, 2021, the total fund based outstanding borrowings of our Company is ₹ 5,758.88 million. For details of these financing arrangements including indicative terms and conditions, see “*Financial Indebtedness*” on page 405.

Our Company intends to utilize ₹ 1,250.00 million from the Net Proceeds towards prepayment or scheduled repayment of all, or a portion, of the principal amount on certain loans availed by our Company and the accrued interest thereon, the details of which are listed out in the table below. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. In the event the Net Proceeds are insufficient for payment of pre-payment penalty, as applicable, such payment shall be made from the internal accruals of our Company.

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Further, our Company may also avail additional borrowings after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans from time to time. Accordingly, in case any of the below loans are pre-paid or further drawn-down prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment / pre-payment of such additional indebtedness. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down and if the terms of new loans are more onerous than the older loans or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

We believe that the pre-payment or scheduled repayment of a portion of certain outstanding borrowings availed by us will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

Sr No	Name of the lender	Date of sanction letter/ facility agreement	Nature of loan	Rate of interest (% per annum)	Amount sanctioned (₹ in million)	Total outstanding amount (Principal Amount) as on September 30, 2021 (₹ in million)	Repayment Schedule	Prepayment penalty, if any	Purpose of loan <sup>(1)</sup>
1.	Citi Bank, N.A.	Sanction Letter dated June 29, 2020  Amedment and Restatement Facility Agreement dated March 25, 2020	Working Capital	As mutually agreed	1,100	300.14	Repayable on demand with a tenor not exceeding 180 days.	No Prepayment allowed for first 12 months. Thereafter, NIL prepayment penalty shall be levied on interest reset dates only subject to Borrower giving a fifteen day written notice to Bank, prior to any prepayment.	For financing of working capital requirements

2.	Kotak Mahindra Bank Limited	Sanction Letter dated June 16, 2020	Working Capital Loan	As mutually agreed	700	592.38	Repayable on demand	Foreclosure of the working capital facilities availed prior to their expiry date by way of takeover by another lender shall attract penal charge of 2% on the limits sanctioned by the bank.	For financing of working capital requirements
3.	HDFC Bank	Sanction Letter dated August 5, 2020	Cash credit	As mutually agreed	830	742.09	Repayable on demand with a tenor of 12 months	2% plus applicable taxes	For financing of working capital requirements
4.	Citi Bank	Sanction Letter dated June 29, 2020  Term Loan Agreement dated July 24, 2020	Term Loan	7.85% (Interest Rate is floating and linked to 3 months TBILL with quarterly interest resets)	1,000*	523.39	12 equal quarterly instalments and repayment to start from fifteenth month from the date of drawdown.	Prepayment not allowed unless specifically approved by the Bank. The prepayment is required to be made in the manner prescribed in the term loan agreement.	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.
5.	HDFC Bank	Sanction Letters dated June 6, 2020 and July 29, 2020  Term Loan agreement dated July 22, 2020	Term Loan -1	8.05% (1Y MCLR + 0.60%) - Annual Reset	1,500	448.17	The loan has a tenor of four years.  Monthly repayment after 6 months moratorium proposed due to COVID -19 situation from January 22, 2021 by monthly instalments of ₹ 17.86 million to be paid on or before the last day of every month.	2% plus applicable taxes	For reimbursement of Capex done over last two years or capex proposed in financial year 2020-21 and thereafter
6.	Standard Chartered Bank	Sanction Letter dated February 3, 2021  Term Loan facility agreement dated July 16, 2020	Term Loan	8.10% linked to 3M MIBOR	1,500	363.64	11 equal quarterly instalments starting 12 months from date of disbursement  Term Loan is repayable in 42 months from the date of disbursement	Any prepayment will be permitted subject to payment of any break cost and prepayment fee of 2% on the amount prepaid, provided that the Bank receives notice of such prepayment at least two banking days prior to the date of the proposed prepayment. Each prepayment amount has to be at least equivalent to 5% of the initial utilisation.	For financing, cash flow mismatches, capital expenditure and reimbursement of transaction expenses like fee, etc.

(1) In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Joint Statutory Auditors have confirmed that the loans have been utilised for the purpose for which it was availed pursuant to certificate dated January 21, 2022.

\* Citi Bank Term Loan sanction limit of ₹ 750 million till September 30, 2020 & ₹ 250 million from September 30, 2020 to March 31, 2021.

### 3. General Corporate Purposes

We propose to deploy the balance Net Proceeds aggregating to ₹ [●] million (net of expenses in relation to the Fresh Issue) towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which we propose to utilise the Net Proceeds include meeting day to day expenses such as payment of salary and allowances, purchase of inventory, long term or short term working capital requirements, investment in our subsidiaries, or other activities in the ordinary course of business. In addition to the above, we may utilise the Net Proceeds towards other expenditure in the ordinary course of business, as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the necessary provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any.

#### *Means of Finance*

The funding requirements for the Objects of the Offer are proposed to be funded either from the Net Proceeds or through internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals, as prescribed under the SEBI ICDR Regulations. Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. For further details, see “*Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*” on page 65. We may vary the Objects in the manner provided in “*Objects of the Offer – Variation in Objects*” on page 132.

#### *Interim use of Net Proceeds*

We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

#### *Bridge Financing Facilities*

We have not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

#### *Offer Expenses*

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs and BRLMs, legal counsels, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s) including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA

Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. Other than (a) listing fees, audit fees (not in relation to the Offer), and expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to the Offer), which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred with respect to the Offer, including but not limited to offer advertising, printing, research expenses, road show expenses, accommodation and travel expenses, stamp duty, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer related agreements, Registrar's fees, fees to be paid to the Lead Managers, fees and expenses of legal counsels to the Company and the Lead Managers, fees and expenses of the auditors, fees to be paid to Sponsor Bank, SCSBs (processing fees and selling commission), brokerage and commission for Syndicate Members, commission to Registered Brokers, Collecting DPs and Collecting RTAs, and payments to consultants, and advisors, regulatory fees, fees to intermediaries and third parties, shall be shared among the Company and the Selling Shareholders on a pro rata basis, in proportion to its respective portion of the Equity Shares sold in the Offer in accordance with Applicable Law. All such payments shall be made by the Company on behalf of the Selling Shareholders (in accordance with the appointment or engagement letter or memoranda of understanding or agreements with such entities), and solely upon the successful completion of the Offer, each of the Selling Shareholders shall reimburse the Company, on a pro rata basis, in proportion to its respective portion of the Offered Shares, for any expenses incurred by the Company on behalf of such Selling Shareholder. It is further clarified that all payments shall be made first by the Company and consequently each of the Selling Shareholders severally and not jointly shall reimburse the Company for its respective proportion of Offer related expenses upon the successful completion of the Offer. Further, in the event that the Offer is postponed, withdrawn or abandoned for any reason or in the event that the Offer is not successfully completed, all expenses in relation to the Offer including the fees of the Lead Managers and legal counsels and their respective reimbursement for expenses which may have accrued up to the date of such postponement, withdrawal, abandonment or failure as set out in their respective engagement letters, shall be borne by the Company and the Selling Shareholders in proportion to the number of Equity Shares proposed to be issued and allotted by the Company and/or proposed to be transferred by the Selling Shareholders in the Offer. However, the Offer related expenses apportioned to the Selling Shareholders in relation to Offer for Sale to be deducted from the amounts to be received in the Public Offer Account and after retaining the expenses apportioned to the Selling Shareholders, the balance amount shall be transferred to their respective accounts. The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses(1) (₹ in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)(6)(7)	[●]	[●]	[●]
Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses			
Others (Fees for the legal counsel, Statutory Auditor, Independent Chartered Engineer, and the Independent Chartered Accountant appointed for the purpose of the Offer etc.)	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of the Offer Price.

(2) Selling commission payable to the SCSBs on the portion of Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

No additional bidding charges shall be payable by the Company and Selling Shareholders to the SCSBs on the applications directly procured by them

(3) Processing fees payable to the SCSBs on the portion for Retail Individual Bidder and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSB for blocking would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

\* For each valid application

(4) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by Syndicate Member (including their sub Syndicate Members) would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the Registered Brokers, RTAs/CDPs would be as follows:

Portion for Retail Individual Bidders*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ [●] per valid application (plus applicable taxes)

\* Based on valid applications.

\* Amount of selling commission payable to Registered Brokers, RTAs/CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs/CDPs the commission is payable to, the terminal from which the bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable being maximum of ₹ [●] plus applicable taxes.

(6) The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows

Payable to Members of the Syndicate including their sub-Syndicate Members/ RTAs / CDPs	₹ [●] per valid application (plus applicable taxes)
Sponsor Bank	₹ [●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

(7) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

## Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

## Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for monitoring the utilisation of the Gross Proceeds. Our Audit Committee and the monitoring agency will monitor the utilisation of the Gross Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds, including interim, use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such unutilised Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee will make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain

unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

### **Variation in Objects**

In accordance with the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Tamil, the regional language of the jurisdiction where our Registered Office is located. In accordance with the Companies Act, 2013, our Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

### **Other Confirmations**

The Offer includes an offer for sale of such number of Equity Shares aggregating up to 25,050,543 Equity Shares by the Selling Shareholders, which includes *inter alia*, the Promoter Selling Shareholders, Promoter Group Selling Shareholders, our Directors, namely, Mukesh Kumar Chauhan, Tekkethalakkal Kurien Kurien and Smita Mankad and one of our Key Managerial Personnel namely, Subrata Dutta. The Promoter Selling Shareholders, Promoter Group Selling Shareholders, the aforementioned Directors and Key Managerial Personnel are, therefore, interested in the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale. Except as mentioned above, no part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, our Directors, our Key Managerial Personnel or our Group Companies. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, Promoter Group, our Directors, our Key Managerial Personnel or our Group Companies. Azim Premji Trust, the holder of the NCDs that are proposed to be repaid out of the Net Proceeds to the extent of ₹ 2,000 million is an affiliate of the Investor Selling Shareholders, PI Opportunities Fund I and Prazim Trading and Investment Company Private Limited.



## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with “*Our Business*”, “*Risk Factors*”, “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 172, 37, 257 and 364, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Leading consumer lifestyle platform focused on authentic craft-based and organic products;
- Positioned to address growth in demand for high quality Indian lifestyle and organic products;
- ‘Sustainable-by-design’ business model which prioritizes the interests of our supplier and contract manufacturer community;
- Established sourcing base and supply chain infrastructure;
- Our Omni-Channel Presence;
- Founder-led company with a highly experienced professional management team; and
- Capital efficient business model, with track record of delivering growth and return on capital.

For further details, see “*Our Business – Our competitive strengths*” on page 180.

### Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Statements. For further details, see “*Financial Statements*” on page 257.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital, as per Ind-AS [●] Earnings per share:

##### a. For discontinued Operation

Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2021	(0.04)	(0.04)	3
Fiscal 2020	(0.10)	(0.10)	2
Fiscal 2019	(0.09)	(0.09)	1
Weighted Average	(0.07)	(0.07)	
Six-month period ended September 30, 2021 (not annualised)	-	-	

##### b. For Continuing Operation

Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2021	(7.41)	(7.41)	3
Fiscal 2020	2.99	2.97	2
Fiscal 2019	5.85	5.82	1
Weighted Average	(1.73)	(1.74)	
Six-month period ended September 30, 2021 (not annualised)	(3.10)	(3.10)	

##### c. For Continuing & Discontinued Operation

Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2021	(7.45)	(7.45)	3
Fiscal 2020	2.88	2.87	2
Fiscal 2019	5.77	5.74	1
Weighted Average	(1.80)	(1.81)	
Six-month period ended September 30, 2021(not annualised)	(3.10)	(3.10)	

- (a) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
- (b) The face value of each Equity Share is considered ₹ 1 each.
- (c) Basic earnings per share is calculated as (EPS) = Net profit after tax for the period/year divided by weighted average number of ordinary shares outstanding during the period/ year.
- (d) Diluted earnings per share is calculated as Diluted EPS = Net profit after tax for the period/year divided by weighted average number of ordinary shares outstanding during the period / year including convertible instruments.
- (e) EPS has been calculated in accordance with the Indian Accounting Standard (Ind AS) 33 (earnings per share) issued by the ICAI after considering the effect of the following transactions:
- The Shareholders in their meeting dated June 08, 2021 have approved sub-division of each equity shares of ₹ 10 into ten Equity Shares of face value of ₹ 1 each.
  - The Shareholders in their meeting dated October 1, 2019 have approved the bonus shares issue of 12,055,075 of Rs 10 each.

## 2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS for Financial Year 2021	[●]	[●]
Based on Diluted EPS for Financial Year 2021	[●]	[●]

### Industry P/E ratio

	P/E Ratio
Highest	78.70x
Lowest	59.04x
Industry Composite	68.87x

Notes:

- (1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “– Comparison of Accounting Ratios with Listed Industry Peers” on page 135.

## 3. Weighted Average Return on Net Worth (“RoNW”)

Period ended	RoNW (%)	Weight
Fiscal 2021	(16.65)	3
Fiscal 2020	5.67	2
Fiscal 2019	11.21	1
Weighted Average	(4.56)	
Six-month period ended September 30, 2021 (not annualised)	(7.58)	

Notes:

RoNW is calculated as = Restated profit/(loss) attributable to equity holders/owners of the parent company divided by total equity attributable to equity holders/owners of the parent company at the period/ year-end.

## 4. Net Asset Value per Equity Share

Fiscal/Period ended	NAV (₹)
As on September 30, 2021	40.72
As on March 31, 2021	43.99

Notes:

Net asset value per equity share (In Rs.) = total equity attributable to equity holders/owners of the parent divided by numbers of equity shares outstanding at the year/period.

\*\*The above computation has been made after considering the effect of following transactions:

- The Shareholders in their meeting dated June 08, 2021 have approved sub-division of each equity shares of ₹ 10 into ten Equity Shares of face value of ₹ 1 each.
- The Shareholders in their meeting dated October 1, 2019 have approved the bonus shares issue of 12,055,075 of Rs 10 each.

## 5. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	Closing price on January 18, 2022 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
FABINDIA LIMITED	10,874.13	1	-	-	(7.45)	(7.45)	(16.65)%	43.99
<b>Listed Peers</b>								
Trent Limited	27,945.64	1.00	1,144.70	NM	(4.11)	(4.11)	(6.32)%	65.07
Aditya Birla Fashion and Retail	53,223.20	10.00	310.65	NM	(8.23)	(8.23)	(25.44)%	28.20
TCNS Clothing	6,845.25	2.00	786.90	NM	(8.85)	(8.85)	(9.21)%	99.47
Tata Consumer	117,234.10	1.00	731.90	78.70x	9.30	9.30	5.89%	157.72
Dabur India	98,869.40	1.00	563.85	59.04x	9.58	9.55	22.10%	43.36

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2021 submitted to stock exchanges.

Notes:

(1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on January 18, 2022 divided by the Diluted EPS as at March 31, 2021.

(2) Return on Net Worth (%) = Total profit attributable to owners of the company divided by net worth related to owners of the Company for the year.

(3) NAV is computed as the Equity attributable to the owners of the Company divided by the outstanding number of equity shares at the end of the year.

(4) NM: Not Meaningful

The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” on page 37 and you may lose all or part of your investments. Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 37, 172, 364, and 257 respectively, to have a more informed view.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors

**Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)**

C-40, 2nd Floor

Okhla Industrial Area, Phase – II

New Delhi – 110020

**Sub: Statement of possible special tax benefits available to Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited) (the ‘Company’), its Shareholders, and the Company’s Material Subsidiaries, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘SEBI ICDR Regulations’).**

1. We, (MSKA & Associates and A Puri & Associates), joint statutory auditors of the Company, hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the “Taxation Laws”), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, available to the Company, its Shareholders; and to its Material Subsidiaries identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, being (i) Organic India Private Limited, India and (ii) Organic India USA, LLC (such entities referred to as “Material Subsidiaries”) under the tax laws of respective country of tax residence. Several of these benefits are dependent on the Company, its Shareholders and Material Subsidiaries, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its Shareholders and Material Subsidiaries to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its Shareholders and Material Subsidiaries face in the future, the Company, its Shareholders and Material Subsidiaries may or may not choose to fulfil.
2. With respect to the possible special tax benefits mentioned in the Annexure to this Statement in the case of the Material Subsidiary in United States of America, the management of respective Material Subsidiary has engaged professional(s) / firm(s) to identify the special tax benefits. We have placed reliance on such confirmation of tax benefits provided by such tax specialists and our work relating to statement of possible special tax benefits available to the Material Subsidiary is solely based on such confirmation of special tax benefits provided by the tax specialists engaged by respective Material Subsidiary. Further, with respect to Material Subsidiary in India i.e., Organic India Private Limited, the Statement of Special Tax Benefits has been independently certified by of one of Joint Auditor (A Puri & Associates).
3. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘SEBI ICDR Regulations’). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
4. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
5. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and its Material Subsidiaries and do not cover any general tax benefits available to them.

6. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
7. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency
8. We do not express any opinion or provide any assurance whether:
  - The Company, its Shareholders and Material Subsidiaries will continue to obtain these benefits in future;
  - The conditions prescribed for availing the benefits have been/would be met;
  - The revenue authorities/courts will concur with the views expressed herein.
9. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company / Material Subsidiary on the basis of our understanding of the business activities and operations of the Company / Material Subsidiary. We have relied upon the information and documents of the Company / Material Subsidiary being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

10. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the draft red herring prospectus, red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

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

**Jyoti Subarwal**  
Partner  
Membership No.: 080654  
UDIN: 22080654AAAABS3819

Place: New Delhi  
Date: January 21, 2022

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

**Jiger Saiya**  
Partner  
Membership No.: 116349  
UDIN: 22116349AAAABT6835

Place: Mumbai  
Date: January 21, 2022

## Annexure

### **Statement of possible special tax benefits available to Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited) (the ‘Company’), its Shareholders, and the Company’s Material Subsidiaries**

This statement of possible special income-tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”).

#### **1. Special Income tax benefits available to the Company & Material Subsidiary (Organic India Private Limited) in India under the Income tax Act, 1961 (‘Act’)**

- Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax (‘MAT’) would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company/Material Subsidiary may claim such beneficial tax rate in future years subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.
- Subject to the fulfilment of prescribed conditions, for the Year, the Company/Material Subsidiary is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the Year, for three assessment years including the assessment year relevant to the Year in which such employment is provided. Further, where the Company/Material Subsidiary wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

#### **2. Special Income tax benefits available to the Shareholders of Company under the Act**

There are no special tax benefit available to the Shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.

Section 112A of the Act provides for concessional rate of tax on long term capital gain arising on transfer of equity shares with effect from April 1, 2019 (i.e., Assessment Year 2019-20) subject to conditions. Any long term capital gain, exceeding INR 1,00,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company wherein Securities Transaction Tax (‘STT’) is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of income exemption, where applicable) arising from the transfer of a short term capital asset (i.e., capital asset held for the period of less than 12 months) being an Equity Share in a company or wherein STT is paid on both acquisition and transfer.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile.

#### **3. Special Income tax benefits available to Organic India USA, LLC (the Material Subsidiary of the Company ) under US tax laws**

- There are no material special tax benefits available to Material Subsidiary of the Company in the United States of America (the “USA”) under the direct tax laws of USA. In case of any transactions between the Material Subsidiary and an Indian entity, the Material Subsidiary is eligible to be

governed by the provisions of the Income-tax Act, 1961 or the Double Taxation Avoidance Agreement between India and SA, whichever is more beneficial to the Material Subsidiary, subject to fulfilment of conditions in this regard.

4. **Special Tax benefits available under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 (“GST Acts”), The Customs Act, 1962 (“Customs Act”), the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2021 including the relevant rules, notifications and circulars issued there under and Foreign Trade (Development Regulation) Act, 1992 (“FTDR Act”), applicable for the Financial Year 2020-21**

**I. Special tax benefits available to the Company**

- (i) The Company exports such goods without payment of GST under a Letter of Undertaking and no Customs duty is applicable on such exports.
- (ii) The said goods are also supplied by the Company in domestic market which attract GST at the prescribed rates.
- (iii) Further, the Company also supplies Wheat Flour, Dried Leguminous, Vegetable, Natural Honey, and other Fats and Oils, Ghee and Salt which are exempted under GST and accordingly reverse the proportionate input tax credit on account of exempt supplies.
- (iv) Given that the Company is engaged in exports of Apparels, the Company applies for benefit under the Rebate of State and Central Levies and Taxes (RoSCTL) Scheme and Merchandise Exports from India Scheme (MEIS) Scheme of Foreign Trade Policy for the F.Y. 2018-19.
- (v) Duty drawback benefits on Export of Garments and home products.
- (vi) Apart from the above, no other special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

**II. Special tax benefits available to Organic India Private Limited (‘OIPL’ or ‘Material Subsidiary of the Company in India’)**

- (i) OIPL exports goods on payment of GST and claims refund for the said amount.
- (ii) Further, OIPL also supplies Salt and Cane Jaggery which are exempted under GST and accordingly reverse the proportionate input tax credit on account of exempt supplies.
- (iii) Given that OIPL is engaged in exports of goods, OIPL applies for benefits under the Remissions of Duties and Taxes on Exported Products (RoDTEP) Scheme, Merchandise Exports from India Scheme (MEIS) Scheme of Foreign Trade Policy, Advance Authorisation Scheme and Export Promotion Capital Goods scheme.
- (iv) Duty drawback benefits on Export of Organic herbal and food products.
- (v) Apart from the above, no other special Indirect tax benefits are available to OIPL under the Indirect Tax Regulations in India.

**III. Special Tax Benefits available to the Shareholders of the Company**

No special tax benefit available to the Shareholders of Company.

This Statement does not discuss any tax consequences in the country outside India of an investment in the shares. The Shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

The benefits discussed above cover only possible special tax benefits available to the Company, its Shareholders and its Material Subsidiaries and do not cover any general tax benefits. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For and on behalf of ***Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)***

**Gopal Mishra**

CFO & COO

Place: Noida

Date: January 21, 2022



## SECTION IV – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from the “Fashion, Lifestyle and Organic Products Market in India” dated December 20, 2021 (the “EY Report”) prepared and issued by EY, on our request. We have commissioned the report for the purposes of confirming our understanding of the industry in connection with the Offer and the report has been paid for by our Company for an agreed amount. Neither we nor any other person connected with the Offer have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on, this information. The EY Report forms part of the material contracts for inspection, and is accessible on the website of our Company at: <https://www.fabindia.com/investor-relations>.*

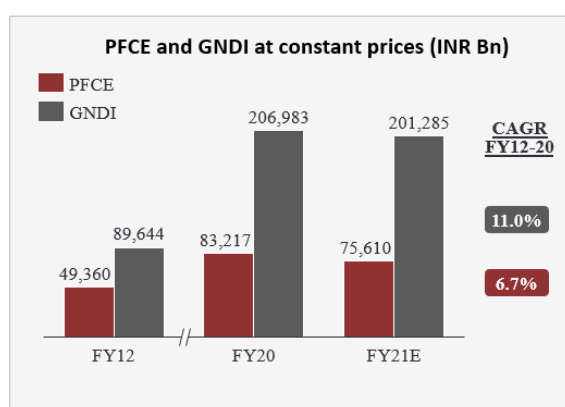
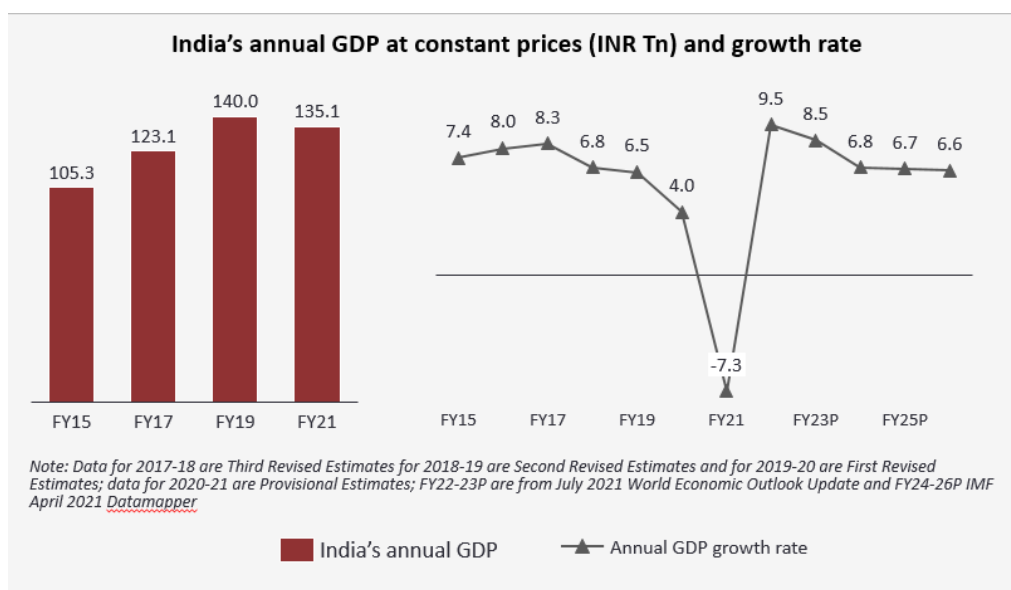
#### Introduction

India is one of the largest and fastest growing economies in the world, witnessing increasing demand for various products and services, as more than a billion consumers migrate towards economic prosperity. Increasing discretionary incomes are fueling the growth of lifestyle and health-based products. Internet and mobile penetration are accelerating consumer awareness and integrating consumers across the country. India is a recognized pioneer of globally relevant concepts such as Ayurveda, yoga, herbal remedies, and artisanal products. A growing share of Indian origin population in international markets is driving greater appreciation of Indian culture and traditions. Consumer themes such as sustainability, responsible consumption, health & wellness, and preservation of artisanal legacies, are increasingly manifesting across apparel, lifestyle, personal care, and food categories.

#### 1. Macroeconomic Overview of India

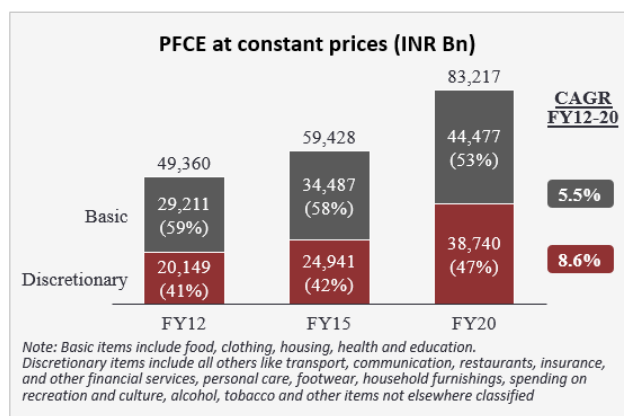
##### 1.1 Economic Indicators

India is the world’s sixth largest economy in nominal GDP terms and the third largest at purchasing power parity (PPP). Between Fiscal 2015 and 2020, India witnessed an average real GDP growth of approximately 6.8%. The onset of the Covid-19 pandemic and subsequent disruptions led to a GDP contraction of 7.3% in Fiscal 2021. The economy gradually recovered in Fiscal 2022, the first quarter witnessing 20.1% growth compared to the corresponding period last year. This was despite a strong second wave of the pandemic which peaked during the period. India’s full year expected GDP growth in Fiscal 2022 at 9.5% is pegged higher than the 5.4% projected for the global economy. The International Monetary Fund projects India’s GDP to resume its pre-Covid momentum and estimates growth of 7.6% p.a. (CAGR) over Fiscal 2022 -2026.



Private Final Consumption Expenditure (PFCE) (at constant prices) increased at a CAGR of 6.7% over Fiscal 2012-2020, while declining by 9.1% over Fiscal 2021. This was in correlation with an increase in Gross National Disposable Income (GNDI), at 11.0% CAGR over Fiscal 2012-2020, while declining by 2.8% during Fiscal 2021. Discretionary spending is expected to pick up alongside GNDI post return to an expected normalcy starting Fiscal 2022. As per latest available estimates dated October 2021, RBI projects PFCE to grow at 8.3% p.a. over Fiscal 2021-23.

Spending on discretionary items has grown at 1.5x over Fiscal 2012-2020, leading to an increase in share of discretionary spending from 41% to 47% over the period – indicating rising disposable incomes of households.



## 1.2 Demographics Driving Consumption

The World Economic Forum projects India to emerge as the third largest consumer market (after USA and China) by Fiscal 2030, fueled by strong underlying fundamentals. This is expected to be driven by a large base of young population, urbanization, employment opportunities and increasing female participation in the workforce.

### 1.2.1 Growing young and working age population

India has one of the youngest populations globally compared to other leading economies. The median age of India is estimated to be 28.4 years in Fiscal 2021 as compared to 38.1 years and 38.4 years for the United States and China, respectively. The average age is expected to remain under 30 years in Fiscal 2030. A young population is

likely to contribute to the economy's growing consumption demand driven by an expanding working class, rising status quotient and aspirations.

India's working-age population is expected to increase to 65% by Fiscal 2036, from 61% in Fiscal 2011, with an expected net addition of 12 million people each year. This is expected to drive an increase in income levels and discretionary spending. A rising productive population and declining age dependency ratio is expected to fuel growth and consumption.

### 1.2.2 Urbanization

As per World Bank estimates, 34.9% of India's population resided in urban areas in Fiscal 2020. This is estimated to increase to 38% by Fiscal 2025 - an increase of 52.6 million Indians in urban centers over five years. Increasing employment opportunities around urban centers is expected to further accelerate urbanization and expand purchasing power.

### 1.2.3 Female participation in workforce and increasing role in society

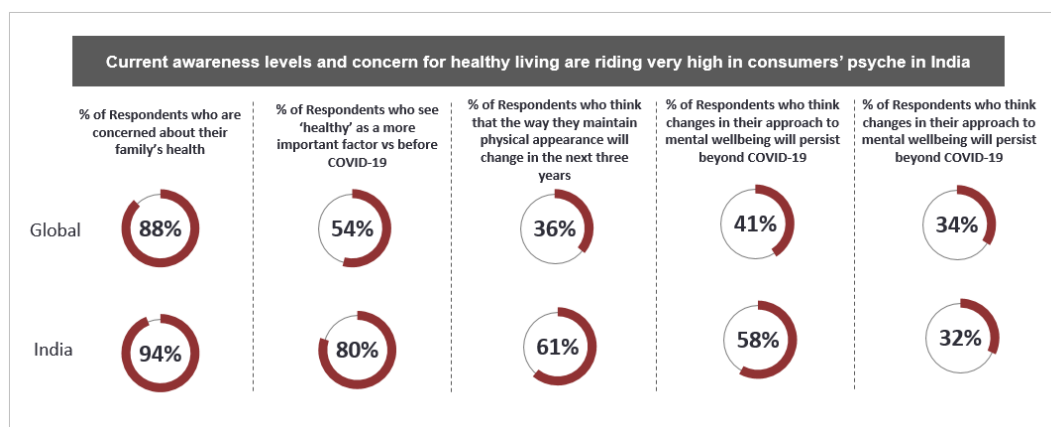
Between 2010 and 2019, enrolment of girls in secondary education increased from 61.1% to 74.5%. Higher education has also seen an increase in women enrolment, with almost 27.3% of women pursuing higher education. The share of women workforce in the services sector has increased from 17.5% in 2010 to 28% in 2019 - implying increased household earnings and disposable incomes and increased economic freedom for women.

## 1.3 Important Consumer Themes

As a result of the macro-economic and demographic changes, along with the impact of the pandemic, Indian consumers are demonstrating some important trends, as tabulated below.

### 1.3.1 Health and Wellness adoption

Consumer approaches towards managing health have been centered around active lifestyle and balanced diets. The pandemic has brought an increased focus to risks posed by hygiene and immunity related concerns. 94% of surveyed consumers (as part of the EY Future Consumer Index Survey, 2021) in India were concerned about family health, 80% saw health as an important buying factor, and 32% were willing to pay a premium for healthy products.



### 1.3.2 Belief in sustainability and “bearing the burden” of conserving our resources

Consumers are increasingly becoming conscious towards products that drive sustainability and address environmental and social inclusiveness. Consumers are increasingly seeking brands that have social and environmental purpose, a trend clearly demonstrated through increased focus in the areas of emission-friendly transportation, resource efficiency, adoption of bio-degradable materials, and adoption of plant-based diets, amongst others.

Globally, brands like Patagonia have been promoting sustainability by adopting policies like using recycled material, partnering with environmental activists, and pledging 1% of their revenue to the preservation and

restoration of the natural environment. Other apparel brands like GAP and Levi's have committed to 100% sustainable sourcing by 2023. Similar trends are taking shape in India.

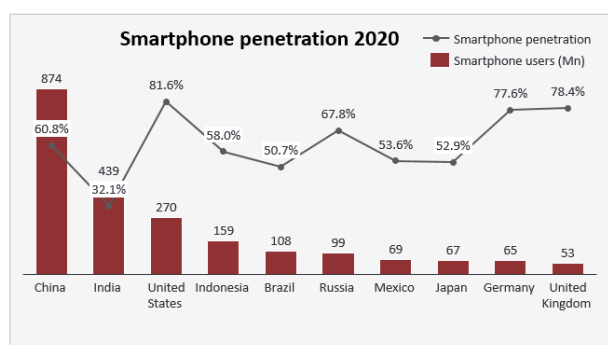
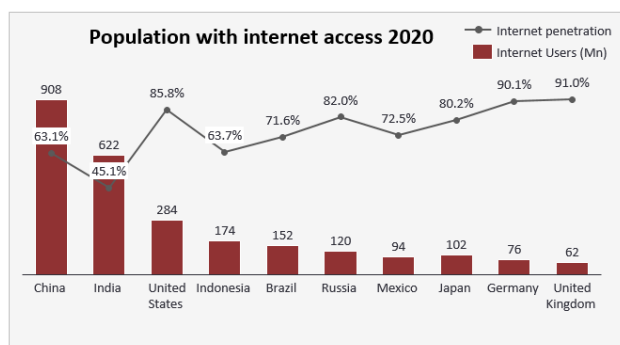
On May 10, 2021, the Securities and Exchange Board of India (SEBI) issued a circular implementing new sustainability-related reporting requirements for the top 1,000 listed companies by market capitalization. New disclosure will be made in the format of the Business Responsibility and Sustainability Report (BRSR). Companies are responding to the changing 'conscious consumer' and evolving regulatory reporting requirements through product formulation revisions to include more natural, eco-friendly, indigenously sourced ingredients, using recyclable, reusable or compostable packaging.

### 1.3.3 Growing trend of natural, organic, pure, herbal and traditional products

The growing trend of Ayurveda-based, natural chemical-free products and home remedies is driving demand for ingredients exhibiting specific benefits. These are manifested in product launches involving traditional remedies such as Tulsi, Ginger, Amla, and Neem across categories such as teas, packaged foods, herbal extracts and personal care.

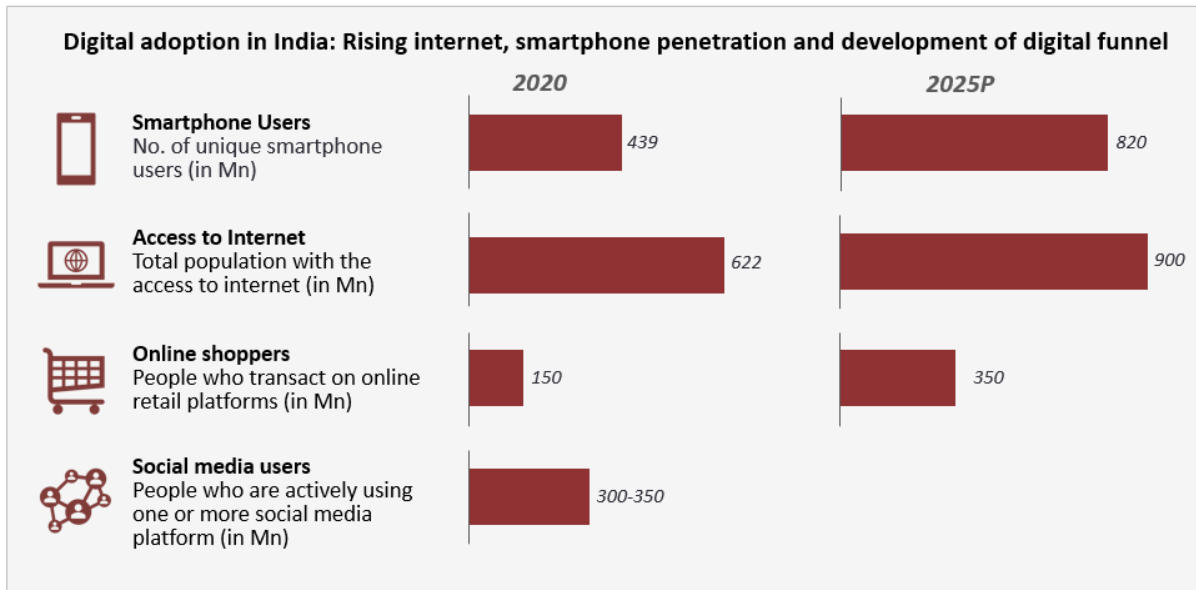
### 1.3.4 Digitally Connected

India is the second largest nation in terms of population with access to internet, at 622 million but still behind global peers in terms of penetration (45% for India vs 63% for China, 86% for US). Similarly, in terms of smartphone users, India represents the second largest population at 439 million but lags peers in penetration terms, indicating large growth headroom with China at 61% and other developing nations like Indonesia and Brazil at 58% and 51% respectively.



The number of Internet users in India has grown at 26% p.a (CAGR) from 195 million in 2015 to 622 million in 2020 and is set to touch 900 million by 2025 - a growth of 45% over 2020 to 2025. Smartphone user base has grown from 171 million in 2015 to 439 million in 2020 and is projected to grow to 820 million in 2025. India had a base of 300-350 million average monthly active users in 2020 on social media across platforms like Facebook, YouTube and Instagram.

Social media content has become a powerful avenue to reach these users, influence them and drive behavioral changes. These are reflective of a digitally connected consumer environment and the growing importance of omni-channel routes to market.



Increasing smartphone usage for shopping, incentives provided by E-commerce platforms and impact of influencers has led to an increase in impulse buying occasions.

### 1.3.5 Global in exposure, but affinity for tradition

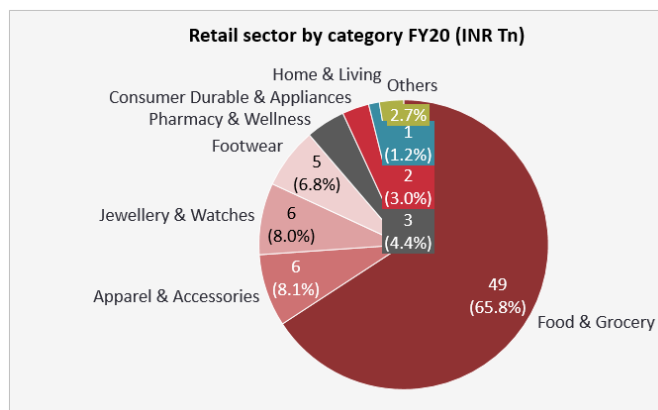
India's expatriates, the largest in the world, are salient across several major global markets. In 2020, 18 million people of Indian origin were living across the US (4.4 million), the UAE (3.5 million), Saudi Arabia, Australia, Canada, Kuwait, Oman and the UK. This representation of Indians in global markets is creating an advocacy of Indian culture and traditions, enabling Indian brands to expand their reach and popularity outside the country. Indian food and lifestyle brands that promote the idea of Indian culture, tradition and quality are favored by Indian expatriates.

### 1.3.6 Promoting Local and Traditional products

Consumer preference is increasingly shifting to local products and brands that help benefit local communities supported by the Indian Government's 'Made in India' initiative. The Indian consumer is increasingly seeking unique, locally produced traditional crafts, weaves, ingredients, recipes, and techniques.

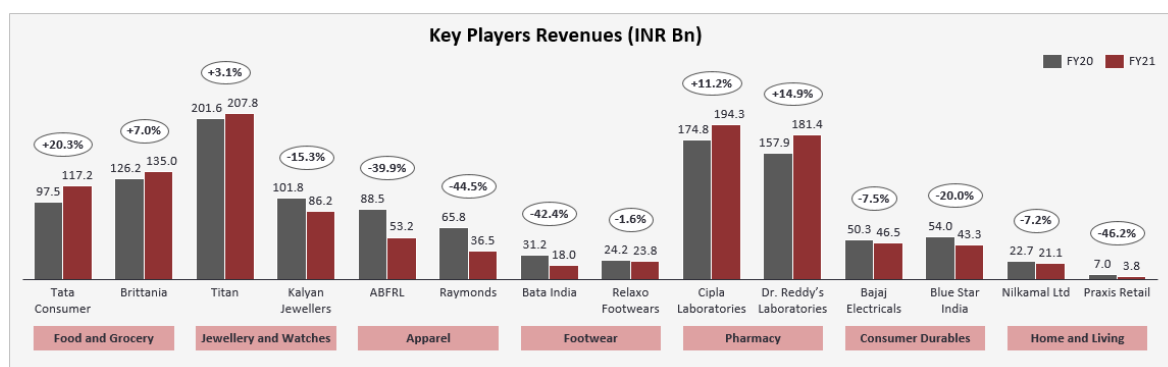
## 1.4 The Indian Retail Sector

The Indian retail sector is sized at INR 75.2 trillion in Fiscal 2020 and has witnessed a growth of 12.4% since 2015. The industry is expected to revive the growth trajectory of 9.5% over the next five years. Organized retail contributed to 11.8% of the total retail (INR 8.9 trillion) in 2020. The organized retail penetration is expected to increase to approximately 16% by Fiscal 2025 which translates into a projected annual growth of approximately 16%. Food & Grocery comprises 66% of the sector, with apparel and footwear the second largest with 8%. Home & living and pharmacy & wellness comprise another 6%. Online retail is expected to reach 8% in 2025 from 4.6% in Fiscal 2020.



Segment	Organized Market Size (INR Tn) FY20	Organized Share (%) FY20
Food & Grocery	2.0	4%
Jewellery & Watches	2.3	30%
Apparel & Accessories	1.8	38%
Footwear	0.2	11%
Pharmacy & Wellness	0.2	10%
Consumer Durable & Appliances	0.6	10%
Home & Living	0.3	28%
Others	1.3	67%

Across retail segments, the impact of the pandemic has been uneven. While non-discretionary items like food and wellness have seen minimal impact over Fiscal 2021, discretionary items like jewelry, consumer durables, apparel and accessories have witnessed higher impact with consumers delaying purchases owing to prevailing uncertainties.

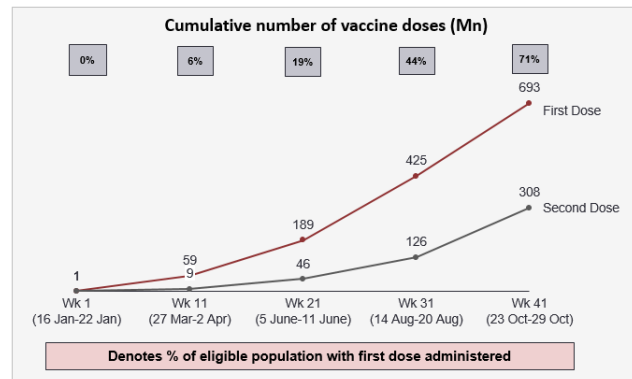


With reviving consumer confidence led by widespread vaccination drives and lifting of lockdown restrictions, discretionary segments such as non-basic apparel, home and living are also on the path to recovery and expected to return to pre-Covid levels by Fiscal 2022-2023.

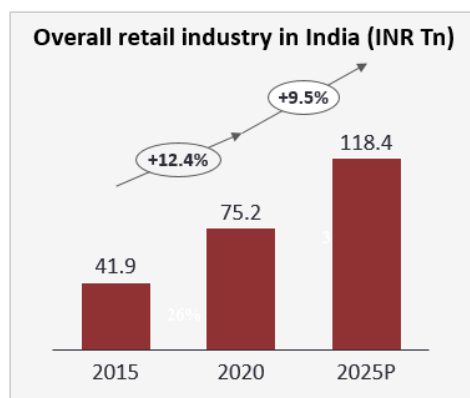
#### Future retail outlook and trends

- **Revived expansion of store networks** – Post lockdown, companies across retail segments have restarted store network expansion. Commercial real estate rentals have witnessed correction across major cities, paving the way for viable expansion.

India administered its billionth dose of Covid-19 vaccine on October 21, 2021, day 278 from the first dose being administered on January 16. With approximately 70% of the eligible population administered with the first dose and approximately 30% of the eligible population administered with both doses, consumer confidence is slowly reviving with footfalls returning to public spaces, physical retail outlets and recreational destinations.



- **Growth of e-commerce and Direct to Consumer models (D2C)** – E-commerce and direct to customer models have witnessed accelerated adoption over the last two years, accentuated by Covid-induced lockdowns. India is expected to witness approximately 300 million online shoppers by 2025 from 150 million in 2020. E-commerce platforms such as Big Basket and Amazon have built delivery infrastructure across tier 1 and 2 cities, integrating a large base of consumers
- **Omni-channel models** – Retailers and brands are investing in listing of products across online and offline channels including multiple channels of exclusively branded outlets, multi-branded outlets, large format stores, e-commerce horizontals and verticals. E-commerce has scaled up significantly owing to lockdown restrictions over the past year. Online sales for large food brands like ITC and Nestle increased by more than 50% during Fiscal 2021, while online sales for apparel players ABFRL and TCNS grew by 40-50% over Fiscal 2021.
- **Multi category-single brand stores** - Retailing in India is witnessing the scaling up of many multiple-category single brand stores such as Zara, H&M, Marks & Spencer and more recently Ikea – which provide customers with a wider basket of assortment and options, across many categories under a single roof.



The above changes are leading to greater availability of options for consumer and greater availability of products, in turn driving consumption growth. Going forward the retail industry is expected to resume the pre-Covid Growth levels to reach INR 82.7 trillion by Fiscal 2022, at 9.5% CAGR. This growth is likely to be fuelled by greater servicing of tier 2/3 cities and towns, improved penetration of categories and omni channel retail models.

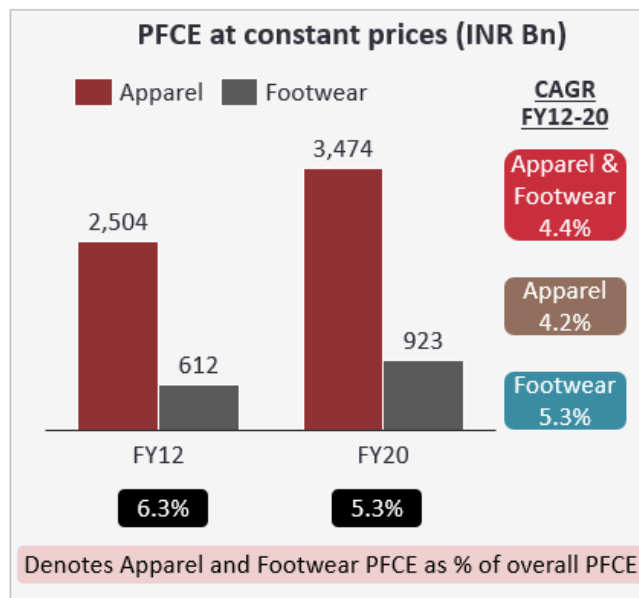
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## 2. Fashion and Lifestyle

### 2.1 Expenditure on Apparel and footwear

Private final consumption expenditure on apparel and footwear accounts for approximately 5.3% of India's total Private Final Consumption Expenditure (PFCE) and has grown at 4.4% CAGR over Fiscal 2012-2020 driven by increasing incomes, a rising middle class, increasing social interaction, increasing aspirational buying, higher awareness and greater availability. Expenditure on apparel and footwear was adversely impacted in Fiscal 2021 owing to nation-wide lockdowns and the subsequent reduction in discretionary lifestyle related purchases. Apparel and Lifestyle spending is already witnessing a revival to pre-Covid levels in Fiscal 2022, with the resumption of offline retail operations, increasing consumer confidence and store expansion by organized players. Softened commercial real estate prices and low commercial occupancies are expected to provide an additional boost to the operating cost structure of stores.

Apparel and lifestyle companies are capitalizing on this and accelerating new store opening plans.

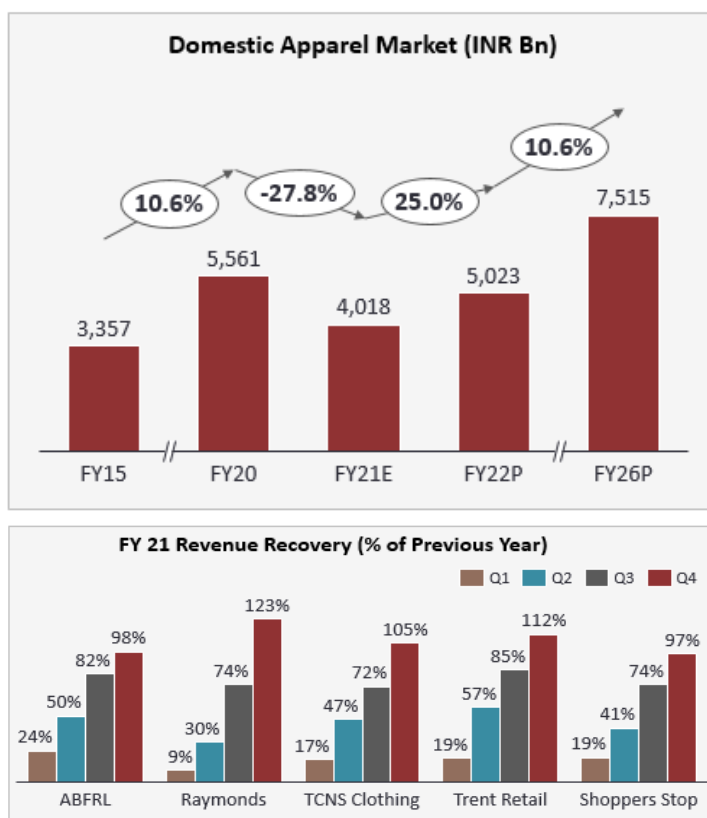


### 2.2 Overview of Fashion & Lifestyle Industry in India

The apparel market in India was estimated to be INR 5,561 billion in Fiscal 2020 and grew at 10.6% (CAGR) over Fiscal 2015-2020. As of Fiscal 2020, menswear comprised 41% of the overall apparel market followed by womenswear at 37%, while kidswear made up the balance 22% share.

The market witnessed a 28% decline in Fiscal 2021 with leading private brands exhibiting 40-45% decline in revenues owing to muted demand during the first half of the year. The impact was more severe in formal wear brands.

The market exhibited steady recovery with spending on apparel and lifestyle picking up in the second half of Fiscal 2021 with gradual lifting of lockdowns, reopening of malls, realization of deferred/pent-up demand and revived festive shopping. Footfalls in retail outlets reached 70-75% of pre-Covid levels during the third quarter of Fiscal 2021 indicating partial recovery. Revenues during Quarter 4 reached >95% of pre-Covid levels for major branded players across apparel and retail.



The overall domestic apparel market is expected to return to 90% of pre-Covid levels in Fiscal 2022, subject to stabilization in the number of Covid cases and is further projected to grow at 10.6% over Fiscal 2022-2026 to reach INR 7,515 billion by Fiscal 2026. Key trends driving growth in the category include revived discretionary spending, wider access through omnichannel retail, the shift towards ready to wear apparel, increasing preference for branded products and premiumization.

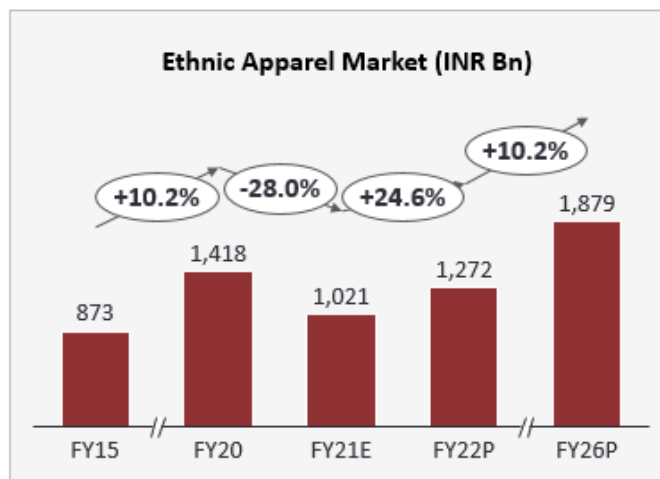


## 2.3 Overview of the Ethnic Apparel Market

Ethnic wear was estimated at INR 1,418 billion as of Fiscal 2020, accounting for approximately 27% of the overall apparel market, having grown at 10.2% (CAGR) over Fiscal 2015-2020. Growth during the period was driven by increased availability with several brands establishing a presence in Tier 2 and 3 cities, a wider variety of offerings, rising demand from a growing number of women in the white-collar workforce and premiumization driven by brands.

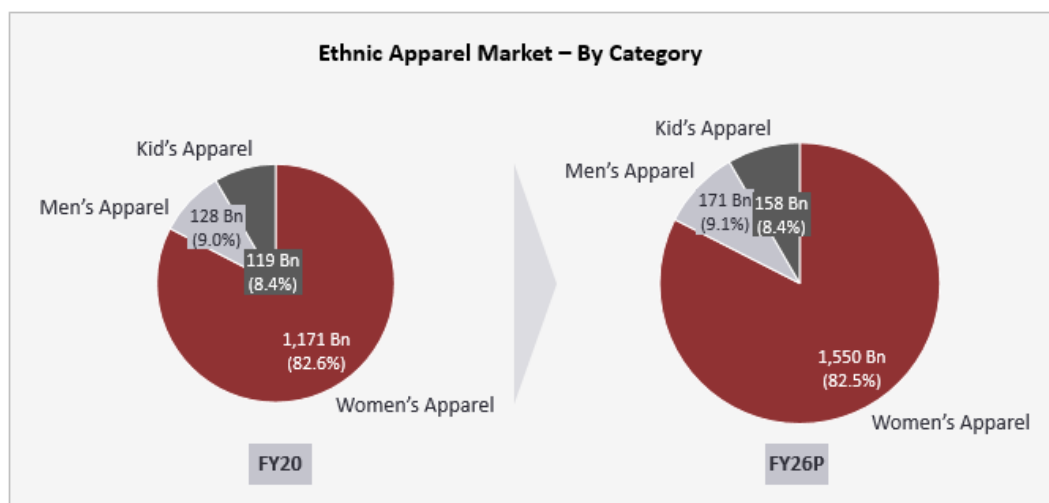
The market witnessed a 28% decline in Fiscal 2021 owing to reduced discretionary spending and government restriction on travel, large scale weddings and celebrations.

The market is expected to grow to INR 1,879 billion by Fiscal 2026. The large number of festivals, weddings and celebrations provide a strong base for ethnic apparel demand. An expanding base of customers seeking ethnic apparel with a modern touch, demonstrated in the growing acceptability of ethnic apparel as formal wear, the increase in multi-day weddings and rising preference for occasion specific apparel, is further expected to boost growth in the segment.



Ethnic wear is most prominent among women's apparel, constituting approximately 60% of the overall women's apparel market. There exists a significant potential for an unbranded to branded shift in the segment - currently concentrated with unorganized and regional branded players.

Of the overall ethnic wear market, women's ethnic wear makes up the largest category, accounting for approximately 83% of ethnic wear as of Fiscal 2020. The men's segment, which constitutes 9%, is growing at a marginally higher rate led by increasing preference for ethnic wear instead of formal wear at celebrations, ethnic dress codes during functions and availability-driven penetration of branded players like Manyavar, Jade Blue, Fabindia and Manthan providing visibility and accessibility to multiple designs.



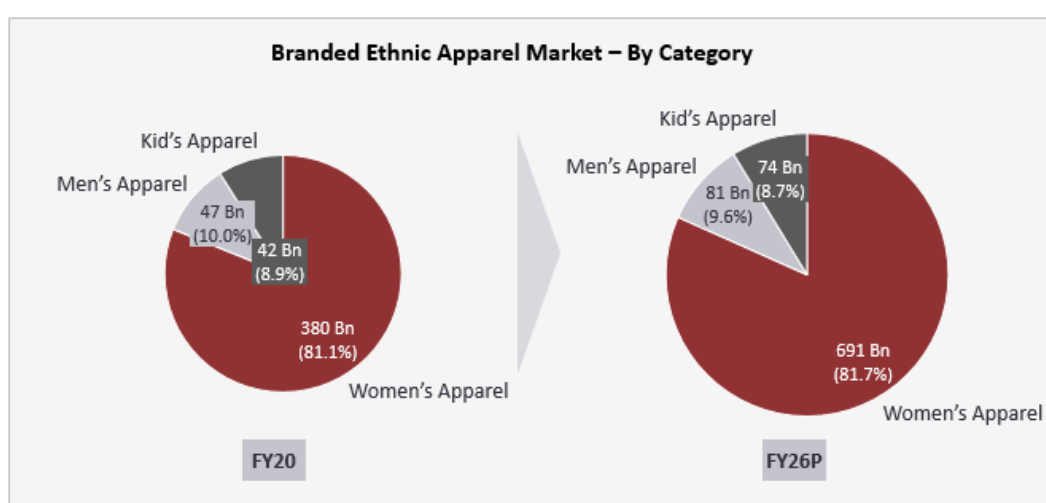
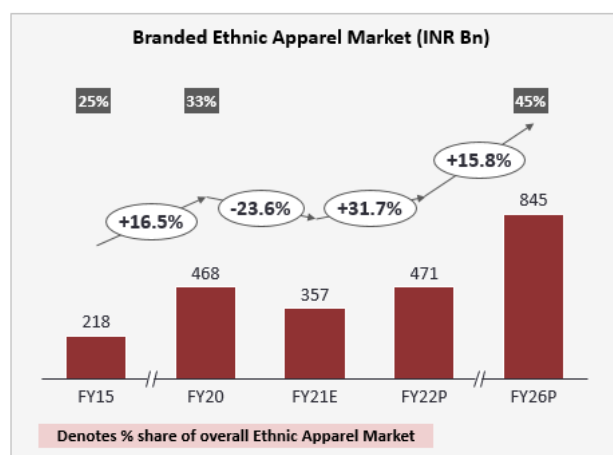
### Branded Ethnic Apparel Market

The branded ethnic apparel market was estimated at INR 468 billion in Fiscal 2020, having grown at 16.5% (CAGR) between Fiscal 2015 and 2020, more than twice the growth for unbranded, leading to an increase in the share of branded from 25% to 33% during the period. The market declined by 28% in Fiscal 2021 but the share

of branded increased as the unorganized sector was hit harder, owing to supply chain disruptions and closure of physical retail outlets.

The branded market is expected to grow further to INR 845 billion by Fiscal 2026 at a CAGR of 15.8% over Fiscal 2022-2026, with branded share increasing to 45% of the overall ethnic apparel market. Players such as Fabindia and TCNS have accelerated the segment's growth and popularity by contemporizing traditional ethnic wear.

Women's ethnic wear makes up the largest category in the branded ethnic segment, accounting for approximately 80% of branded ethnic wear as of Fiscal 2020. This trend is expected to continue with almost uniform growth across segments.



The expanding retail footprint of branded ethnic apparel players and proliferation of E-commerce is leading to accelerated conversion of the unorganized segment into organized, with consumers in tier 2 and 3 cities also gaining access to branded products.

## 2.4 Industry Structure: Ethnic Apparel market

The ethnic wear segment in India has a few large national brands with pan-India reach, and multiple regional and local brands. These include companies with a predominant segment focus and identity, such as womenswear, wedding wear or menswear. While players such as Biba and W are category specific brands, Fabindia an umbrella multi-category store brand with a unique ethnic, artisanal positioning across the categories of fashion, lifestyle, home décor and personal care.

Other industry players include national brands such as Soch, Ritu Kumar and regional brands such as Harra, Prafull, and Ibadat. The market also has private labels of large format lifestyle retailers - Lifestyle (Melange), Pantaloons (Rangmanch, Akkriti, Trishaa, Indus Route), Shopper's Stop (Stop, Haute Curry), Central (Morpankh, Navras, Ateesha), and Reliance Trends (Avaasa).

The following table compares the profiles of select National Fashion and Lifestyle brands operating in the ethnic apparel segment.

Brand (Year of Inception)	Segmental Focus	Usability Focus	Design Philosophy
---------------------------------	-----------------	-----------------	-------------------

Manyavar (1999)	Ethnic wear predominantly men	Wedding and occasion wear	Ethnic and ornate designs for occasions
W (2002)	Indian and western wear for women	Daily and office casual wear	Trendy fusion of western sensibilities with Indian ethos
Biba (1988)	Ethnic wear for women and girls	Daily and occasion wear	Hybrid mix of tradition and classic fashion
Fabindia (1960)	Indian wear for men, women, kids	Daily, Occasion and office wear	Artisanal, centred around Indian weaves, fabrics and crafts, focusing on indigenous products
Global Desi (2007)	Indian and western wear for women	Daily, office occasion wear - targeting younger age group	Westernized casual designs inspired by Indian colours, texture and prints
Soch (2005)	Indian wear for women	Daily, Occasion and office wear	Colours, crafts, fabrics focused on Indian ethnic aesthetics
Ritu Kumar (1969)	Ethnic occasion wear for women	Primarily occasion wear	Focus on Indian crafts and aesthetics
Sabyasachi (1999)	Ethnic occasion wear for women and men	Occasion wear, renowned for bridal wear	Designer apparel, focus on Indian crafts
Anita Dongre (1995)	Indian wear for women and men	Wedding and occasion wear	Handcrafted, artisanal traditional skills

W, Biba and Global Desi are brands catering to women's ethnic wear, with occasional and everyday relevance. Fabindia is a legacy brand focusing on handcrafted, indigenous products. The company has established a brand built on artisanal heritage and tradition, inherited across various product categories. Manyavar started with a focus on men's apparel for wedding and traditional occasions but has broad-based into women's wear selectively as well. Within the ethnic women's apparel segment, Fabindia commands a price premium over other mass-premium brands. With its rich heritage and unique positioning rooted in artisanal legacies, Fabindia has carved out a unique niche and is likely to be more shielded from fast-changing fashion trends.

### Distribution & Retail Footprint

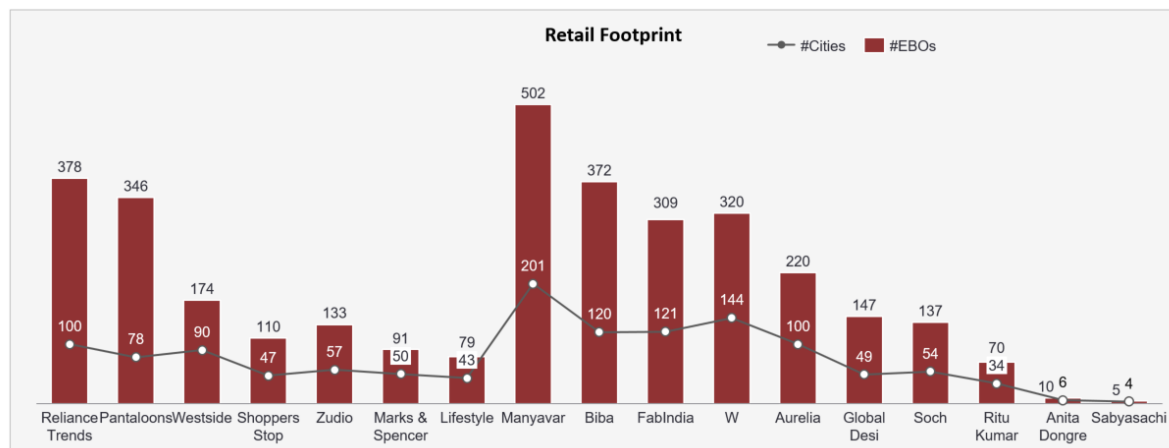
The retail channels for ethnic apparel players typically consist of a mix of exclusive brand outlets (EBOs) including franchisee outlets, multi-brand outlets (MBOs), large format stores (LFS) and E-commerce.

EBOs allow brands to establish a strong customer connection owing to wider portfolio displays and tailored ambience and aesthetics. They are thus the preferred retailing channel for most ethnic apparel players, with many leading brands like Manyavar, W, Fabindia, and Biba operating over 300 EBO stores across their network.

Vedant Fashions (Manyavar, Mohey) positions itself as a celebration wear brand and is primarily focused on EBOs. In Fiscal 2021, EBOs contributed 90% of their revenues with the balance being contributed by MBOs/LFS (8%) and E-commerce (2%).

Brands like W, Aurelia, and Global Desi target the mid-low price point segments and have a strong LFS presence. Of overall revenues of TCNS (W, Auerlia, Wishful) in Fiscal 2021, LFS contributed the majority share at 39%, followed by EBOs (33%), E-Commerce (27%) and MBOs (2%).

Fabindia focuses majorly on their EBO network, deriving 80% of their sales from EBOs in Fiscal 2021, followed by E-Commerce (15%).

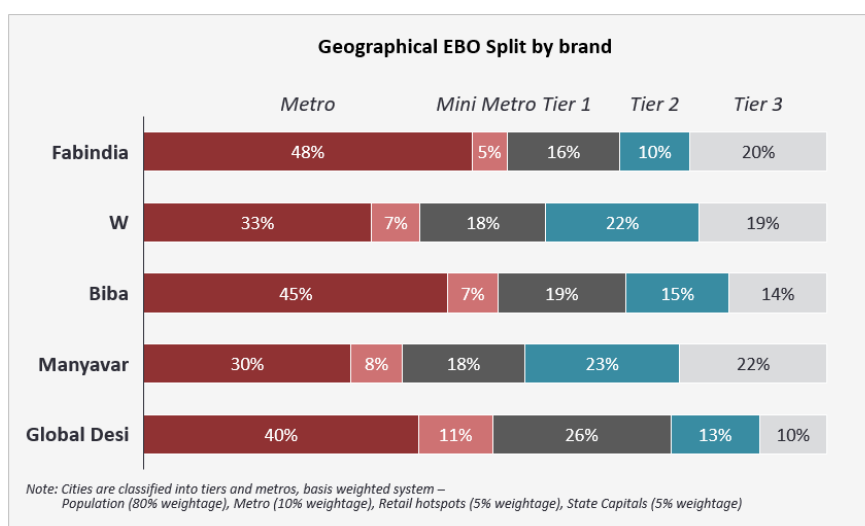


Brand	EBO	MBO	LFS	Cities Present (EBOs)
FabIndia	309 <sup>#</sup>	0	0	125
W	320 <sup>1</sup>	1,008 <sup>1,3</sup>	2,154 <sup>1,3</sup>	144
Aurelia	220 <sup>1</sup>			100
Biba	372 <sup>2</sup>	749 <sup>2</sup>		120
Manyavar	502 <sup>1</sup>	572 <sup>1,3</sup>	107 <sup>1,3</sup>	205
Global Desi	147	402		49
Soch	191	80	105	54
Ritu Kumar	104	0	65	34
Anita Dongre	10	0	75	6
Sabyasachi	5	12		4

Note: 1 As of June 2021, 2 As per ICRA rating rationale dated March 25, 2021, 3 At company level  
# As of September 30, 2021

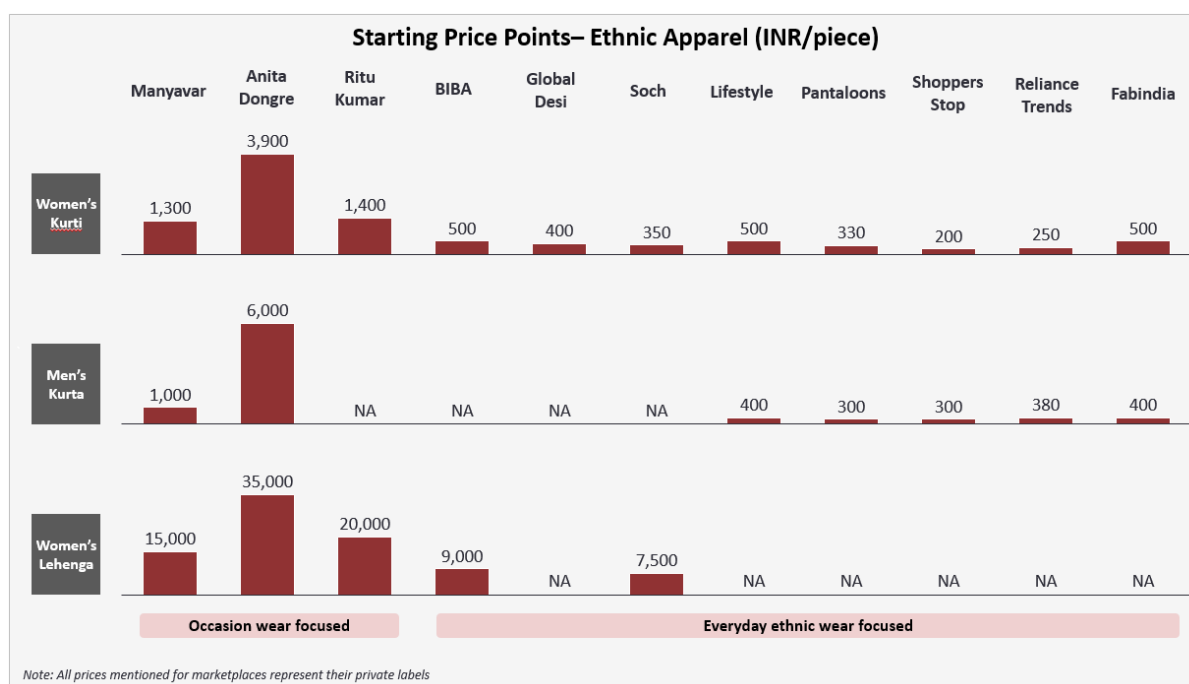
As of now, EBOs in Metro and Tier 1 cities account for 60-75% of the total EBO network for most brands. India has approximately 4,000 cities and towns, including approximately 430 cities with over one lakh population, indicating large potential for growth among ethnic apparel retailers. While there is adequate potential left in the metros and tier 1 cities, tier 2 and 3 markets further hold strong potential for brands to expand.

Fabindia operates the fourth largest EBO network after Manyavar, Biba and W. Industry players such as Fabindia with a focus on franchisee model have potential to expand into smaller cities.



## Price Positioning

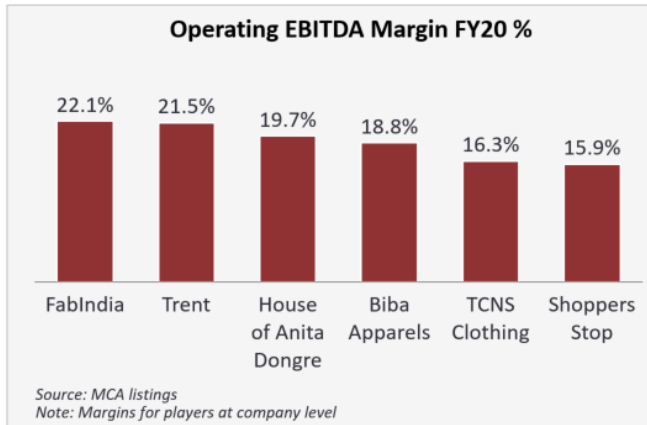
While occasion focused - exclusive designer brands such as Anita Dongre and Ritu Kumar charge a premium, most players in the everyday-wear segment are priced similarly. Fabindia differentiates itself from competitors based on its unique positioning of artisanal, handcrafted ethnic wear.



*Note: Prices are based on interest based pricing analysis of select SKUs as of October 10, 2021. This may change and may be subject to differences across channels and time periods.*

## Margin profile of players

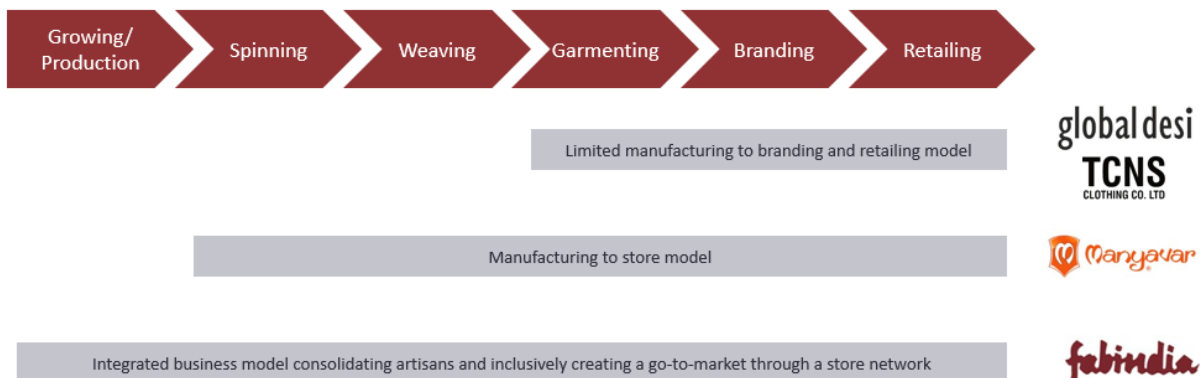
The branded ethnic apparel segment is attractive with players delivering approximately 65% gross margins and 15-20% EBITDA margins. Fabindia delivers the highest EBITDA margins, driven by backward integrated operations, and an efficient store format catered to city specific needs.



## 2.5 Value Chain Models

The typical value chain for apparel players comprises raw material procurement, spinning, weaving, garmenting, branding and retailing. Certain industry players have salience along the entire value chain, while certain others operate only on the front end of retailing with minimal involvement in the sourcing and manufacturing. Among the branded ethnic players, three different models commonly exist.

- Players such as TCNS and Global Desi operate with an **asset light forward integrated model** and focus primarily on designing, branding and retailing as their core activities.

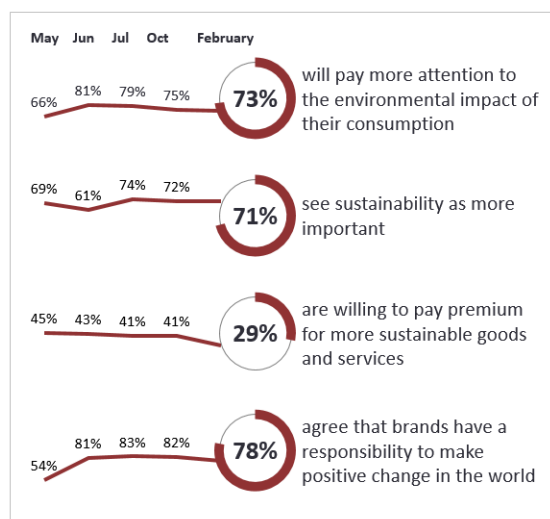


- Players such as Manyavar operate with a **hybrid model** with manufacturing carried out both in-house as well as through third party job workers. While the major focus is on branding and retailing, this provides the company with additional flexibility to cater to changing trends. In addition, Manyavar also procures finished products directly from third party manufacturers.
- Players such as Fabindia operate a **fully integrated supply chain model**, working with contract manufacturers who are directly engaged with artisans and managing the entire value chain. This model of integrated supply chains provides high visibility and flexibility, making it easier for companies to be nimble and quickly respond to changing designs and trends. The long set-up period for establishing a fully integrated model, makes it difficult to be easily replicated by peers. The company currently works with close to 50,000 rural artisans and can replicate the model to further reach out to the wide artisanal base in the country (a total of 7 million+ artisans pan-India).

In terms of retail models, most brands operate a hybrid model comprising both company-operated stores as well as franchise-operated stores. Manyavar has a focus on the franchise model, operating 60% of its stores through franchisees as of June 2021, while Biba operated 9% of its stores through franchisees as of February 2020. Of Fabindia's overall store network as on September 2021, 31% stores were franchise operated, while 69% were company operated (60% smaller EBO outlets, 9% larger experience centers).

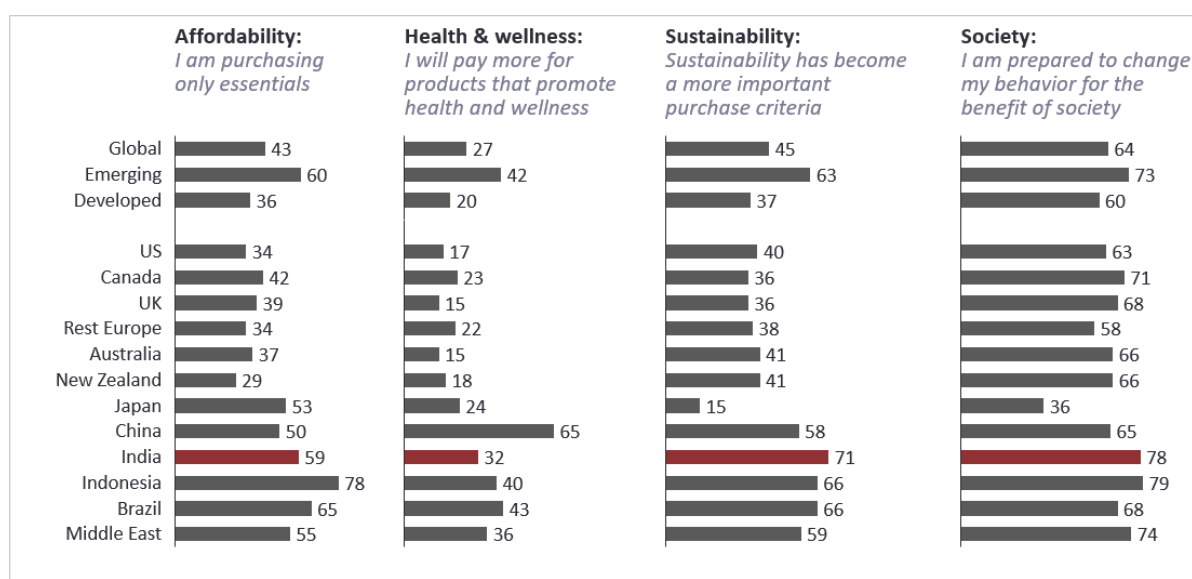
## 2.6 Key trends to influence ethnic apparel & Lifestyle market in India

- **The growing importance of sustainably produced products**



As per EY's Future consumer index survey, 2021, consumers in India have rated sustainability, society and health higher than many global counterparts. The market is also witnessing several upcoming apparel brands that focus on traditional weaves and handicrafts like Khara Kapas, Silai, Okhai, The Indian Ethnic Co. and Tijori.

Sustainable sourcing has been a global theme in apparel with brands such as GAP and Levi's committing to 100% sustainable sourcing by 2023. The trend is catching on in India with leading players fast adopting.



- **Occasional wear to everyday garments**

Ethnic apparel has transitioned from occasional wear to everyday apparel, brands are positioning ethnic apparel as contemporary and comfortable fashion and are offering differentiated products catering to varying needs and occasions.

- **Increasing share of casual wear**

Youth are shifting towards more casual dressing at work and leisure compared to pure formals or pure casuals earlier. This has led to an increase in newer styles of ethnic and fusion wear like Indo-western wear. Furthermore, E-commerce platforms are providing a medium for increased participation and visibility from designers encouraging more creativity.

- **Growth of Digital Commerce**

Covid-related restrictions have encouraged wider usage and acceptance of E-commerce. Strong visibility and stable supply chains have become key to ensure brand discovery and availability. Fashion brands

have been investing in building a strong D2C presence - key players including Fabindia, Manyavar and TCNS have seen online revenues grow by 40-50% over Fiscal 2021.

The advent of e-commerce has led to greater democratization of fashion with a larger expanse of product choices now available to consumers in Tier II and III cities – in turn also allowing brands to access consumers in these cities and towns.

- **Shift towards ready to wear**

Changing demographics and increased preference for convenience products has led to increased demand for ready-to-wear apparel among consumers. Brands are reacting to the shifting preferences by providing a larger variety of fits, sizes and styles.

- **Industry Consolidation towards branded apparel and lifestyle**

The unorganized sector and smaller regional brands have been adversely impacted by supply chain disruptions and the lockdown. Larger brands have shown greater resilience and have survived the first two waves of the pandemic. This could lead to consolidation in the industry towards large branded players.

- **Improving commercial real estate environment**

The commercial real estate market has witnessed rate corrections, leading to better operating costs for retail brands. Depressed commercial real estate prices provide an impetus to expand the store network in the short term. The underpenetrated Tier 3+ cities in India offer large residual expansion potential.

The branded apparel market is well positioned for strong growth and profitability, with the above industry tailwinds.

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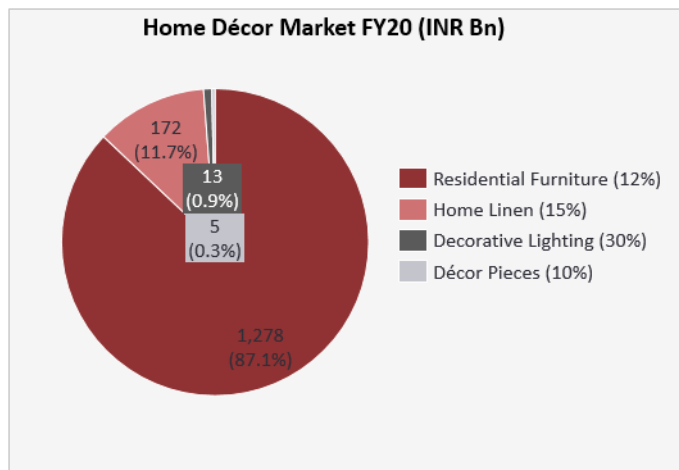
## 2.7 Overview of the Home Décor Market in India

### Expenditure on Home Decor

Private final consumption expenditure (PFCE) on home linen, furniture and furnishings accounts for approximately 1.7% of India's total private final consumption expenditure and has grown at 8.3% (CAGR) over Fiscal 2012-2020. This has been higher than the overall PFCE growth of 6.7% per annum.

The growth has been driven by increasing incomes, rising discretionary spending, increase in number of households (nuclearization) and home ownership, shift from functional to aspirational buying and improved availability.

### Home Décor Market <sup>1</sup>

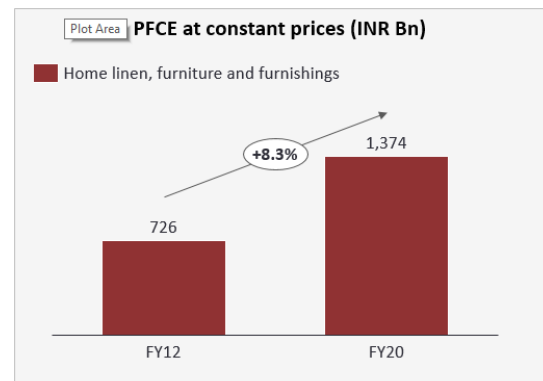


market in India stands at USD 2.3 billion, while China is estimated at USD 33 billion, and the US is estimated at USD 34 billion.

### Overview of the Residential Furniture Market

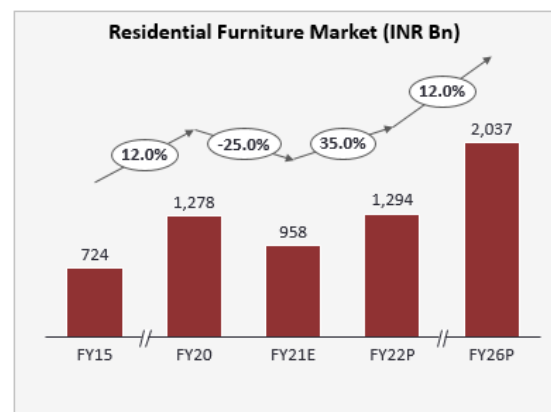
The residential furniture market estimated at INR 1,278 billion has grown at a rate of 12% (CAGR) over Fiscal 2015-2020, driven by increasing number of households, improved lifestyles, rising urbanization and usage of newer materials and product attributes like modular designs catering to smaller sized homes requiring space efficient furniture.

The market remains heavily unorganized, which comprises 88% share as of Fiscal 2020. However, the furniture market



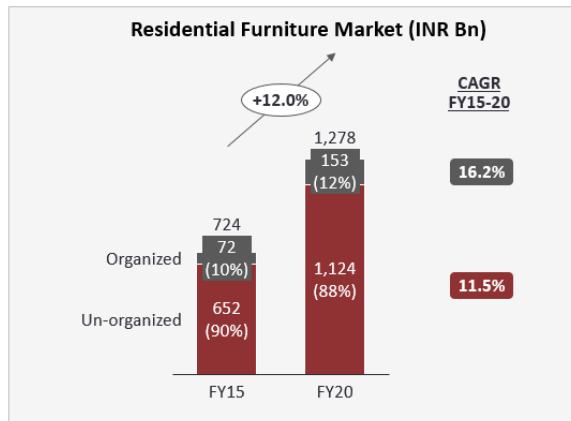
Residential furniture comprises the majority share followed by home linen, while decorative lighting and décor accessories are relatively smaller segments. The overall home décor market is highly unorganized, with the organized segment constituting approximately 12% share.

There exists significant growth headroom for the home décor market in India. Comparing key categories, the indoor furniture market for India in 2020 is estimated at USD 18 billion, whereas for global peers, China is estimated at USD 57 billion while the US is estimated at USD 112 billion. Similarly, the home linen



<sup>1</sup> For the purpose of this segment of the report, the home décor market has been defined as comprising residential furniture, home linen (bed linen, bath linen, curtains, cushions, rugs etc), decorative lighting, and décor accessories (clocks, lanterns, candles, wall décor pieces etc). – key segments that Fabindia plays in.

is increasingly getting organized. The organized segment grew at 1.4 times the growth rate of the unorganized segment over Fiscal 2015-2020.

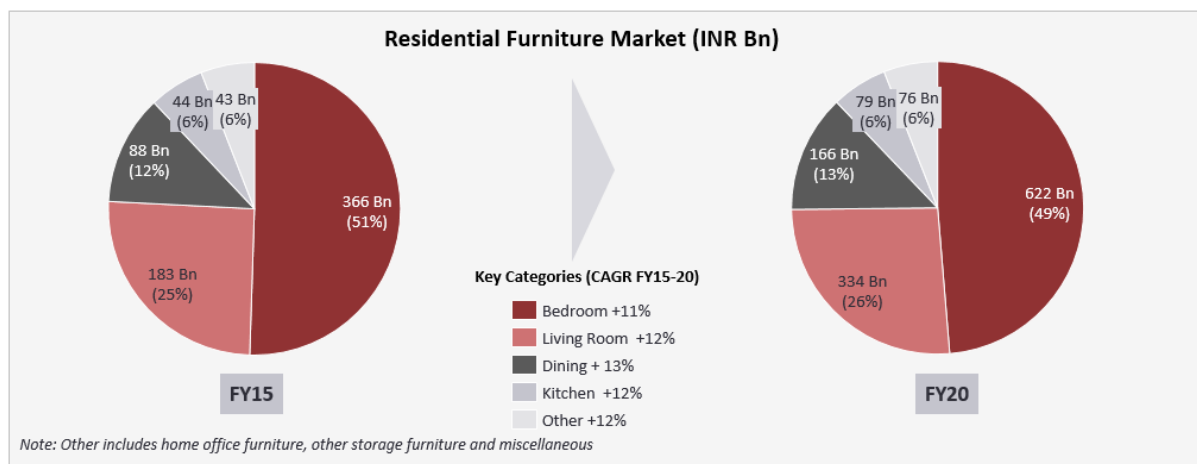


The shift to organized has been aided by the availability of new materials and designs. Organized players are sometimes priced more competitively than unorganized with increasing usage of materials like particle board and MDF, which are cost efficient.

Moreover, organized players are now offering consultation services and customizations in addition to other value-added services like installations, trials, repairs and returns. This assurance of quality and higher level of convenience has resulted in increasing prominence of organized players.

In terms of category share, bedroom furniture including beds, wardrobes, and storage cabinets constitute

approximately 50% share, followed by living room furniture (sofas, cabinets etc.). Dining furniture comprises 13% and has grown at a higher rate than the overall market.

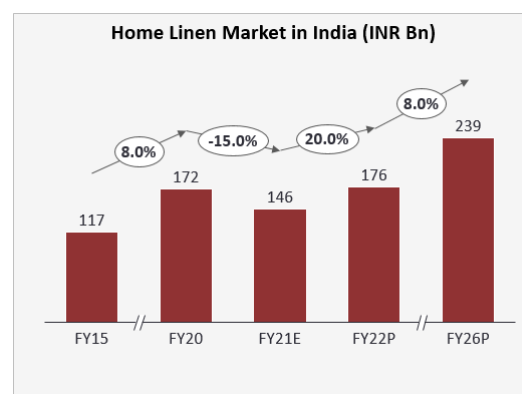


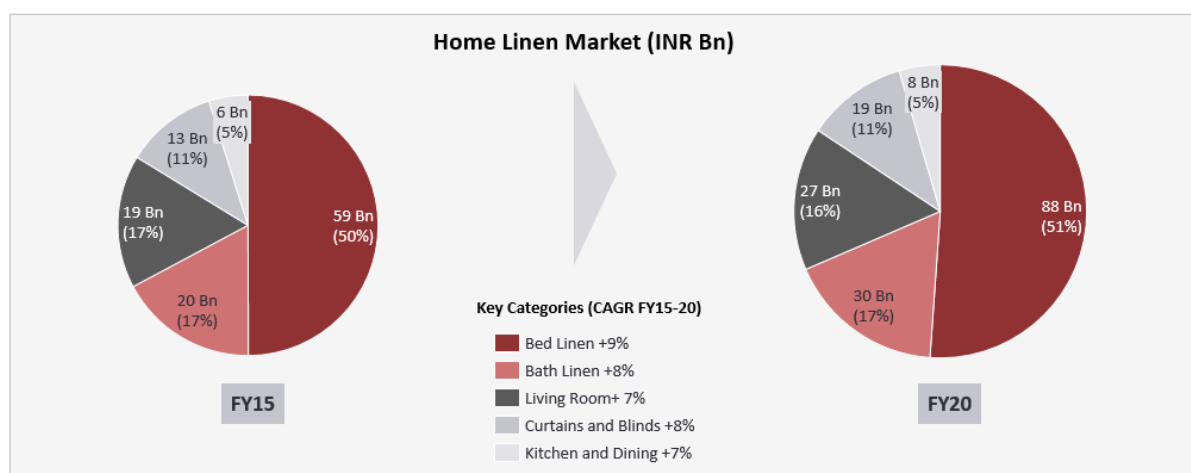
## Overview of the Home Linen Market

The home linen market was estimated at INR 172 billion in Fiscal 2020 and grew at 8.0% (CAGR) over Fiscal 2015-2020. The market witnessed a 15% decline in Fiscal 2021 owing to limited access to offline retail outlets and reduced discretionary spending as customers postponed spending on non-essentials.

The market is expected to rebound to 102% of pre-Covid levels in Fiscal 2022 and is further expected to reach INR 239 billion by Fiscal 2026.

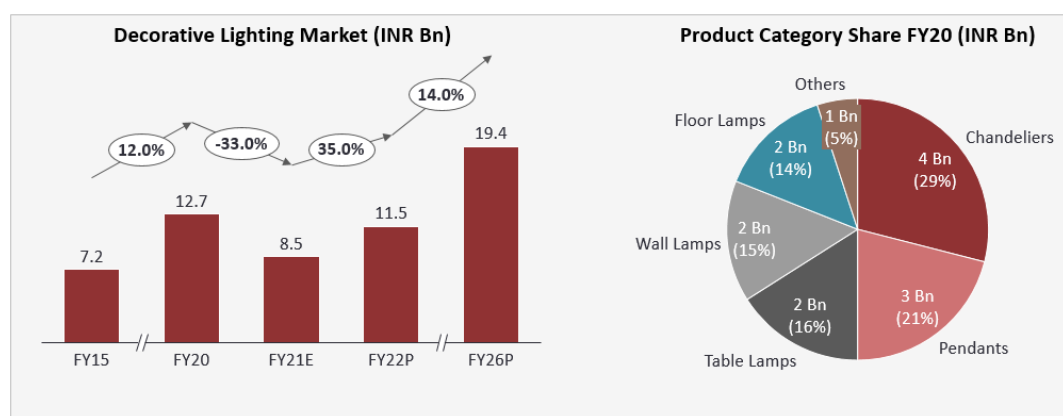
Bed linen (which includes bed sheets, quilts, duvet covers, bed covers, pillow covers) and bath linen (towels, bathrobes, hand towels, shower curtains) are the largest categories and have outpaced overall market growth, while living room linen (upholstery, rugs, carpets), curtains and kitchen/dining décor are relatively smaller segments.





## Overview of the Decorative Lighting Market

Lighting is undergoing a shift from functional to decorative driven by increasing awareness around the role of lighting in home décor and high consumer involvement. With expansion in domestic manufacturing capacities and capabilities, the decorative lighting market has witnessed 12.0% CAGR over Fiscal 2015-2020 and was estimated at INR 12.7 billion as of Fiscal 2020. Chandeliers account for 29% of the overall market by value, followed by pendants (hanging lights), table lamps, wall lamps and floor lamps.



The unorganized segment, which largely comprises of imports from China, accounts for approximately 70% share. However, the organized segment has been growing at a faster rate led by awareness creation initiatives by brands and value-added services like installations, repairs and warranties. Table lamps, floor lamps and pendants have witnessed higher growth vis-à-vis chandeliers with consumers looking to redecorate their houses with soft furnishings and shift towards hanging lights with increasing prominence of apartments with lower ceiling height.

With increase in import duties on lighting fixtures from China, brands are leveraging the local artisan base to further develop domestic manufacturing capabilities. The emphasis is shifting towards local tastes, and brass-made, ethnic products. The decorative lighting market is expected to reach INR 19.4 billion by Fiscal 2026, with share of organized players increasing from the current 30% to 40%-50%.

## 2.8 Key recent trends in the Home Décor market

### • Increased interest in home décor with additional time spent at home

With the prevalence of work from home and travel restrictions over the last 18 months, many Indians have reoriented their way of living. There has been an increased interest in home redesigning and refurbishment with consumers channeling their efforts into livening up their spaces and making it more functional. Soft furnishings (cushions, throws, rugs) and office furniture suited to home (work desks,

ergonomic office chairs, study tables) have been major beneficiaries. Gifting has also become a big trend and spurred the growth of this category.

- **Premiumization of home and décor categories**

With evolving consumer tastes, gradual upgradation of lifestyles and increasing access to luxury products, the home décor segment in India has witnessed steady premiumization over the last decade. Theme-based interior designing for new and renovated homes has led to increasing popularity of designer and premium products. Premiumization in home décor was further accelerated during the lockdown as customers sought increased comfort, functionality and aesthetic appeal. Premium products such as higher thread count bed sheets and ergonomic office chairs have witnessed an increase in popularity over the last 18 months.

- **Focus of global and local home improvement players**

The home and décor segment has witnessed the recent entry of multiple local and global players. Swedish home improvement conglomerate IKEA opened its first Indian store in Hyderabad in August 2018 and currently operates two large format stores (approximately 500,000 sq ft) at Hyderabad and Navi Mumbai, with further plans to open smaller format stores (50,000 sq ft - 100,000 sq ft) in Mumbai, Bengaluru and NCR.

In 2018, Reliance Brands announced its partnership with American furniture and design chain William Sonoma to launch its brands West Elm, Pottery Barn and Pottery Barn Kids. West Elm opened its first flagship store in India in October 2021 at Jio World Drive, BKC, Mumbai. Sister brands Pottery Barn and Pottery Barn Kids are expected to launch soon.

Prominent domestic firms are also looking to expand their home decor/home improvement offerings. Asian Paints recently acquired premium furnishing brand Pure and collaborated with designer Sabyasachi in 2020 to launch a new range of designer wall coverings. Godrej's premium home furniture and furnishings brand, Script, is planning to expand into 13 Tier 2 cities in Fiscal 2022.

- **Emergence of integrated end to end solution providers**

The interior design consultancy segment has been popular in the developed markets with large brands offering customized and innovative solutions for hospitality, residential and office spaces. With theme-based designs becoming popular among the domestic affluent class, several brands like Livspace, Asian Paints Beautiful Homes, HomeLane, etc. have emerged which provide interior design consultancy and end to end solutions. Fabindia has also recently entered the space, providing customised interior-design solutions through their experience centres.

- **Growing share of digital channel**

E-commerce contributes <5% share of the organized furniture market currently but is gaining traction with increase in consumer confidence and formalization of the sector. The pace of E-commerce adoption has been further aided by the emergence of digital first brands like Pepperfry which have witnessed revenue growth of 10-15x over Fiscal 2015-2020.

- **Growing importance of ethnic designs**

Customers are exploring indigenous products that blend traditional designs with contemporary elements. Designs rooted in Indian culture including handmade crafts – rattan furniture, ethnic lampshades, brass accessories, hand-woven embroidered furnishings, natural textiles, paisley pattern, kalamkari and ikat prints, terracotta, Madhubani artwork, etc. have gained wide appeal and prominence as customers look to add an ethnic touch to their modern home spaces. Players such as Fabindia, Goodearth, Okhai have emerged as prominent brands catering to customers exploring home products with such design ethos.

## **2.9 Industry Structure: Home Décor**

While the home décor segment in India is still largely unorganized, several product-focused brands, service-oriented entities providing interior design consultancy and select integrated players have established pan-India

presence. The organized market has also witnessed the entry of many large-format chain stores and digital-first players acting as marketplaces, selling both private labels and a curated assortment of brands across a wide range of home décor products and accessories.

		Product Offerings				Service Offerings	
		Furniture	Home Linen	Lighting	Décor Accessories	Interior Design Consultation	Product Customization
Product Category Focused	Godrej Interio	✓	✗	✗	✗	✓	✓
	IKEA	✓	✓	✓	✓	✗	✗
	D'Decor	✗	✓	✗	✗	✗	✗
	Portico	✗	✓	✗	✗	✗	✗
	Spaces	✗	✓	✗	✗	✗	✗
	Tisva	✗	✗	✓	✗	✗	✗
Market place	Hometown	✓	✓	✓	✓	✗	✗
	Homecentre	✓	✓	✓	✓	✗	✗
	UrbanLadder	✓	✓	✓	✓	✗	✗
	Pepperfry	✓	✓	✓	✓	✗	✗
Service Focused	Livspace	✓	✗	✗	✗	✓	✓
Product + Service	Asian Paints	✓	✓	✓	✗	✓	✓
	Fabindia	✓	✓	✓	✓	✓	✓

- **Category focused players:** These players specialize in a specific segment of home and décor, typically through both online as well as physical retail stores. Prominent players in the category include D'Decor, Portico (home linen), Godrej Interio, Stanley Lifestyle (furniture), Tisva, White Teak (lighting), and IKEA (home decor).
- **Solutions focused players:** These include brands such as Livspace, HomeLane, etc. which provide end to end interior design solutions. Their service offerings include consultation aided by 3D modelling, product selection through in-house catalogs, project management and installations.
- **Category and Solutions focused players:** Asian Paints entered the furnishings, furniture, and lighting segment in 2020 with the launch of its brand 'Ador'. Their end-to-end interior design execution service offering through 'Beautiful Homes' brings together interior design solutions, product selections and customizations through a single coherent platform. Fabindia is a prominent player in this segment focusing on both products and solutions. The brand has established retail experience centers which display their on-ground portfolio as well as provide options to avail of in-house consultancy services. Fabindia offers a unique portfolio of design-led offerings focused on Indian crafts, handmade products, traditional weaves, and natural materials like brass and sheesham. It offers products across home furnishings, furniture, and decorative lighting alongside consultancy services through its in-house set of designers.
- **Multi-branded Home Improvement Retailers:** Select players such as Home Centre (Lifestyle), Home Stop (Shoppers Stop), and Hometown have brought multiple brands under a single roof through their large format stores. These players act as marketplaces for a variety of brands including their private labels, offering products across the home décor and appliance segments. The category also includes new-age digital first brands such as Pepperfry and Urban Ladder that have expanded presence through their offline experience stores.

## Retail and Distribution Footprint

Most leading players in the home décor segment operate with less than 100 exclusive brand outlets, considerably lesser in comparison to the 300+ outlets operated by major ethnic apparel players.

- Product focused players such as Godrej Interio, D'Decor and Tisva sell primarily through multi-brand outlets. They also operate a few flagship EBOs – allowing them to showcase the full range as well as enhance brand visibility.

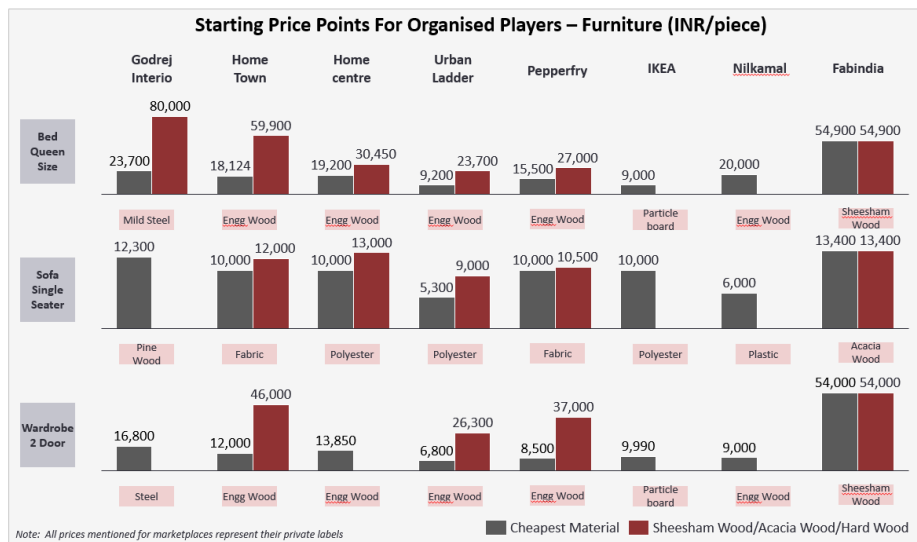
- Marketplace players such as Hometown and Homecentre have offline presence only through their exclusive large format stores.
- Digital first players are now expanding aggressively into brick-and-mortar retail. Pepperfry has 95 retail outlets across 56 cities while it delivers to over 500 cities through its e-commerce platform.

Fabindia operates stores retailing its home furniture and décor range, including stores exclusively catering to home décor. The company also e-retails its furniture range through its website.

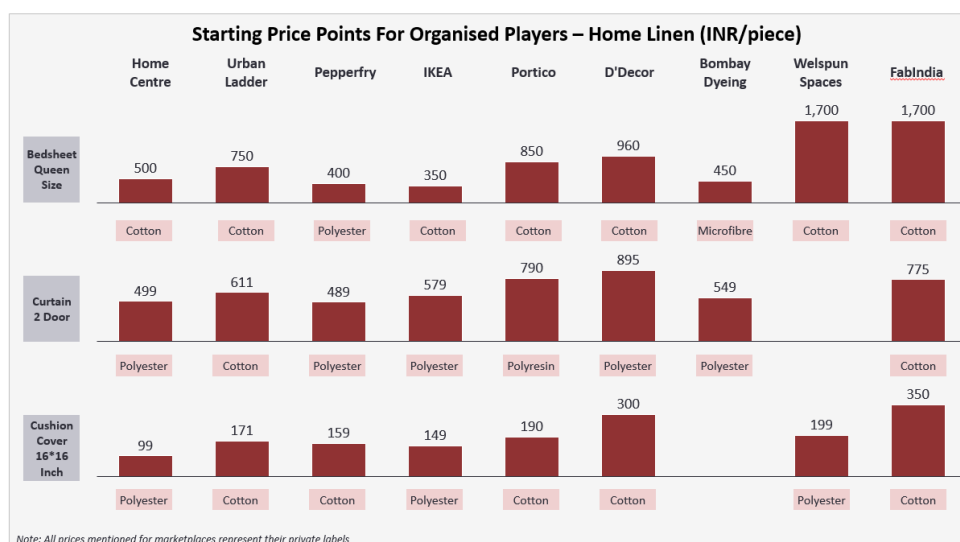
## Price Positioning

The following tables compare starting price points and primary material used across various brands in the furniture and home linen categories.

In the furniture category, Fabindia offers products exclusively made from sheesham and acacia wood and commands a premium over other players. Most players offer products made of engineered wood/particle board which are typically priced 50-70% cheaper than sheesham wood. IKEA and Nilkamal do not play in the sheesham wood category.



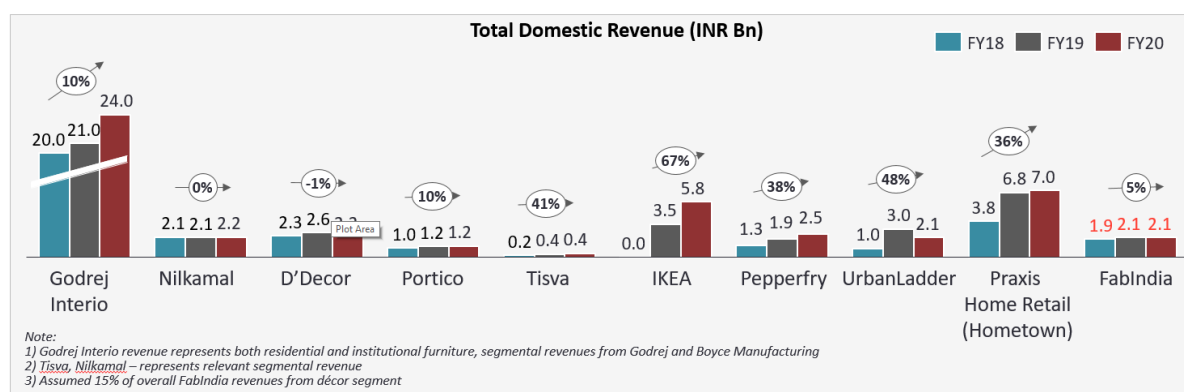
In line with their ethnic design ethos, Fabindia only offers handcrafted products produced exclusively through their local artisans, whereas peers predominantly offer machine made products. The quality and material focus makes Fabindia more premium than cheaper quality alternative products but similar to the pricing of offerings in the same category by other players.



*Note: Prices are based on interest based pricing analysis on select SKUs as of October 10, 2021. This may change and may be subject to differences across channels and time periods*

## 2.10 Industry Performance: Home Décor

While established players in furniture and home linen have exhibited stable revenues (Nilkamal, D'décor) and 10-15% EBITDA margins, newer players in the segment (IKEA, Pepperfry, Urbanladder, Portico, Livspace) have witnessed high growth over Fiscal 2018-2020 led by aggressive expansion models, which is reflected in lower operating EBITDA margins.



## Value Chain Models: Home Décor

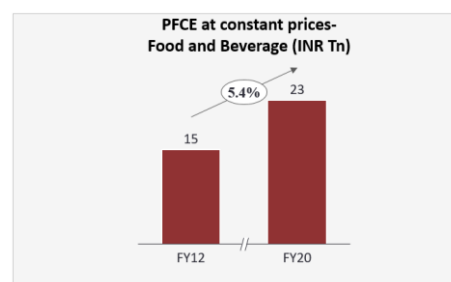
The value chain for home décor varies by segment, but typically comprises raw material procurement, manufacturing, distribution, and retailing. In the furniture segment, Nilkamal and Godrej Interio are major players who undertake in-house manufacturing, while marketplace players such as HomeTown, HomeCentre and Pepperfry focus on curation, logistics and retailing. In the home linen segment, players such as D'Decor and Portico focus on manufacturing while distribution is carried out through a network of dealers and MBOs. Most players in the decorative lighting segment source crystals and other product elements through imports, primarily from China. Brass based work and assembly is carried out in India.

Fabindia is one of the unique players playing across several product segments as well as across the value chain.

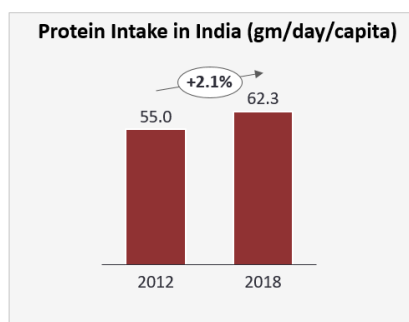
### 3. Organic & Wellness Foods

#### 3.1 Expenditure on Foods

Food is the largest component of PFCE for the Indian Consumer contributing 27% of the overall spends. It has witnessed a growth of 5.4% during Fiscal 2012-2020. Increasing income levels are driving growth in per capita food consumption as consumer preferences are shifting towards proteins over carbohydrates and branded packaged products over unbranded with increasing adoption of wellness foods, specialized dietary supplements, and organic foods.



#### 3.1.1 Increasing Protein Intake



Protein intake, a sign of economic upgradation and improving dietary patterns, increased from 55 gm/capita/day to 62.3 gm/capita/day between 2012 and 2018 as per FAO estimates. This is demonstrated in the growth of protein-oriented segments like poultry and dairy which have witnessed CAGR of 8% and 10% during 2015 and 2020.

#### 3.1.2 Shift Towards Packaged Branded Products

Packaged foods in India have witnessed a CAGR of 12% during Fiscal 2015-2020 to reach INR 5.27 trillion. Several sizeable segments such as Packaged Dairy (INR 1.24 trillion, 17% CAGR Fiscal 2015-2020),

Packaged snacks (INR 350 billion, 15% CAGR Fiscal 2015-2020) have witnessed growth. The growth has been driven by a shift from unbranded products to branded packaged products. Consumer focus towards hygiene and convenience have contributed to this shift. Given the large contribution of unbranded products across food segments the shift is expected to continue over the next few years driving growth of packaged food products.

#### 3.1.3 Health Orientation in Foods

Increasing urbanization, rising pollution levels, and sedentary lifestyles are leading to an increase in the prevalence of lifestyle diseases. An estimated 137 million Indians suffer from high cholesterol, 264 million from high blood pressure and 268 million are overweight/obese. Given the rising prevalence of these diseases, the focus on preventive health has increased over the last few years with the Covid-19 pandemic further accentuating these concerns. In a recent survey, 94% of surveyed consumers stated that they are worried about their family's health, and 77% believe that healthy foods are important to them.

The overall Consumer Health and Wellness foods market is estimated at INR 1.03 trillion and witnessed 14% CAGR during Fiscal 2018-2021. Packaged Health and Wellness Food and Beverage market is estimated at INR 700 billion in Fiscal 2021. The Dietary supplements market which includes products such as Herbal Supplements, Vitamins, and Minerals & Proteins is estimated to be an INR 286 billion market and grew at 13-15% during Fiscal 2018-2021. The organic foods market in India is estimated at INR 14 billion and has witnessed growth of 18% CAGR between Fiscal 2015-2020.

#### 3.1.4 Premiumization/Value Added Products

With increase in disposable incomes, consumers are seeking higher quality products. This has driven food companies to launch premium variants of products. Across several categories, the premium segments are witnessing higher growth than mass segments. For example, between Fiscal 2015-2020, premium chocolate segments grew at 9%, while the overall chocolate category growth was 7%. Similarly, healthy/digestive biscuits witnessed 15% CAGR, while the biscuits category grew at 9% CAGR during Fiscal 2015-2020.

### 3.2 Health & Wellness Products in India

The consumer health food & supplements products market size in Fiscal 2021 was INR 1.03 trillion and witnessed a CAGR of 14% during Fiscal 2018-2021. The segment comprises healthy variants of foods and beverages such



as digestive biscuits, baked snacks, and dietary supplements. As per EY's Consumer Index Survey, 2021 for major consumer markets, 88% of surveyed consumers are concerned about their family's health, and 32% would be willing to pay a premium for health-based products. The Covid-19 pandemic has accelerated the demand and adoption of health food and supplement products.

### 3.2.1 Industry Structure

The Health & Wellness products industry is characterized by strong growth and high EBITDA margins for most players. Players such as Patanjali and Herbalife have created sizeable businesses leveraging herbal supplements as their focus segments and maintained double digit growth between Fiscal 2016-20.

	Units	Patanjali	Dabur	Emami	Herbalife	Baidyanath	Organic India	Oziva
<b>Revenue (FY20) INR Bn</b>		90.2	87.0	28.8	27.5	5.5	3.4	0.2
<b>Revenue CAGR (FY17-20)</b>	%	16.7%	2.6%	3.0%	20.4%	3.9%	11.8%	144.6%
<b>Key Focus Categories</b>		Foods (Rice, Ghee, Honey), Ayurvedic products (Chwayanprash, juice)	Health care, hair care, skin care, oral care, home care, foods	Health care, Personal care	Weight management, energy and fitness, nutrition	Herbal juice, ghee, honey, sauce, pure oil, chyawanprash, classical products	Organic Body care, tulsi and tea infusions, herbal formulations, packaged food	Hair care, skin care, immunity powder, vitamin capsules, whey protein, etc.
<b>EBITDA % (FY 20)</b>	%	NA	24.1%	26.0%	18.2%	5.1%	11.3%	11.3%

### 3.3 Organic Foods

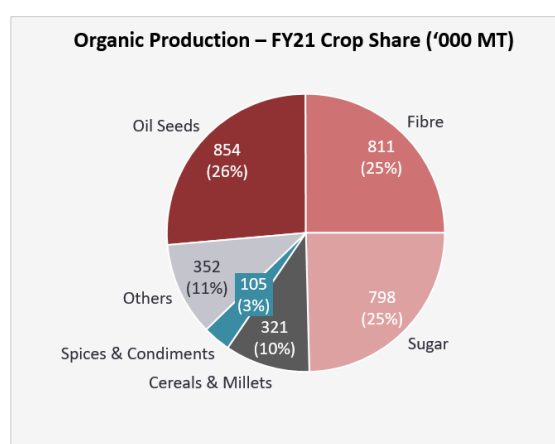
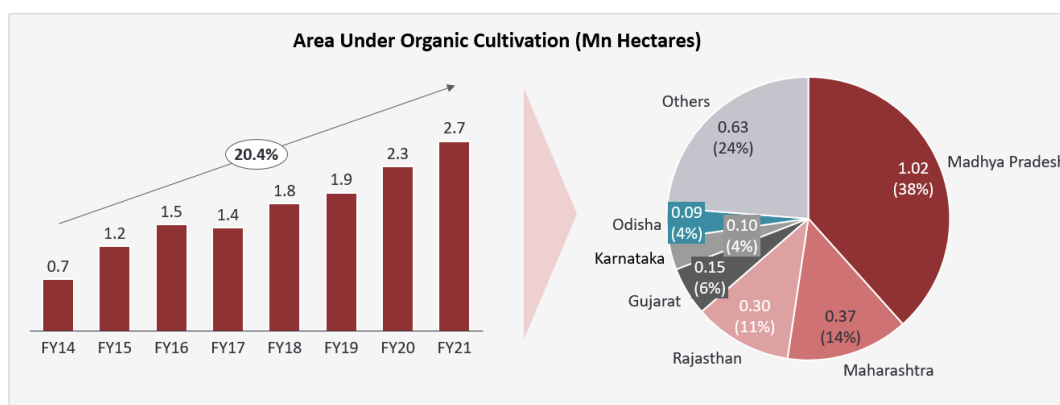
#### 3.3.1 Organic Foods Production in India

Organic farming involves agriculture without the use of chemical fertilizers or pesticides with an environmentally and socially responsible approach. Modern standards based on organic agriculture was established recently with the growing demand for organic foods in developed countries.

The National Programme for Organic Production (NPOP), launched in 2001 laid the foundation for systematic development of organic agriculture sector in the country. NPOP provides an institutional framework for accreditation and certification of various facets of organic agriculture processes. Managed and operated by APEDA under GoI's Ministry of Commerce & Industry, the program has recognition agreements with the European Union, Switzerland and USDA-NOP.

Starting with just 42,000 hectares during 2003-04, the area under cultivation has grown almost 64-fold, touching 2.7 million hectares in Fiscal 2021. The area under organic cultivation in India has witnessed a CAGR of 20.4% during Fiscal 2014-2021 to reach 2.7 million hectares in Fiscal 2021.

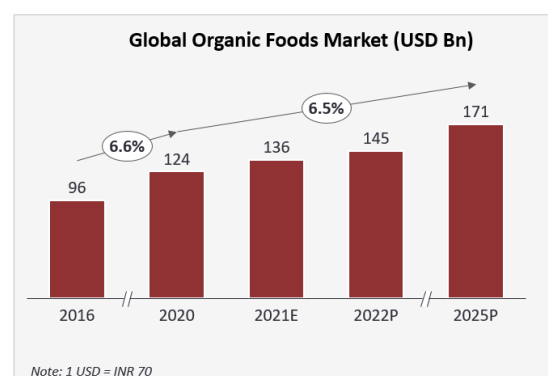
Madhya Pradesh (38%), Maharashtra (14%) and Rajasthan (11%) account for the majority share with a combined 1.69 million hectares dedicated to organic cultivation. Organic production from farms has witnessed a CAGR of 16% during Fiscal 2014-2021 to reach 3.47 MMT in Fiscal 2021. Madhya Pradesh (40%), Maharashtra (22%) and Karnataka (10%) had the leading share in production, accounting for a combined 2.5 MMT in Fiscal 2021.



In terms of crop share, oil seeds (26%), fiber (25%) and sugar (25%) contribute approximately 75% of organic production in India. Organic tea production was 42,121 MT in FY21 accounting for 1.3% of overall organic production in India. The organic production is largely exported to developed markets, and India is an emerging production source for organic produce.

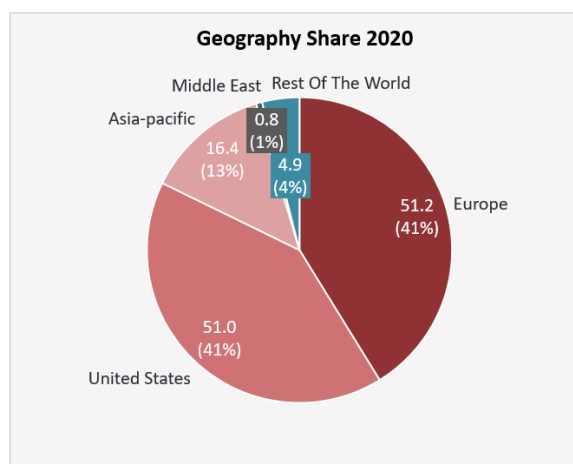
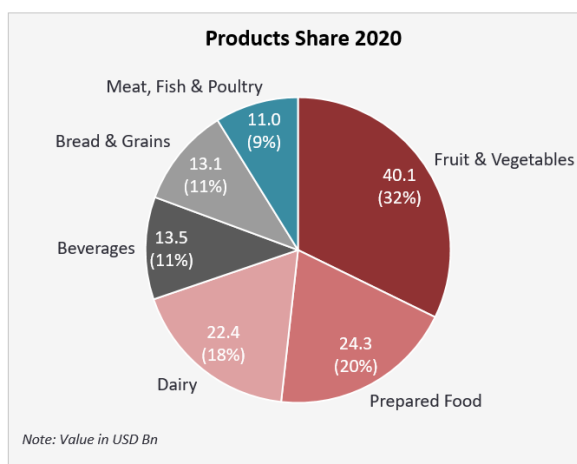
### 3.3.2 Global Organic Foods Market

The global organic foods market was estimated at USD 136 billion in Calendar Year 2021. As consumers make a conscious choice of purchasing pesticide and chemical free products, the market witnessed a 6.6% CAGR during Calendar years 2016-2020. The market is projected to witness a steady state growth of 6.5% similar to pre-Covid levels to reach USD 171 billion by Calendar Year 2025.



In contrast, global packaged foods growth stood at 2-3% indicating a gradual shift towards organic foods.

In 2020, Fruits and Vegetables was the largest segment (USD 40.1 billion, 32%), followed by packaged food (USD 24.3 billion, 20%), Dairy (USD 22.4 billion, 18%) and Beverages (USD 13.5 billion, 11%). Europe and the United States are the largest markets comprising an equal share (USD 51.2 billion and USD 51 billion, respectively), followed by Asia-Pacific (USD 16.4 billion, 13%) and the Middle East. China accounts for 66.6% of the market size in Asia-Pacific (USD 10.9 billion) followed by Japan (USD 1.8 billion, 11.0%) and South Korea (USD 0.4 billion, 2.5%).

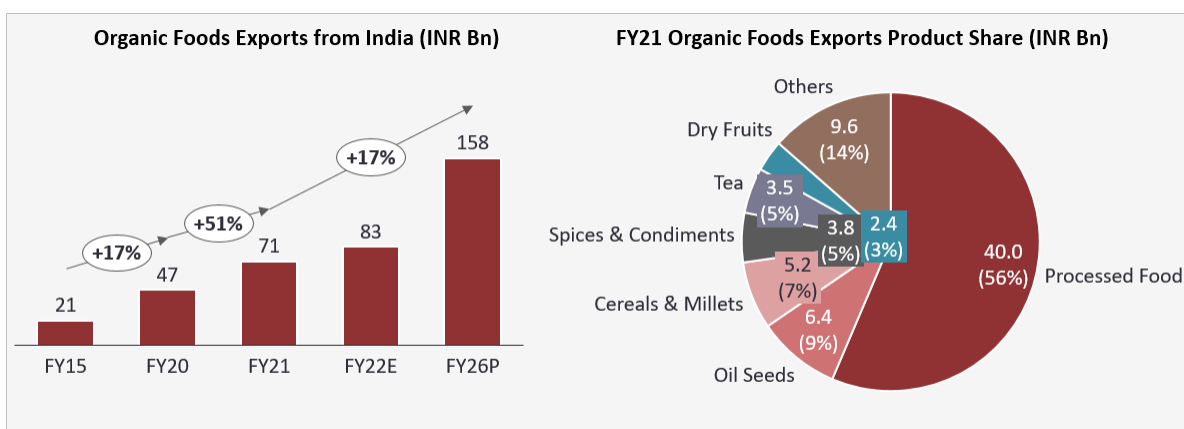


### 3.3.3 Organic Foods Export from India

India has steadily increased its exports of organic products to developed markets such as the US and EU. Organic food exports have grown at 17% over Fiscal 2015-2020 and further grew by 1.5x in Fiscal 2021 with growth led by exports of processed food (1.9x) and cereals and millets (1.3x).

In Fiscal 2021, Processed foods formed the majority share of organic exports, accounting for 57% value share, followed by oil seeds and cereals. Exports of organic tea was INR 3.5 billion (4.9% share by value) in Fiscal 2021.

The US market accounted for INR 38 billion of the overall INR 71 billion exports from India in Fiscal 2021 accounting for 54% share of overall organic food exports.



As per the Organic Trade Association, the organic food market in the USA is sized at USD 51.0 billion in Calendar Year 2020, having grown at a rate of 7.7% p.a. over 2015-2020. In 2020, imports accounted for 4% of the US organic foods market, while imports from India accounted for 16% of overall organic food imports into the US. A sizable Indian diaspora of 4.4 million in the US, accounting for 0.8% of overall population, makes it an attractive market for Indian organic staple food exports.

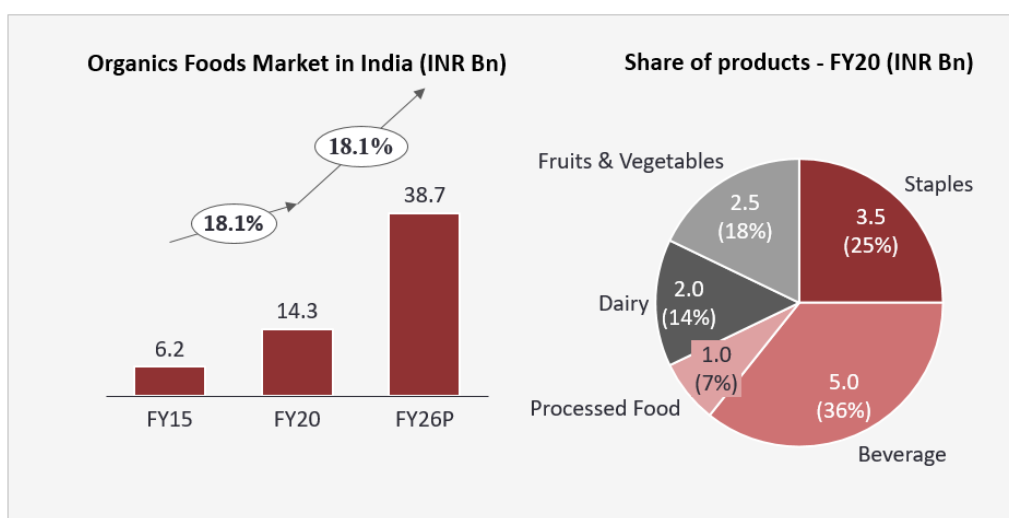
The Government of India (GoI) is promoting organic farming to drive both consumption and exports of organic foods. In the Union budget 2021, the GoI has allotted INR 212 Crore for organic farming schemes including the National Project on Organic Farming and Organic Value Chain Development for North East Region. Several government programs are currently focused on promoting organic farming in India such as:

- Paramparagat Krishi Vikas Yojana (PKVY):** Promotes cluster based organic farming with PGS certification. Cluster formation, training, certification, and marketing are supported under the scheme. Assistance of INR 50,000 per ha/three years is provided out of which 62% i.e., INR 31,000 is given as incentive to a farmer towards organic inputs.

- **Mission Organic Value Chain Development for North Eastern Region (MOVCDNER):** The scheme promotes third party certified organic farming of niche crops of north east region through Farmers Producer organizations (FPOs) with focus on exports. Farmers are given assistance of INR 25000/ha/three years for organic inputs including organic manure and bio-fertilizers etc. Support for formation of FPOs, capacity building, post-harvest infrastructure up to INR 2 crores are also provided in the scheme.
- **Capital investment Subsidy Scheme (CISS) under Soil Health Management Scheme:** 100% assistance is provided to State Government/Government agencies for setting up of mechanized fruit/vegetable market waste compost production unit up to a maximum limit of INR 190.00 Lakh /unit (3000 Tons Per Annum capacity).

### 3.3.4 Organic Foods Market in India

The organic foods market in India is estimated at INR 14.3 billion and has witnessed a CAGR of 18% between Fiscal 2015 and Fiscal 2020. The market is still nascent but fast growing, largely through modern trade retail and E-commerce formats. The market is expected to reach INR 38.7 billion by Fiscal 2026. Beverages accounted for 36% of the organic food and beverage market (INR 5 billion ) in Fiscal 2020. Organic tea comprises approximately 80% of the organic beverage market (approximately INR 4 billion).



Sresta Natural Bioproducts and Organic India are the two largest organic product companies driving consumer awareness and consumption in India. The growth drivers for the Indian organic market are:

- **Growing health and environment sensitivity of consumers** – The last decade has seen ever-increasing awareness about the quality and nutrient content of food consumed. Consumers are becoming more aware of the ill-effects from the use of pesticides in conventional farming. The pandemic has highlighted the importance of fresh, hygienic, and safe food which is expected to further accelerate organic food adoption.
- **Awareness creation campaigns** – The organic industry is also witnessing various promotional initiatives to drive awareness of the benefits of organic products for both farmers and consumers. In 2018, the Karnataka government organized an Organics and Millets Trade Fair to promote organic and millet food products. BIOFACH India, India's largest international trade fair on organic products, is organized every year to allow organic companies to interact with large target audiences and create awareness for organic products. Also, the Union Ministry of Women & Child Development organizes an organic food festival every year to promote women entrepreneurs and farmers in the field of organic products. These are creating greater awareness of organic foods amongst consumers and expected to drive double digit growth in the Indian organic market

- **E-Commerce providing platform for new brands** – Many organic food companies are adopting the online route to expand their consumer base. The brick and mortar organic stores are usually located in metro and mini metro cities; therefore, these companies are reaching out to rest of the consumers through online channels. Some of the players have established their own online website. These include Farm2Kitchen, Organic Shop, Naturally Yours and Organic India. The premium food retail chains such as Godrej Nature's Basket also sell organic food brands such as Navdanya and 24 Mantra.
- **Product and category expansion for greater consumer choice** – The market has witnessed the introduction of new product categories and varieties to provide consumers with sufficient choices. Apart from fruits, vegetables, tea, pulses and spices, ready-to-eat snacks, cookies, organic oils, medicinal plants/herbs and juices and organic beauty products are some of the new additions to the organic market in India.

Given these tailwinds, the market for organic foods is expected to continue witnessing 16-18% growth during Fiscal 2022-2027.

### 3.3.5 Industry Structure & Financial Metrics

Particulars	Units	Suminter Organics <sup>1</sup>	Organic India	Sresta Natural Bioproducts	Organic Tattva	Sanjeevani Organics	Pro Nature Organic Foods	Morarka Organics
Revenues	INR Bn	5.3	3.4	2.8	0.9	0.7	0.5	0.2
Revenue CAGR (FY16-20)	%	20.0%	11.8%	10.3%	57.3%	NA	24.0%	-8.6%
Key Focus Categories		Organic agro commodities (Soya, Cotton etc)	Wellness Products (Herbal tea, supplements, Detox kits, Dehydrates F&V)	Convenience Foods, Staples (Atta), Edible Oils and Fresh Products (Fruits)	Organic Food (Fruits and Vegetables, Staples)	Organic Food (Fruits and Vegetables, Agro Commodities)	Organic Grocery (Grains, millet etc.)	Organics Fruits and vegetables, Edible oils
EBITDA % (FY20)	%	6.8%	11.3%	10.8%	9.1%	14.9%	-3.1%	2.3%

*Note 1: Suminter Organics data pertains to FY19 whereas data for other players pertain to FY20. Suminter Organics is predominantly an export driven organization, >80% of its FY19 revenues were derived from exports*

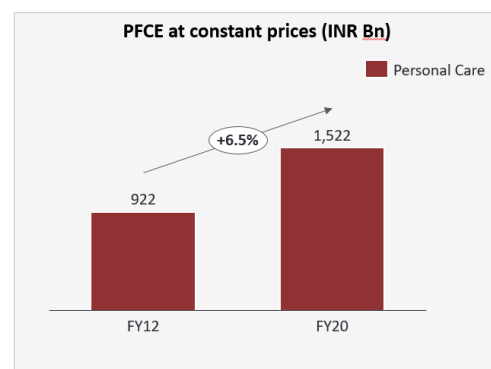
Organic India and Sresta Natural Bioproducts are the leading players focusing on the domestic market and have strong profitability metrics in the industry (EBITDA margin of approximately 10.5-11%), whereas Suminter Organics is one of the largest export focused organic players operating at an EBITDA margin of approximately 6.8% in Fiscal 2020. In summary, the shift towards packaged foods and herbal & organic ingredient-based functional foods are global trends that have started manifesting themselves in India. Companies with well-established backward integration models and brands could benefit through product innovation, omni-channel distribution and drive strong growth and profitability.

## 4. Beauty and Personal Care

### 4.1 Overview of Beauty and Personal Care Industry in India

#### 4.1.1 Expenditure on Personal Care

Personal care is a large component of Private Final Consumption Expenditure (PFCE) and to a large extent driven by discretionary income growth. PFCE in personal care grew at 6.5% between Fiscal 2012 – 2020.

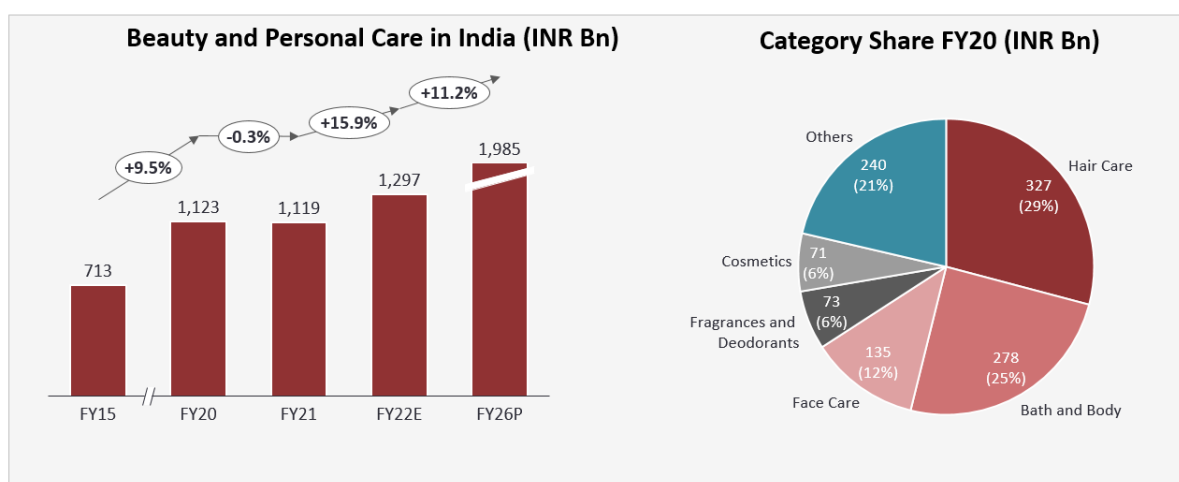


With increasing incomes, the consumer spend is converting from regular use staple personal care products like hair oils (10.3% CAGR), to more discretionary categories like body wash (18% CAGR) and salon products (12.8% CAGR) over the period Fiscal 2017 – 2020.

#### 4.1.2 Market Overview – Beauty and Personal Care

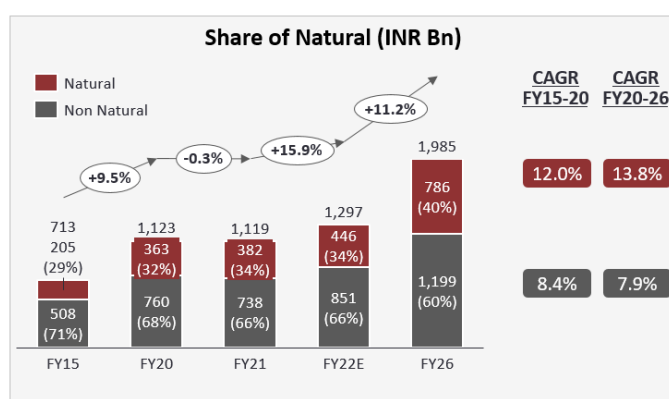
The beauty and personal care market is estimated at INR 1.12 trillion and has witnessed growth at 9.5% p.a. (CAGR) over Fiscal 2015-2020. Haircare comprises the largest segment with 29%, followed by bath & body at 24.8%, fragrances & deodorants at 6.5% and cosmetics at 6.3%. Hair oils and soaps are large, established categories at INR 143 billion and INR 217 billion respectively, but are highly penetrated and growing at low single digits. However emerging segments of personal care such as serums, specialized oils, and body washes are driving adoption-led growth in the category.

While the overall segment remained flat during Fiscal 2021, the market is expected to reach INR 1.98 trillion by Fiscal 2026.



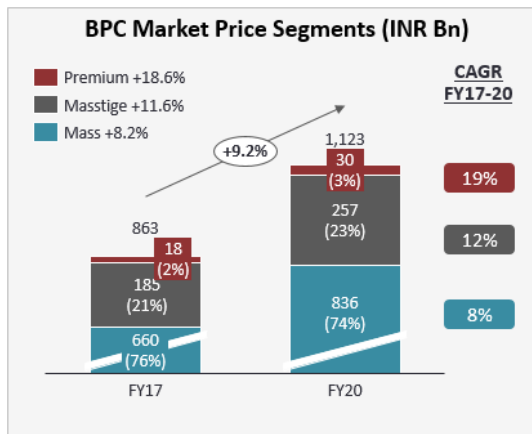
#### 4.1.3 Growing demand for natural, organic and chemical free products

Amongst increasing awareness of the presence of chemicals like paraben in certain personal care products, consumers are increasingly buying products with natural ingredients. Market segments with a natural ingredient base grew from INR 205 billion to INR 363 billion over the span of Fiscal 2015-2020 at 12% CAGR against the category growth of 9.5%. Brands like Kama, Organic India, Forest Essentials, Himalaya, Patanjali, and Ayush amongst others are players in the natural, herbal and organic segment. There have also been several new launches by companies such as HUL and P&G in the naturals market, based on the natural ingredients plank. Over the last two to three years, these companies have introduced new products based on home remedies like ginger and lemon, ancient ingredients like Tulsi and neem, or modern globally accepted ingredients like apple cider vinegar or Moroccan oils. Backed by social media influencing and digital marketing, these brands are creating strong awareness of the benefits of ingredients. For example, Neem for hair and antioxidant properties, Tulsi and Vitamin C for immunity are ingredient claims that are witnessing adoption amongst many recently launched products.



The market for natural ingredient based beauty and personal care products is expected to reach INR 786 billion by Fiscal 2026, continuing its strong growth trajectory.

#### 4.1.4 Increasing upgradation and premiumization



As consumer awareness of product functionality, use of ingredients, source claims, sustainable raw material and packaging increases, there is increased affinity towards branded and premium products. A price segmentation of the market demonstrates that the premium segment of personal care grew at 20% between Fiscal 2017-2020, whereas the masstige segment grew at 12%. In comparison, the mass segment grew at 8%, demonstrating the consumer's gradual upgradation and growing premiumization in the category.

In summary, the beauty and personal care segment is in the early stages of strong adoption-driven growth, witnessing premiumization and preference for natural

products. Companies with ethical sourcing, organic and herbal ingredients seem well positioned in line with consumer trends to leverage the tailwinds.



## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward- Looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and "Risk Factors," "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Results of Operations" on pages 37, 257 and 368, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein for Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2021, is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 257. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year.*

*Unless otherwise indicated or the context requires otherwise, in this section, references to "we," "us" or "our" refer to FABINDIA LIMITED on a consolidated basis and references to "the Company" or "our Company" refer to FABINDIA LIMITED on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Fashion, Lifestyle and Organic Products Market in India" dated December 20, 2021 that has been prepared by EY ("EY Report"), which report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. For more information, see "Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 68. The EY Report forms part of the material contracts for inspection, and is accessible on the website of our Company at: <https://www.fabindia.com/investor-relations>. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 18.*

### Overview

We are a consumer lifestyle platform with an established 62-year legacy focused on authentic, sustainable and Indian traditional lifestyle products. Our brands, 'Fabindia' and 'Organic India' are well recognized brands in India, with focus on the core principles of "**Celebrating India**" and "**Healthy Conscious Living**", respectively. We offer a diverse portfolio of lifestyle products to our customers across Apparel and Accessories, Home and Lifestyle, Personal Care and Organic Food categories. We deliver an omnichannel experience with our pan-India network of 309 Fabindia stores and Experience Centers, 74 Organic India stores and a network of retail touchpoints for Organic India (including general trade stores, modern trade stores and chemists), as of September 30, 2021, and our online platforms [www.fabindia.com](http://www.fabindia.com), [www.organicindia.com](http://www.organicindia.com), our mobile application, 'Fabindia' and third party marketplaces. Our business model is focused on sustainability by design and we have sought to create a differentiated supply-side community through a model of engaging a network of artisans (through our arrangements with contract manufacturers ("**Contract Manufacturers**") who, in turn, engage with such artisans) and farmers across India.

#### *Our Purpose-Driven Organization*

We are focused on offering quality products to our customers while providing sustainable jobs and livelihoods to farmers, and through our Contract Manufacturers to artisans (including weavers and craftsmen). For our Fabindia products, we engage Contract Manufacturers (who in turn engage artisans). Our suppliers for our Organic India products include farmers that we engage directly as well as through associates. We consider the interests of the artisans (that we engage with through our Contract Manufacturers) and farmers as integral to our business model. We endeavor to offer natural, ethically sourced and environmentally friendly products while blending indigenous craft techniques with contemporary designs. We rely on our purpose-driven approach, curated product portfolio and engagement with our supplier, Contract Manufacturer and customer communities to differentiate our brand and our products.



### *Our Past and Our Future: Staying Relevant to a Changing Consumer*

Our business is driven by our focus on India, its traditions, its people, and its environment. We consider craft to be one of India's most significant traditions, and engage with artisans through our Contract Manufacturers, to help this cultural heritage endure. We rely on Contract Manufacturers for provisioning from artisans, with a majority of our products being made by artisans (through our Contract Manufacturers) and farmers as opposed to the organized sector with the intention of, among other things, limiting environmental impact of the manufacture of our products.

We have a two-pronged strategy to further strengthen our retail presence - with our Experience Centers that house our product offerings under a single umbrella, providing customers with an experiential and comprehensive Fabindia retail experience, and by building on our e-commerce channels and growing our shared values digital community which currently numbers 4 million members, as of September 30, 2021. For further details, see "*Our Business— Our Strategies – Grow our omnichannel retail network*" on page 184.

### *Our Journey and Brands*

Our business began in 1960 when John Bissell set up an Indian branch of an overseas company, Fabindia Inc., which was engaged in the export of home furnishings, and we subsequently entered the ethnic apparel category. Our Company was incorporated in 1976 and continued focusing on the ethnic apparel category, and we registered our brand '*Fabindia*' in 1997. We subsequently expanded our product offerings to include non-textile furnishings, organic food, personal care and jewelry, on our ongoing journey to become a sustainable consumer lifestyle platform. We acquired a 40.00% stake in Organic India in 2013.

### *Our Business Verticals*

Our primary business verticals include the following:

- (i) *Apparel and accessories*, consisting of ethnic and western womenswear, menswear and kids wear, ethnic and western footwear, handcrafted apparel and accessories such as bags, jewelry, stoles, shawls and wraps; our portfolio includes both daily and occasion wear for customers' wardrobe needs. We aim to blend indigenous craft techniques with contemporary designs, and we are focused on supporting cluster based indigenous provisioning for all apparel and accessories;
- (ii) *Home and lifestyle*, consisting of furniture, soft home furnishings, home décor, giftware and an interior design studio feature, which is positioned to leverage hand-crafted curated designs in the home solutions space in India with an emphasis on use of natural fibers. Our product portfolio in this business vertical spans utility to niche décor;
- (iii) *Personal care*, consisting of skin care, hair care and fragrances with naturally inspired ingredients. We operate in this vertical both directly and through our subsidiaries, Biome Life Sciences India Private Limited (in which our Company holds a 50.01% stake, as of the date of this Draft Red Herring Prospectus);
- (iv) *Organic food*, consisting of infusions, teas, staples, healthy snacks, detox kits, preserves, agri-products, Ayurvedic supplements, and personal care. We operate in this vertical through our subsidiary Organic India Private Limited ("**Organic India**") (in which our Company holds a 63.79% stake, as of the date of this Draft Red Herring Prospectus). Through Organic India, we introduced the *Tulsi* leaf (i.e., Holy Basil) in various products and indigenized organic cultivation of various herbs, flowers, seeds and grains such as quinoa, chamomile and chia in India, prior to which these products were primarily available in India as imports.

In addition to the above primary business verticals, we also offer healthy dining with regionally inspired foods and beverages through our subsidiary, FabCafe. As of the date of this Draft Red Herring Prospectus, our Company holds a 68.46% stake in FabCafe.

### Apparel and Accessories



### Home and Lifestyle



### Personal Care



### Organic Food



### FabCafe



### *Our Omnichannel Retail Network*

We have a network of 309 Fabindia stores retailing our products across India, including 28 owned experience centers (“**Experience Centers**”), 185 Company-owned and Company-operated stores (“**COCOs**”) (including one flagship store), and 96 franchisee-owned and franchisee-operated stores (“**FOFOs**”), as of September 30, 2021. We also have 74 Organic India stores (including six franchisee stores) and a network of retail touchpoints (including modern trade stores, general trade stores and pharmacies) for Organic India, as of September 30, 2021. We launched our first “Experience Center” in 2017. These Experience Centers are large format COCOs that house our product and service offerings under a single umbrella, providing customers with an experiential and comprehensive Fabindia retail experience.

### Fabindia store



### Experience Center





### Organic India store



We have built our digital presence to deliver an efficient and seamless customer experience. We sell our products through our websites, [www.fabindia.com](http://www.fabindia.com), [www.organicindia.com](http://www.organicindia.com), our mobile application, “Fabindia” and third party marketplaces. We have invested in strengthening our own online sales and customer experience by adding a separate and dedicated experience team. A majority of our online sales are through our own online channels (i.e., our own websites and app), which allows us to exercise greater control over the overall customer experience. Our Company’s revenues through online sales (i.e., our own website, app and third party websites) amounted to ₹931.74 million (on a standalone basis) during Fiscal 2021 which represented 16.00% of our total revenue from sales compared to ₹458.16 million during Fiscal 2019 which represented 4.09% of our total revenue from sales during the same year, representing a CAGR of 42.61%. Revenues from online sales amounted to ₹611.59 million (on a standalone basis) during the six months ended September 30, 2021, representing 17.75% of our total revenue from sales during the same period.

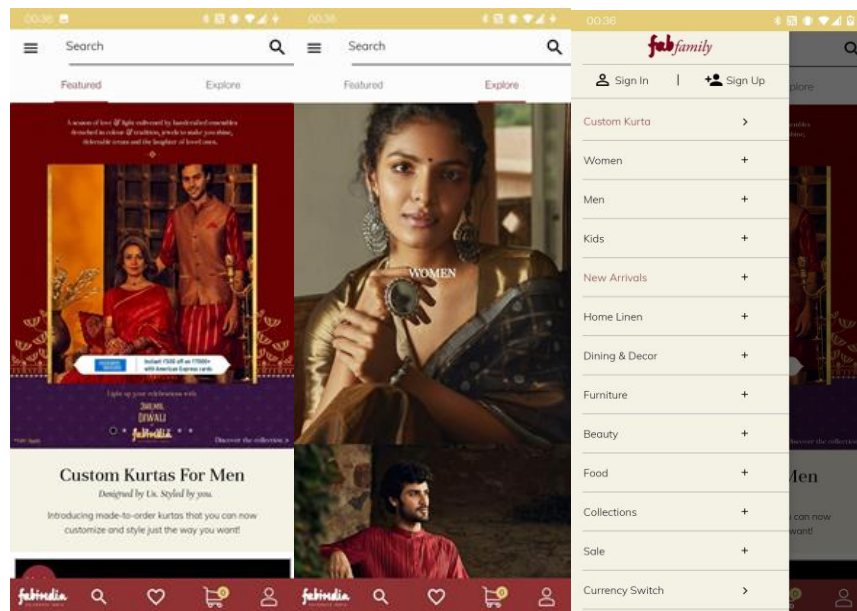
### Fabindia website



## Organic India website



## Fabindia Mobile App



## *Our Founder and Team*

William Nanda Bissell, our Executive Vice Chairman, joined our Company's Board in 1994. During his tenure with our Company, we have expanded our retail presence to 309 retail stores as of September 30, 2021 and have built a professional team to support our growth.

William is complemented by an experienced professional management team, including Viney Singh (our Managing Director), Subrata Dutta (Group Managing Director for Organic India), Mukesh Kumar Chauhan (Executive Director)

and Gopal Mishra (Chief Financial Officer and Chief Operating Officer) who have several decades of experience across various industries and have been instrumental in the growth of our business.

As of September 30, 2021, our Company had 2,394 permanent employees, of which 28.15% were women. We endeavor to emphasize teamwork and collaboration across functions to ensure that our employees are able to suggest and implement ideas regardless of their role. We endeavor to motivate our employees with incentives and the ESPS 2021, enabling a strong alignment of their interests with our performance. As of September 30, 2021, 15% of our Company's outstanding issued share capital is held by employees.

*Key Operating and Financial Metrics of our Company and Organic India*

Metric	Unit	As at Fiscal Year			As at September 30,
		2019	2020	2021	2021
<b>Number of stores / touchpoints</b>					
Fabindia stores (COCOs and FOFOs)	#	288	301	277	281
Experience Centers	#	10	27	29	28
Organic India stores	#	39	65	74	74

*Fabindia\**

Metric	Unit	During the Fiscal Year ended March 31,			During the six months ended
		2019	2020	2021	September 30, 2021
Revenue from Sales	₹ million	11,208.56	11,359.36	5,824.73	3,444.88
Total Revenue from operations	₹ million	11,335.42	11,615.66	6,591.24	3,678.23
Gross Profit (Revenue from sales – COGS)	₹ million	6,569.37	6,490.38	3,127.66	2,018.62
Gross Profit Margin	%	58.61%	57.14%	53.70%	58.60%
EBITDA	₹ million	3,163.13	2,574.51	696.23	481.77
EBITDA Margin	%	27.90%	22.16%	10.56%	13.10%
Restated Profit / (Loss)	₹ million	993.77	546.45	(1,114.89)	(494.96)
Restated Profit / (Loss) Margin	%	8.77%	4.7%	(16.91)%	(13.46)%
Net Debt	₹ million	6,372.23	8,471.21	7,837.14	12,942.99
Net Worth	₹ million	6,190.82	6,310.70	5,368.94	4,905.95
Adjusted Return on Capital Employed <sup>#</sup>	%	43.42%	26.46%	(11.42)%	(5.24)%
Adjusted Return on Equity <sup>##</sup>	%	17.18%	8.74%	(19.09)%	(9.63)%

\*Data is on a standalone basis

# Adjusted Return on Capital Employed means EBIT/CE; CE means the aggregate of total assets (including ROU assets) less revaluation on fixed assets, total investments, total Current Liabilities, other non-current liabilities, Non Current financial Liabilities and Non Current provisions and lease liabilities. EBIT is profit before tax with the addition of finance cost (including lease interest) less income from investments and (gain)/loss from increase in fair value of investments. (The above figures are based on average capital employed i.e. (Opening CE + Closing CE)/2).

## Adjusted Return on Equity means Total Comprehensive Income/Net Worth; Total Comprehensive Income means Total Comprehensive Income/(Loss) for the period as appearing in the statement of Profit & Loss of the company. Net worth means the aggregate value of the paid-up share capital, all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as on September 30, 2021 and 2020 and March 31, 2021, 2020 and 2019. (The above figures are based on average equity employed i.e. (Opening Equity + Closing Equity)/2).

Note: Our financial performance in Fiscal Year 2020 and Fiscal Year 2021 was impacted due to COVID-19. Additionally, Fiscal Year 2021 EBITDA and PAT impacted due to a one-off ageing inventory provision of ₹ 308.80 million.

*Organic India\**

Metric	Unit	During the Fiscal Year ended March 31,			During the six months ended
		2019	2020	2021	September 30, 2021
Revenue from Sales	₹ million	3,328.15	3,426.39	3,868.92	1,814.24
Total Revenue from operations	₹ million	3,361.67	3,448.48	3,947.73	1,832.68
Gross Profit (Revenue from sales – cost of goods sold)	₹ million	2,486.03	2,471.90	2,665.70	1,206.67
Gross Profit Margin	%	74.70	72.14	68.90	66.51
EBITDA	₹ million	550.11	392.42	402.52	96.77
EBITDA Margin	%	16.36	11.38	10.20	5.28
Restated Profit / (Loss)	₹ million	192.45	34.61	60.2	(26.32)
Restated Profit / (Loss) Margin	%	5.72	1.00	1.52	(1.44)
Net Debt	₹ million	2,011.43	2,235.93	1,884.7	1,957.43
Net Worth	₹ million	2,348.62	2,304.48	2,463.19	2,451.50
Return on Capital Employed <sup>#</sup>	%	14.86%	6.17%	6.16%	(0.24)%
Return on Equity <sup>##</sup>	%	9.17%	1.50%	2.55%	(1.08)%

\*Data is on a standalone basis

Note: Our financial performance in Fiscal Year 2020 and Fiscal Year 2021 was impacted due to COVID-19.

# Return on Capital Employed is CE means the aggregate of total assets (including ROU assets) less revaluation on fixed assets, total investments, total Current Liabilities, other non-current liabilities including lease liabilities. EBIT is profit before tax with the addition of finance cost (including lease interest) less income from investments and (gain)/loss from increase in fair value of investments.

## Return on Equity means Total Comprehensive Income/Net Worth; Total Comprehensive Income means Total Comprehensive Income/(Loss) for the period as appearing in the statement of Profit & Loss of the company. Net worth means the aggregate value of the paid-up share capital, all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as on September 30, 2021 and 2020 and March 31, 2021, 2020 and 2019

### Resilience through COVID-19

Our revenue from operations declined from ₹15,080.47 million in Fiscal 2020 to ₹10,596.43 million in Fiscal 2021, due to disruptions caused by COVID-19 at our retail stores and FabCafes, which included a decline in footfalls and sales along with temporary or permanent closures of certain retail stores and FabCafes. Pursuant to the notification issued by the Government of India, establishments in India, including our retail stores and FabCafes were temporarily shut down during the 21-day nationwide lockdown with effect from March 24, 2020. To deal with such unprecedented circumstances, we conceptualized several projects managed by our cross functional teams. We set up a structured, rigorous project management schedule to monitor our performance and to ensure execution as per plan. Some of the key projects were:

- **Leveraging e-commerce channel:** We revamped our online business with respect to organization structure, technology, contract manufacturing and provisioning chain, marketing and other related functions. We set up infrastructure and tools to allow interaction with customers online, home delivery, digital or cash-on-delivery payment.
- **Staff and customer safety:** We prepared COVID-19 compliant protocols at stores and offices to ensure safety of staff and to give confidence to customers that Fabindia stores are a safe place to shop. Keeping our customer-centric approach and employee safety in mind, we devised a new 'White Gloves' service. Through this service, customers could contact us through a dedicated toll-free service and using customized digital catalogues. In addition, the cost of two doses of vaccine for all our employees has been paid / reimbursed by our Company. We aim to have all of our employees fully vaccinated by January 31, 2022 based on current scheduled dates.

- **Securing contract manufacturing and provision chains:** We focused on securing relationships with third parties such as Contract Manufacturers that provide us with Fabindia branded products. Amongst others, our aims were to minimize deferments and release payments to our providers, as early as possible. We also provided masks, personal protective equipment kits for front line workers using special variants of cloth provided by our Contract Manufacturers. Not only did it help us secure the working conditions for our frontline workers, this also helped our contract manufacturers gain some business to sustain themselves.
- **Cost optimization:** We actively negotiated rental waivers and reduced administration costs.

We began reopening our stores through a phased approach commencing June 2020 and completed the reopening process over the course of several months, by August 2020. In December 2021, with the onset of the “Omicron” variant of COVID-19 in India, state governments implemented various safety measures including weekend curfews, closures of malls and shopping centres and reduced operating hours of stores, which has impacted the performance of our retail stores.

For further details on the impact of COVID-19 on our results of operations, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Factors Affecting our Financial Condition and Results of Operations – Impact of COVID-19*” on page 368.

## **Our competitive strengths**

### ***Leading consumer lifestyle platform focused on authentic craft-based and organic products***

We are a consumer lifestyle platform focused on authentic, sustainable and traditional lifestyle products. Our brands ‘*Fabindia*’ and ‘*Organic India*’ focus on the core principles of “*Celebrating India*” and “*Healthy Conscious Living*”, respectively and strive to bring Indian tradition to the world by offering authentic products that are rooted in Indian culture and craftsmanship.

We have positioned our ‘*Fabindia*’ brand to be associated with authentic Indian traditional lifestyle products and our ‘*Organic India*’ brand with organic food and wellness products. We have been able to leverage this unique positioning of our brands to become a lifestyle platform with a focus on sustainability, offering a comprehensive range of products including apparel, home and lifestyle, personal care and organic foods.

While our portfolio of lifestyle products remains focused on Indian culture and crafts, we endeavour to continually innovate and customize our product offerings in keeping with the latest trends and our customers’ preferences. Our products are carefully chosen through a selection process, involving gathering market intelligence and incorporating feedback from customers which enables us to offer a curated portfolio blending indigenous crafting techniques with contemporary designs.

We focus on contract manufacturing (for our Fabindia products), producing and retailing natural, ethical and environmentally friendly products. For instance, our new range of personal care products, ‘*Fabessentials*’, is made with natural bioactives and is free from parabens, phthalates, phosphates, formaldehyde and genetically modified organisms (“**GMOS**”). Similarly, our organic food products are made from quality, certified organic ingredients sourced from organic sources and other sources with traceability systems in place to track the movement of raw materials right from the organic farms to the finished products. Organic India, is one of the largest organic product companies driving consumer awareness and consumption in India (*EY Report*) and have over ten certifications and registrations, which enable our organic food products to be marketed to both domestic and international customers. We also use recyclable cartons, unbleached filter paper for tea bags, staple-less infusion bags and other similar materials towards offering products that are environment friendly.

We rely on our approach of offering sustainable and authentic products along with continual innovation for diverse customer profiles to expand our customer base and maintain loyalty for our platform among customers.



### ***Positioned to address growth in demand for high quality Indian lifestyle and organic products***

The ethnic apparel market in India was estimated at ₹1,418 billion for Fiscal 2020. While the market was affected by COVID-19 during Fiscal 2021, it is expected to grow at a rate of approximately 10.2% per annum between Fiscal 2022 and Fiscal 2026 to reach ₹1,879 billion by Fiscal 2026. However, the branded ethnic apparel category is expected to grow at a higher rate of approximately 15.8% per annum between Fiscal 2022 and Fiscal 2026 driven by increasing share of the branded segment in the overall ethnic apparel market. Private final consumption expenditure on home linen, furniture and furnishings accounted for approximately 1.7% of India's total private final consumption expenditure and has grown at a rate of 8.3% per annum between Fiscal 2012 and Fiscal 2020. There exists significant growth headroom for the home décor market in India. Comparing key categories, the indoor furniture market for India in 2020 is estimated at US\$18 billion, whereas for global peers, China is estimated at US\$57 billion while the US is estimated US\$112 billion. Similarly, the home linen market in India stands at US\$2.3 billion, while China is at US\$33 billion, and the US is estimated at US\$34 billion. Similarly, the organic food and wellness market in India was estimated at ₹14.3 billion in Fiscal 2020 and is expected to grow at a rate of approximately 18.1% per annum to reach ₹38.7 billion by Fiscal 2026. Health, nutrition and sustainability are increasingly becoming central to what consumers value. In particular, Millennials and Generation Z have a strong understanding of health and environmental issues, and they demonstrate their focus on these issues through their purchase decisions. COVID-19 has accelerated the shift towards organic products and the focus towards healthy living. (EY Report)

The strength of our brand and its association with natural, sustainable and organic products makes us uniquely positioned to capitalize on these emerging trends. Our existing customer base of 4.32 million customers as of September 30, 2021, serves as a ready customer base for future product offerings, particularly in the lifestyle, food and wellness segments.

### ***'Sustainable-by-design' business model which prioritizes the interests of our Supplier Community***

Our business model is centered on the interests of the traditional artisans (that we engage with through Contract Manufacturers) and farmers (collectively referred to as our **"Supplier Community"**), and aims to bring purpose and profit together. We seek to do so by retailing quality products to our customers while providing sustainable livelihoods to our Supplier Community, which comprised close to 50,000 artisans that we have access to through Contract Manufacturers, as of March 31, 2021 and over 2,200 farmers that we engage with directly and 10,300 farmers that we engage with through associates, from 11 districts in five states in India, as of September 30, 2021.

We provide skills and development training to the artisans engaged by our Contract Manufacturers and farmers. For instance, we have set up craft cluster development and livelihood impact programs which offer skills development and help artisans scale up, such as the initiative in Chanderi, Madhya Pradesh in 2005, where we started working with artisans (through Contract Manufacturers) who were part of defunct cooperatives and NGOs. Following our intervention, we have expanded the cluster's range of product offerings to include apparel yardage, soft furnishings, accessories and other products. Similarly, we have invested in farmers' skill enhancement programs, so as to increase their income from small holdings. For instance, we introduced clusters of farmers to the organic farming of quinoa and chamomile, which are considered high value and were previously available primarily through imports.

We seek to ensure lucrative business economics for the artisans that we engage through our Contract Manufacturers and farmers. We bear the cost on behalf of farmers for various certifications (such as organic certifications) that are required. We have also attempted to support our partners during COVID-19, for instance we focused on securing relationships and continuity of our Supplier Community, minimizing order cancellations and deferments and releasing payments for our Supplier Community as early as possible. In addition, we started selling products such as masks for our customers and personal protective equipment kits for frontline workers, which helped our Contract Manufacturers' business during this time.

These and other initiatives not only provide income to the artisans that we engage with through our Contract Manufacturers, and farmers, they also broaden our obtainment base, using a focused approach, and foster loyalty among our Contract Manufacturers, the artisans engaged through them, and farmers, thus bringing purpose and profits together.

### ***Established sourcing base and supply chain infrastructure***

We have an expansive Supplier Community beginning with a network of clusters comprising close to 50,000 artisans (that we engage through Contract Manufacturers) from 109 districts spanning across 21 states, as of March 31, 2021 and over 2,200 farmers that we have access to directly and 10,300 farmers that we have access to through associates, from 11 districts in five states, who we consider an integral part of our business. These clusters are supported by six regional field offices and five obtainment hubs for Fabindia, as of September 30, 2021. In addition, there are two procurement centers (which include storage hubs), operated by Organic India, as of September 30, 2021.

We focus on maintaining our relationships and growing our network of artisans, including weavers and craftsmen (who we access through our Contract Manufacturers) and farmers, which we have nurtured and developed over time. We have also grown the artisan base that we have access to through our Contract Manufacturers, to close to 50,000 as of March 31, 2021, while our farmer base has grown to over 2,200 farmers directly and over 10,300 farmers through associates, as of September 30, 2021, providing us access to our diverse and complex Supplier Community.

We endeavor to ensure consistency of design and quality of products through our stringent quality assurance processes. We focus on maintaining quality standards at each step of our production and provision cycle and have implemented several quality control mechanisms and regularly conduct inspections of fabrics sourced from artisans (who we access through our Contract Manufacturers). We also exercise regular supervision over the manufacturing process through our personnel, who periodically visit these clusters for inspections, enabling us to efficiently carry out production changes in designs or quantities of products required. We also have agricultural specialists on the ground to support farmers leveraging our significant experience in sourcing organic products. The procurement hubs for our organic products are equipped with automated equipment and include appropriate storage facilities to store raw materials. Our supply chain at the scale and quality at which we operate would require significant investment, effort and time to replicate, which we consider a competitive advantage.

### ***Our Omni-Channel Presence***

We have invested in establishing processes, teams and technologies to manage our pan-India store network and develop a presence in multiple distribution channels. We are an omni-channel business combining digital with physical retail. We sell our Fabindia products through multi-format retail stores, e-commerce, and exhibitions, and through exports. Within retail stores, we have three formats: COCOs, Experience Centers and FOFOs. We also sell our products through our own websites, our mobile application and through various e-commerce platforms. We also participate in exhibitions for the sale of our Fabindia products.

We have been complementing our traditional retail experience with a unique and interactive experience through Experience Centers. Experience Centers are large format stores that house a variety of our product offerings, including apparel, home and lifestyle, personal care, private Interior Design Studio, Organic India products, Wellness Store Center, Alteration Studio, FabCafe restaurant and a children's centre in one store, with the objective of providing a holistic and modern retail experience for customers.

We have also invested in strengthening our own online sales and customer experience by adding a separate and dedicated experience team for online sales. A majority of our online sales are through our own website where we have greater control over the overall customer experience.

Our Organic India products are sold through our Fabindia stores, exclusive Organic India stores, general trade stores and modern trade stores, at chemists, our own e-commerce sites as well as third-party e-commerce sites, international retail chains, and through international distributors. We also engage with doctors, nutritionists and Ayurveda specialists, who further prescribe our products. Sales to international markets account for a significant proportion of our Organic India product sales, contributing to approximately 55.61% and 54.34% of our sales in Fiscal 2021 and in the six months ended September 30, 2021.

As of September 30, 2021, we sold our Fabindia products through 185 COCOs, 28 Experience Centers and 96 FOFOs, as well as through online retailers and our own websites. We also have 74 Organic India stores (including six

franchisee stores) and a network of retail touchpoints for Organic India (including general trade stores, modern trade stores and pharmacists), as of September 30, 2021. As of September 30, 2021, we also export our products to 55 countries (with Organic India exporting to 44 countries and our Company exporting to 11 countries) through distribution partnerships with wholesalers.

Our omnichannel approach seeks to engage with customers in a variety of ways, balancing customer connection with broad convenience and accessibility. We maintain direct relationships with our customers through our websites, www.fabindia.com, www.organicindia.com, and our mobile application, which allows us to better influence brand experience and better understand consumer preferences and behavior. Additionally, we increase the accessibility of our products to customers through third-party pure play e-commerce sites. We adopt this omnichannel approach to seek to efficiently scale our business while remaining agnostic as to the channel that the customer uses to purchase our products.

Revenue split by channel	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Six months ended September 30, 2021
(₹ million)				
Fabindia	11,208.56	11,359.36	5,824.67	3,444.88
Store	10,554.43	10,399.31	4,680.12	2,728.69
Online	458.16	676.55	931.74	611.59
Other Channels	195.97	283.50	212.82	104.60
Organic India	3,328.15	3,426.39	3,868.92	1,814.24
Store	90.79	162.32	146.91	59.86
Online	622.97	758.42	1,098.94	505.48
Other Channels	2,614.39	2,505.65	2,623.07	1,248.90

#### ***Founder-led company with a highly experienced professional management team***

We were initially set up in 1960 as a branch of an overseas company and our Company was incorporated in 1976. William Bissell, our Company's Vice-Chairman, was appointed as Additional Director in 1994 and was elevated to Managing Director in 2000. Our Company has expanded its retail presence to 309 stores as of September 30, 2021. William endeavored to address imbalance between artisans' pay and retail profits when he joined as an Additional Director of our Company. Keeping these values in mind, our business model is centered on the interests of traditional artisans and farmers, and aims to bring purpose and profit together.

William is complemented by an experienced management team that we believe has the expertise and vision to manage and grow our business, while keeping our objectives of sustainability in mind. Our senior management team includes Viney Singh (our Managing Director), Subrata Dutta (group managing director for Organic India) Mukesh Kumar Chauhan (Executive Director) and Gopal Mishra (Chief Financial Officer and Chief Operating Officer) who have several decades of experience across various industries. Our senior management team contributes to our overall strategic planning and business development and the growth in our revenues and operations.

As of September 30, 2021, we had 2,394 employees, of which approximately 28.15% were women. We endeavour to emphasize teamwork and collaboration across functions to ensure that our employees are able to suggest and implement ideas regardless of their role. We endeavor to motivate our employees with incentives and ESOP 2016 and ESOP 2021, contributing towards alignment of their interests with our performance. As of September 30, 2021, 15% of our Company's outstanding issued share capital is held by our employees.

#### ***Capital efficient business model, with track record of delivering growth and return on capital***

We have built a capital efficient business model and have been able to grow our business with minimal equity capital being raised by our Company as of September 30, 2021. In Fiscal 2019, we had a revenue from operations of ₹14,743.07 million and an EBITDA margin of 23.77%. Due to the adverse impact of COVID-19, our revenue grew at a slow rate in Fiscal 2020 and declined in Fiscal 2021 and EBITDA was additionally impacted due to a one-off

ageing inventory provision. Our revenue from operations in the six months ended September 30, 2021 was ₹5,560.40 million and our EBITDA margin was 9.91% in the six months ended September 30, 2021.

In Fiscal 2019 and Fiscal 2020, our Company delivered an adjusted return on capital employed of 43.42% and 26.46% and an adjusted return on equity of 17.18% and 8.74% (each on a standalone basis) respectively. Our Company's return on capital and return on equity was impacted in Fiscal 2021 due to the adverse impact of COVID-19 and a one-off ageing inventory provision in Fiscal 2021.

As of Fiscals 2019, 2020 and 2021 and the six months ended September 30, 2021, we had total borrowings (consisting of current and non-current borrowings) of ₹2,066.46 million, ₹4,331.72 million, ₹2,892.11 million and ₹7,075.27 million, respectively, and we have consistently maintained a balance sheet with limited leverage which has allowed us to manage and consistently invest in our business through the recent disruption caused by COVID-19.

## **Our Strategies**

### ***Grow our omnichannel retail network***

We are focused on growing our sales through the expansion of our omnichannel retail network. We plan to evolve beyond traditional physical retail by focusing on experiential aspects of shopping through our Experience Centers, expanding our network to new cities and international geographies and at the same time growing our e-commerce sales channel to expand our customer base. We also intend to continue integrating our physical and digital capabilities to create a seamless and integrated omnichannel ecosystem. Our omni-channel strategy is based on the below objectives:

- **Personalization:** provide a tailored, personalized experience to customers leveraging new technological advances.
- **Digital experience:**
  - o deliver a consistent online experience to our customers by meeting evolving customer expectations including through search functionality.
  - o Leverage various features and technologies of mobile device to go beyond m-commerce and apps and improve online as well as in-store experience.
  - o Enhance the store experience using available technology such as mobile and IOT devices.

### **Building a digital community and digitally-led experience**

We have undertaken various digital initiatives with an aim to provide customers with a seamless and efficient experience. We upgraded the organization structure, technology, supply/creative provision chain, marketing and other related functions for our online business in Fiscal 2020. We are in the process of implementing wall-to-wall SAP to strengthen our back-end operations and our front-end commerce solutions. We have invested in developing our online presence, including through customer engagement initiatives, with the objective of catering to our customers' evolving spending and shopping preferences in a cost-effective manner. We intend to continue our strategy to grow direct sales through our websites, mobile application and through online retailers by expanding and evolving our online presence.

Online retail in India has witnessed faster growth in recent years compared to physical stores and is expected to have an impact on retail due to wider reach, higher standardization and diverse range of offerings (*source*). We seek to increase sales through our own websites and mobile application, including by leveraging our social media presence, of more than 500,000 followers across our social media accounts on Instagram and Twitter, through targeted advertisements, and leveraging our existing customer base through our loyalty programs. We intend to continue increasing our sales on third party online platforms, including by identifying new online retailer platforms that we can partner with.

### **Expand our physical retail network into new and existing markets:**

We intend to focus our expansion efforts in cities through our own stores (including Experience Centers), and through franchisee operated outlets.

Our Experience Centers are aimed at creating a new form of retail which provides an alternative, more experiential and interactive experiences. We launched our first Experience Center in Vasant Kunj, New Delhi, in March 2017, and as of September 30, 2021, we have 28 Experience Centers, including in Delhi, Gurgaon, Mumbai, Chennai, Kochi and Hyderabad. Our first Experience Center in Vasant Kunj, New Delhi, showcased the success of this store format, with sales and profitability at this store being higher during the first year of operation, compared with COCO or FOFO stores during the same period.

Through the development of this model of experiential retail, we seek to provide a unique experience to our customers that will continue to complement our other retail and e-commerce formats. Experience Centers will primarily be considered for markets where we determine there is an increasing demand for our products and where we can leverage our existing presence to expand our market share. As of periods ended March 31, 2019, 2020, and 2021 and September 30, 2021, we operated 10, 27, 29 and 28 Experience Centers respectively. We may consider increasing the number of Experience Centers by opening new Experience Centers and also converting existing COCOs into Experience Centers. Additionally, we may also consider converting a number of COCO stores into “Flagship Stores”. Flagship Stores are a new concept which will be larger in size than COCO stores, and will provide certain services such as Interior Design Studio and Alteration Studio, but will not include the children’s center, Fabcafe or Wellness Store Centers.

We also plan to increase our focus on opening more FOFO stores which is a capital efficient and asset light format, given that the franchisee bears the cost of operating the premises. During Fiscals 2019 and 2020, we added 19 and 20 new FOFO stores, respectively. We did not add any new FOFOs in Fiscal 2021 or in the six months ended September 30, 2021. However, we intend to increase the number of FOFOs in the next fiscal years.

In addition to increasing our presence in our existing markets, we seek to expand our geographical footprint in order to access a more diversified customer base across geographies. In particular, we plan to expand into new cities and towns over time. For Organic India, international markets (i.e., markets outside India) contributed to approximately 55.61% and 54.34% of our sales in Fiscal 2021 and in the six months ended September 30, 2021, and will continue to remain the key focus of our strategy. We intend to leverage our development, ownership and operating experience in our existing markets across India and resources to facilitate our expansion into new markets, in order to attain market share gains, increase brand recognition and economies of scale.

#### ***Focused expansion in product categories and portfolio***

We intend to continue our focused expansion in product categories and curated product portfolio to capture a higher share of wallet from our customers grow our customer base to include new customers including *Millennial* and *Generation Z* customers. In particular, we seek to expand our offerings to include products focused on sustainability, health and environment.

#### ***Innovate and make new products with natural, sustainable materials***

We continually seek out new opportunities to innovate new products. We are focused on promoting responsible consumption while targeting the sustainability-focused and environmentally conscious audience. For instance, in 2020, we launched the "Shunya" collection of rugs woven using traditional looms which is environment friendly and at the same time showcases vibrant geometric designs and innovative textures. The handcrafted rugs are made from recycled polyethylene terephthalate yarn. In 2021, we launched the "Shunya" range of upcycled apparel, jewelry and accessories, which were part of our zero waste sustainable line. As we continue to build our library of materials, we plan to create new, differentiated products, as well as leverage new materials across our existing product platforms by repurposing our existing designs using such materials. We also launched a utility-driven range of tableware made from vegan bone china in 2021.

#### ***Broaden lifestyle offerings to include fusion wear and accessories to target younger audience***

Leveraging on our track record of developing lifestyle offerings, we intend to further expand our product portfolio by launching diversified offerings including fusion wear based on designs that are a mix of traditional and contemporary styles, and casual wear across women’s and men’s apparel categories. We also propose to add new products which are contemporary, fit for everyday use, and are more affordable in order to target new customer categories such as

young adult women. For instance, we have successively expanded and diversified our product portfolio to include formal and western wear, with an added service for customized clothing for men's ethnic category, infant wear (including infant western wear), dresses, sleepwear and two-piece sets. We also expanded our jewelry and accessories portfolio to include handcrafted rakhis in silver and non-silver categories, and gift items such as silver coins, bag charms and necklace-earring sets. In response to the COVID-19 pandemic, we developed a wide range of masks for men, women and kids made from upcycled fabric, which also helped sustain the livelihood of artisans (who we access through our Contract Manufacturers) during this period. We recently launched "FabNu", which we market as a Millennial and Generation-Z-driven brand. Presently, we are planning to expand our women's western line to include sleepwear, lounge and denim lines. In addition, in relation to home offerings, we have started providing services such as the customization of furniture, fitted sheets and monogrammed gifts in addition to curtain and blind customizations.

#### **Organic food and personal care expansion**

We intend to expand our product offerings within our organic food vertical, to include other products with higher margins such as detox products. According to the EY Report, the organic food industry is expected to grow to US\$0.52 billion by Fiscal 2026, growing at a CAGR of 18.1% from Fiscal 2021 to Fiscal 2026 in India. We take a long-term, considered approach to research to inform our product decisions in order to differentiate our portfolio from the rest of the marketplace. We also intend to focus our efforts into marketing our new product offerings to our existing customer base in the organic food space, including our line of healthy snacks, staples, detox products and personal care. We plan to increase our production of organic products used in daily household use. For instance, we plan to expand our portfolio of organic staples to include higher frequency purchase items like pulses, spices and specialty cooking oils in order to gain a higher share of the kitchen spend and increase the frequency of our interaction with consumers on a daily basis.

We have restructured our existing personal care business in 2020 with the incorporation of our Subsidiary, Biome Life Sciences, which is focused on a premium range of personal care product. We endeavor to source ingredients naturally to produce the Biome portfolio of products. A number of *Biome* products are dermatologically tested at NABL accredited laboratories, and contain natural bioactives.

We seek to leverage our market position, understanding of preferences and loyal customer base to enable us to develop quality products in these additional categories, while ensuring that our brand remains distinctive and well-differentiated.

#### ***Increase our customer base through brand awareness and enhanced customer engagement***

We intend to target our customer group effectively and raise brand awareness through an active and forward-thinking digital and social media marketing strategy, focused towards engaging with a younger and more digitally active customer base. We propose to use new age initiatives like social commerce, insight based influencer marketing and live streaming with social influencers which target the new-age customers. We seek to have a focused marketing approach led by data, personalized and curated content creation and dissemination.

We intend to utilize insights from our data ecosystem, to improve customer loyalty and lifetime value through personalized experiences and product innovation, in order to increase purchase frequency. We intend to do so through increased engagement with customers by using CRM tools such as SMS and email communication, gathering constant consumer feedback through various modes such as store questionnaires and online feedback to keep abreast of the changing consumer trends and increasing our social media presence.

We also have in place a Fabfamily® rewards program, which rewards customers based on interactions with our website, participation in surveys and feedback, transactions and referrals. As of September 30, 2021, the Fabfamily® rewards program had over 4 million members, which we aim to grow over time.

Complementing our retail expansion strategy, we believe our digital channels would help accelerate growth as the most accessible ways for new and existing customers to purchase our products. New customers who are exposed to the brand for the first time can learn about our story and product offerings through our website and through social media, while our investment in marketing technology enables us to personalize and tailor our engagement with our

existing customers, particularly as our product offerings increase. The more we interact with both new and existing customers, the more data and insights we would stand to gather about customer behavior, which will support our personalization efforts, and further drive website and mobile app traffic.

***Continue to build and deepen our partnerships with artisans (who we access through Contract Manufacturers) and farmers***

We intend to continue to build our relationships with our existing base of artisans (who we access through Contract Manufacturers) and farmers while further growing our network. Our growth strategy focuses on building the capacity of such artisans and farmers to scale without compromising quality, creating new markets for their products, identifying and developing new craft clusters to broaden our supply chain, and preserving and reviving traditional crafts in the process. To promote efficiency and consistency in the quality of products, we may consider identifying and introducing new technology to our Contract Manufacturers with an aim to establish quality bench marks and standards in an industry which is unorganized.

We also intend to grow our network of farmers (both directly and indirectly), for our organic food vertical. As of September 30, 2021, we had direct dealings with over 2,200 farmers through which we had direct access to over 10,000 acres of certified organic farmland. In addition, we also had access to over 10,300 farmers and over 62,000 acres of certified organic farmland through associates, as of the same date. There is significant potential to grow our access to organic land, given the growth of area under organic cultivation in India, which has witnessed a CAGR of 20.4% from 0.7 million hectares in Fiscal 2014 to 2.7 million hectares in Fiscal 2021. (*EY Report*)

***Continue to focus on sustainability and social impact initiatives***

We have positioned ourselves as not only a leader in business but also in sustainability, and we intend to continue our journey as a purpose-driven, sustainable organization. Our key areas of ESG focus continue to be creating and sustaining livelihoods, empowering women, building capacity and skills of artisans and environment management. For instance, our Craft Cluster Development Livelihood Impact Program is an intensive form of capacity building and livelihood creation for artisans was implemented in 2016. Through the CDLI initiative, we work with artisans in fledgling clusters to empower them with the skills required to operate as independent contract manufacturers for commercial enterprises, with our Company utilizing their services to support them. Once a cluster 'graduates' from CDLI, we work with them as an independent business entity and invite new clusters to go through the CDLI program. We are also focused on environmental sustainability, and focus on managing our impact by reducing and monitoring energy, materials, emissions, water, waste and chemicals. We are actively exploring ways to continue improving the environmental sustainability of our operations, including by using different natural fibers to create our products, reducing the use of chemicals in our products, managing our energy and greenhouse gas emissions and reducing waste generation, among others. For further details, see “*Our Business- ESG Initiatives*” on page 201.

**Our Business Operations**

***Our Product Portfolio***

Product Category	Key Brands	Categories
Apparel		Ethnic wear, fusion wear and western wear for men, women and kids
Home and Lifestyle		Home linen, dining (including tableware and lighting) and decor, furniture
Accessories and Others		Stoles, sarongs, jewelry, bags, footwear, mufflers
Personal Care		Skincare, haircare, fragrances, body care
Organic Food		Green tea, spices, seasonings, dried fruits and nuts, preserves, ready-to-eat, teas and herbs, Ayurvedic supplements, detox products, staples



Product Category	Key Brands	Categories
Food and beverages		Healthy dining with regionally inspired foods

**Apparel**



**Home and Lifestyle**



**Personal Care**





## Organic Food



## Accessories and Others



Set out below are details of our revenue from each product vertical for the periods indicated.

in ₹ million

Product Vertical	During Fiscal 2019	During Fiscal 2020	During Fiscal 2021	During the six months ended September 30, 2021
Apparel	8,521.92	8,867.83	4,074.31	2,466.86
Home and Lifestyle	1,516.01	1,534.87	1,238.02	692.93
Personal Care	271.36	247.42	244.64	152.74
Organic Food	2,928.54	2,811.77	3,046.50	1,458.57
Food and Beverages	75.25	243.15	164.80	88.68
Others (including accessories)	1,254.38	1,140.35	1,038.25	447.90

### ***Product Portfolio Selection Process***

Products in apparel, accessories, personal care and home and lifestyle verticals are chosen through a rigorous in-house selection process. We follow a hybrid model which comprises of engagement with both internal designers and external designers. Our internal design team comes up with product ideas on research, current trends and aesthetics, based on visit to art fairs, workshops, historical sites. Once a design has been produced, our design team conducts operations and parameter checks to ensure that the designs work within product parameters. We thereafter conduct market

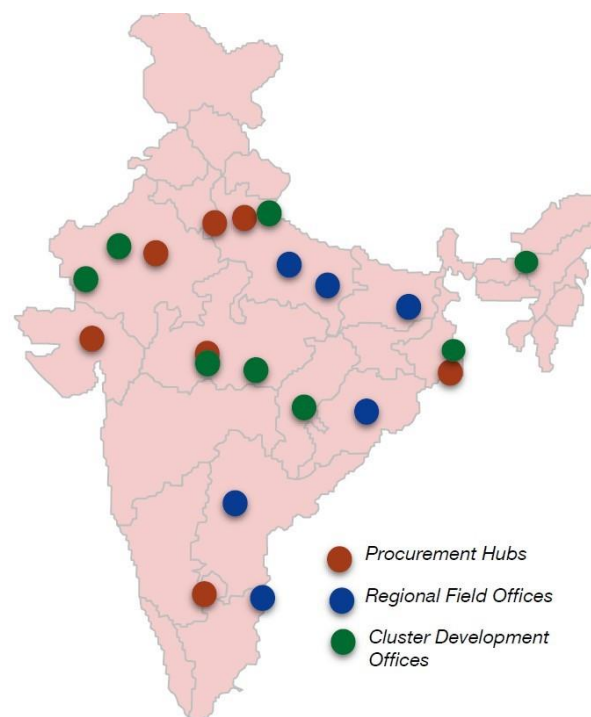
intelligence through store visits and customer feedback as well as through focus group meetings with customers to better understand customer needs.

We rely on our design and product development team, comprising skilled designers, external design consultants, product merchandisers and artisans (who we access through Contract Manufacturers) both for fabric print design as well as for clothes styling. In order to avoid brand overlap or dilution, we endeavor to utilize differentiated designs and patterns, fabrics, textiles and styles across our brands. Fabrics prints that are developed for our brands are designed in-house, supports our endeavor to create distinctiveness of our products. We also continue to support traditional design vocabulary from clusters for our ranges across apparel and accessories.

Our Organic India team of agricultural specialists and quality control professionals work directly with farmers and procurement end enabling certified organic and quality raw material being sourced meeting requirements of both national and international standards. The major raw material i.e. Tulsi or Holy basil is cultivated by farmers including those associated with Organic India directly, to provide traceability and manufacture of certified organic products to consumers. As of September 30, 2021, the agro and quality control team at Organic India consisted of 15 experts who work with our farmers and associates.

### ***Obtainment Process***

#### **I. Fabindia**



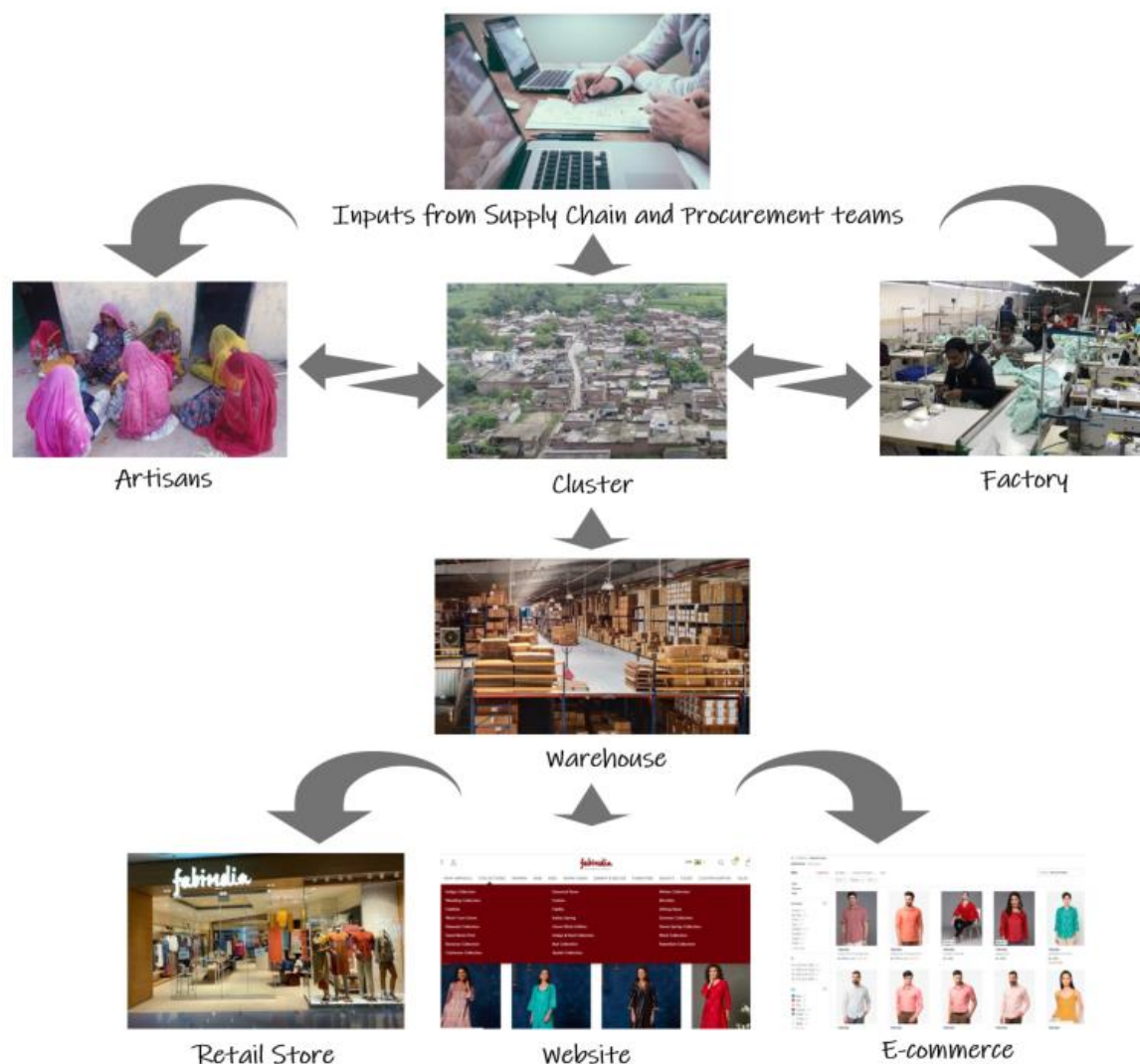
*\*Map not to scale*

Set out below are details of our total Contract Manufacturing base.

Size	Turnover	Share of Obtainment from Fabindia
Large	More than INR 2 Crores	23%
Medium	Between INR 50 Lakhs and 2 Crores	28%
Small	Less than INR 50 Lakhs	49%

Our obtainment and provisioning chain starts with our diverse artisan base, which is concentrated in clusters across India, which our Company has access to through Contract Manufacturers. In addition to artisans, our large Contract Manufacturer base includes those who support us with cut-to-pack units, dyeing and printing services, among others. These clusters are supported by six regional field offices and five obtainment hubs. As of September 30, 2021, we also have six warehouses, including a central warehouse where garments, food and personal care products are managed, a national warehouse where furniture and hardgoods are managed and four regional warehouses for the storage of furniture.

Set out below is the process that we typically follow from obtainment to distribution of the final product, in relation to our *Fabindia* products.



### Obtainment and Contract Manufacturing

Our obtainment and contract manufacturing process commences with analysis of our Contract Manufacturer's production capacity for each season, based on deliveries and quantity supplied in the previous season. In the case of new Contract Manufacturers, we request the Contract Manufacturers to provide us with estimates of the quantities that they can provide. Based on this analysis, we allocate requirements and place orders accordingly. Our analysis and

planning procedures also include allocating certain surplus capacity to additional Contract Manufacturers in order to maintain a capacity buffer to manage increased demand or delivery failures.

We obtain our products from across India. For instance, we obtain wool primarily from our Contract Manufacturers (and through them, artisans) in Uttarakhand, among other states, tussar cotton is primarily obtained from Bihar and furniture is obtained from Contract Manufacturers (and through them, artisans) in Rajasthan. Personal Care products are usually obtained from Contract Manufacturers (and through them, artisans) in Delhi, Uttar Pradesh and Rajasthan. Organic Food is primarily obtained from farmers (directly as well as through associates) in Uttar Pradesh, Himachal Pradesh, Rajasthan, Madhya Pradesh, Assam, West Bengal, Tamil Nadu, Karnataka, Kerala and Maharashtra.

Certain major crafts are provided by our Contract Manufacturers, through artisan and craft clusters across India, with whom we have contract manufacturing agreements. For instance, we obtain tie and dye, hand embroidery and handloom weaving from Gujarat and applique, hand block printing, handmade wooden, silver and thread jewelry, hand-made leather bags and footwear from Rajasthan, among others.

The finished products are received and managed at a cluster or central warehouse from where they are transported to our stores for sale and e-commerce order fulfillment. New product development also involves designing, sampling and cost closure, which adds to the timelines.

### Quality Control

We consider the quality of our products critical to our business and we have various measures in place to control this process in-house. Once we have analyzed and allocated our obtainment requirements, we emphasize interaction among our production and quality control team and our Contract Manufacturers on a regular basis, in order to review our Contract Manufacturers' performance and production status. We also regularly visit Contract Manufacturers' premises to address any issues or bottlenecks during production.

We have established extensive guidelines to assure the quality and safety of our products. We are focussed on providing customers with products that are natural, sustainable, and free of any harmful materials and chemicals. We have detailed guidelines about using dyes as part of our obtainment process and shared a handbook to prevent use of restricted chemicals. Independent third-party laboratories regularly test our products for restricted chemicals like AZO, pH, and formaldehyde. Our Company's regional quality control teams visit production facilities to check for chemicals used and restrict the usage of any banned chemicals. Products that do not comply with standards are rejected, and advisory letters are issued to the contract manufacturers. We are currently working with certain contract manufacturers to accelerate the adoption of natural dyes in our production chain.

We have clearly articulated safety regulations for all food and wellness products and kitchenware. Additionally, we have obtained certifications for our *Fabessentials* range of products from APEDA approved certifiers and from IFRA for our personal care products.

We conduct regular training, workshops, meets, and town halls with our Contract Manufacturers and artisans they work with, to help them better understand our quality standards and customer expectations and respond to their issues, if any. We also conduct quality testing from time to time to determine the Contract Manufacturers' compliance with specified norms and standards.

### Distribution

Finished products are obtained from the Contract Manufacturer/artisans' premises and are managed for onward delivery at our warehouses in Jaipur and Faridabad, by us. Thereafter, the products are transported to warehouses before ultimately being distributed to our retail stores.

## **II. Organic India**

### Sourcing and Supply

Our organic foods supply chain base includes a network of over 2,200 farmers with approximately 10,000 acres of certified organic farmland, spread across 11 districts in five states in India, as of September 30, 2021, who we work

with directly. In addition, we also had access to over 10,300 farmers with over 62,000 acres of certified organic farmland through associates, as of September 30, 2021.

### Manufacturing

Organic India operates a manufacturing facility located in Barabanki, Uttar Pradesh, to which the raw materials for our organic food products are supplied. We manufacture a majority of our Organic India products at our manufacturing facility in Barabanki, Uttar Pradesh. We have also engaged contract manufacturers in relation to certain packaged foods.

Set out below is the capacity utilization in relation to our Barabanki manufacturing facility.

Product												
	Fiscal 2019			Fiscal 2020			Fiscal 2021			September 30, 2021		
	Annual Production Capacity	Annual Production Output	(%) Utilization Rate	Annual Production Capacity	Annual Production Output	(%) Utilization Rate	Annual Production Capacity	Annual Production Output	(%) Utilization Rate	Annual Production Capacity	Annual Production Output	(%) Utilization Rate
Herbal Teas (in 25 infusion bag boxes)	12,780,000	8,310,335	65%	12,780,000	8,268,311	65%	12,780,000	10,130,331	79%	12,780,000	4,278,046	67%
Loose infusion bags (units)	4,320,000	120,802	3%	4,320,000	1,244,677	29%	4,320,000	2,112,595	49%	4,320,000	790,370	37%
Formulations (Bottles)	7,200,000	2,305,722	32%	7,200,000	2,283,046	32%	7,200,000	3,393,473	47%	7,200,000	1,616,618	45%

\* As certified by Er. Prabhat Srivastava, Chartered Engineer

### Quality Checks

Organic India also has in place traceability systems to track the movement of raw materials right from the organic farms to the finished products. Through this traceability system every ingredient used in the Organic India food products can be tracked back to its source, providing transparency to ensure that the product is organic and pesticide free.

We have obtained process and product certifications including GMP, HACCP, FSSAI, ISO 9001:2015, which provides quality assurance across the value chain.

Organic products sold through Organic India have been certified by Indian organic standards (NPOP), US standard USDA (NOP), EU organic regulations. Our cosmetic and personal care oils also have international organic certification (COSMOS). We also have Fairtrade standards and FLOCERT certification for our agro-projects in Azamgarh.

### Distribution

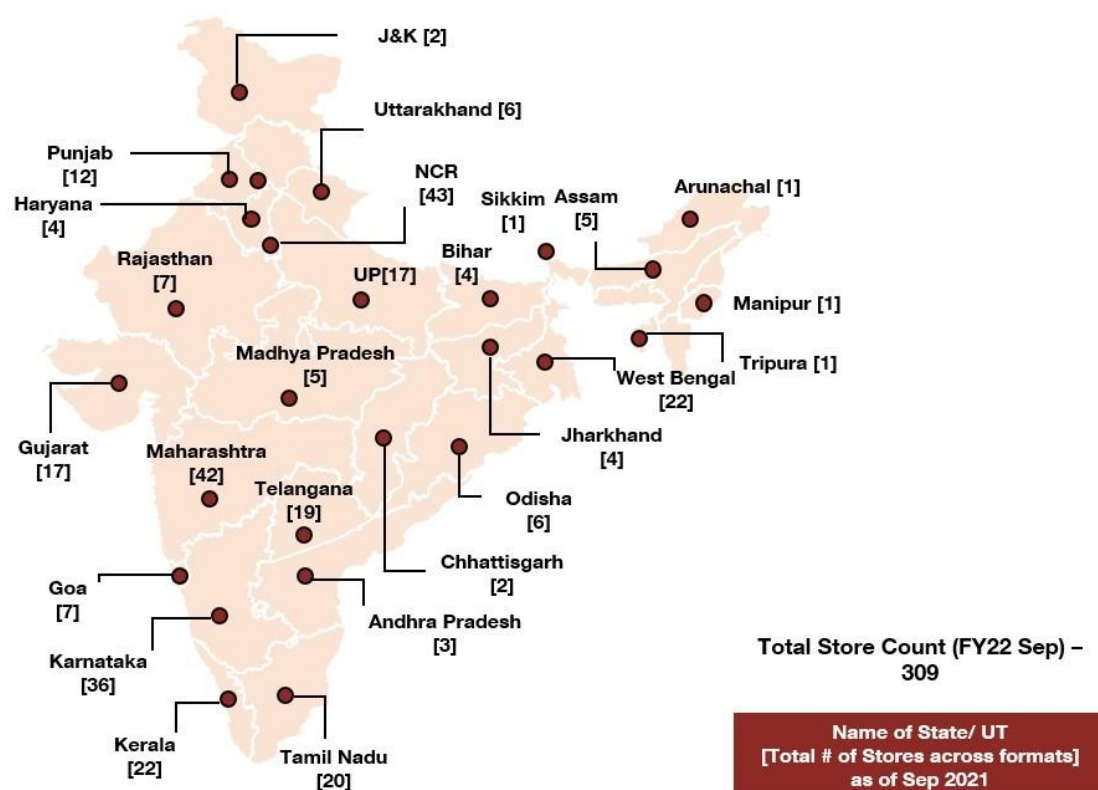
We operate five procurement hubs through Organic India, which are located in Azamgarh, Rath and Lucknow in Uttar Pradesh, Jalore in Rajasthan and Neemuch in Madhya Pradesh, in close proximity to certain of the organic farms where we source our raw materials. Two additional procurement hubs are being developed in Chamoli in Uttarakhand and Kistwar in Jammu & Kashmir, and are expected to be operational by September 2022. These procurement hubs are equipped with automated equipment and include appropriate storage facilities to store raw materials.

### ***Our Distribution and Retail Network***

#### **I. Fabindia**

We sell our *Fabindia* products through retail stores, e-commerce, exhibitions and as exports.

The map below represents our retail stores in relation to our *Fabindia* products, as of September 30, 2021:



Set out below is a breakdown of our Company's revenue across channels for the periods indicated.

	During Fiscal 2019	During Fiscal 2020	During Fiscal 2021	During the six months ended September 30, 2021
Retail stores	10,554.43	10,399.31	4,680.12	2,728.69
E-Commerce	458.16	676.55	931.74	611.59
Others*	195.97	283.50	212.82	104.60

\*Others comprise of venue sales, exports and business to business sales.

### Retail Stores

Fabindia retail stores comprise COCOs, Experience Centers, and FOFOs. We endeavor to ensure that the customer experience at all our retail outlets is standardized by measures such as delivering training sessions for staff, our franchisee partners. We create an aggregate set of styles and generally launch most styles and collections across all retail stores. As of September 30, 2021, our Company had 185 COCOs (including one flagship store), 28 Experience Centers and had 96 FOFOs, located across 123 cities in 26 states and union territories in India. In addition we also have 11 retail stores outside India, as of September 30, 2021.

Set out below are certain key metrics in relation to our retail stores (across formats).

Metric	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of September 30, 2021
No. of stores (#)	298	328	306	309
Total selling area (area in 100,000 sq. ft)	7.07	8.56	8.28	8.65

Metric	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of September 30, 2021
Average selling area (area sq. ft)	2,372	2,610	2,705	2,799

Set out below is a breakdown of retail stores (across formats) by tier and stores by region, as of the dates indicated below.

	As of March 31, 2021	As of September 30, 2021
<b>By Tier</b>		
Metro	148	152
Mini Metro	16	17
Tier 1	52	50
Tier 2	31	32
Tier 3	59	58
<b>Total</b>	<b>306</b>	<b>309</b>
<b>By Region</b>		
North	82	83
South	108	109
East	44	45
West	72	72
<b>Total</b>	<b>306</b>	<b>309</b>

#### Company-owned company-operated stores (COCOs)

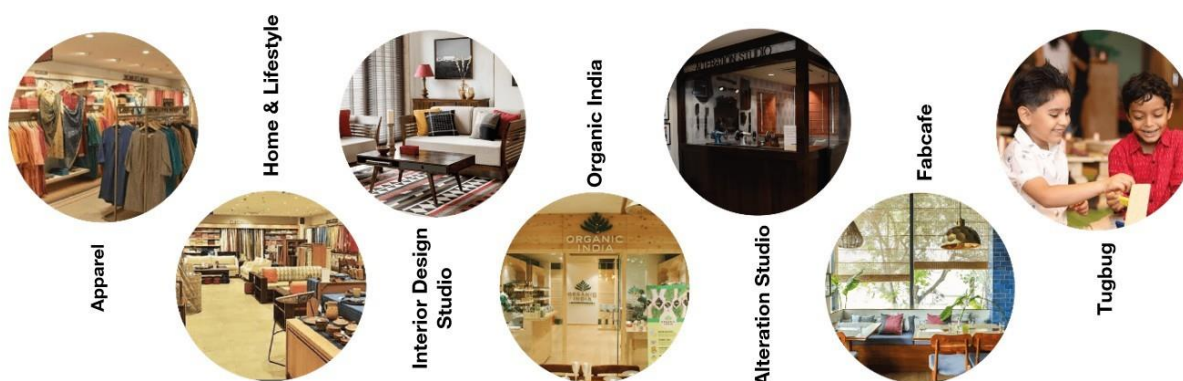
We operate COCOs primarily from leasehold premises. Set out below are certain key metrics in relation to our COCOs.

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of September 30, 2021
No. of stores (#)	212	205	181	185
Total selling area (area in 100,000 sq. ft)	5.27	5.02	4.66	5.11
Average selling area (area sq. ft)	2,486	2,449	2,572	2,764

#### Experience Centers

Experience Centers are large format stores that house a variety of our product offerings, including apparel, home and lifestyle, Interior Design Studio (which is an amalgamation of traditional touch-and-feel purchasing with inputs from interior design professionals and technology), Organic India Wellness Store Center, Alteration Studio (where customers can customize their *Fabindia* apparel), FabCafe and a children's center, in one store.





We operate the Experience Centers on leasehold premises. Our Experience Centers are typically larger than COCOs, with the average size of our Experience Centers ranging between 4,100 sq. ft. to 11,700 sq. ft., as of September 30, 2021.

Set out below are certain key metrics in relation to our Experience Centers.

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of September 30, 2021
No. of stores (#)	10	27	29	28
Total selling area (area in 100,000 sq. ft)	0.98	2.45	2.47	2.38
Average selling area (area sq. ft)	9,800	9,074	8,514	8,516

#### Franchisee Stores (FOFOs)

We enter into franchise agreements at locations where we determine that collaboration with a local player with existing experience in a city or market will assist in our operations. Pursuant to our franchise agreements, the franchise partners operate our outlets by exclusively offering for sale, products under the Company's brands. The term of our franchise agreements generally ranges from three to five years which are renewable subject to mutual agreement. We endeavor to ensure consistency in customer experience at FOFOs by providing training sessions to our franchisee partners as well as by providing and monitoring store layout, design specification and inventory fulfilment at our FOFOs.

Set out below are certain key metrics in relation to our FOFOs.

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of September 30, 2021
No. of franchisee partners	60	76	77	79
No. of stores	76	96	96	96
Total selling area (area in 100,000 sq. ft)	0.82	1.09	1.15	1.15
Average selling area	1,079	1,135	1,201	1,198

Set out below are details of our franchisee partners as of Fiscal 2021 and September 30, 2021:



	Fiscal 2021		September 30, 2021	
	Franchise Count	Store Count	Franchise Count	Store Count
Franchisee partners with a single store	67	67	70	70
Franchisee partners with multiple stores	10	29	9	26
<b>Total</b>	<b>77</b>	<b>96</b>	<b>79</b>	<b>96</b>

### ***E-Commerce***

We also sell our products through online channels such as other third-party online retailers as well as through our website, [www.fabindia.com](http://www.fabindia.com), and our proprietary mobile application.

Set out below are certain key metrics in relation to our online sales (through our app and through our website).

	During Fiscal 2019*	During Fiscal 2020	During Fiscal 2021	During the six months ended September 30, 2021
Total Visits per day#	27,524	31,319	23,372	47,589
Total orders per day	438	593	921	1,407
Average ticket price (members and non-members total) (in ₹)	3,443	3,298	4,100	4,095
Number of mobile app downloads	NA	67,639	302,649	142,001

\* Our mobile app was launched in Fiscal 2020.

# annualized 365 day figure

(in ₹ million)

	During Fiscal 2019*	During Fiscal 2020	During Fiscal 2021	During the six months ended September 30, 2021
Total Sales from Online Sales	458.16	676.55	931.74	611.59
Sales through online retailers	141.11	114.75	25.20	24.94
Sales through our own websites and through our app	317.05	561.80	906.54	586.65

\* Our mobile app was launched in Fiscal 2020.

### ***Exhibitions***

On occasion, we participate in exhibitions for sale of our *Fabindia* products. We hold exhibitions to target select micro-markets that have no store presence through this channel, primarily for brand building purposes. For instance, we launched a *Sari* exhibition in Meerut, Uttar Pradesh in October 2019, featuring a new range of sarees.



## Exports

As of September 30, 2021, we also exported our products directly to seven countries through distribution partnerships with wholesalers. Revenue from exports amounted to ₹105.80 million, ₹103.53 million, ₹72.05 million and ₹44.44 million, in Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021.

## II. Organic India

Our organic food products are sold by Organic India, through a variety of retail stores, e-commerce, exhibitions and as exports.

Set out below are details of our channel's split of revenue for the periods indicated.

Channel	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Six months ended September 30, 2021
Retail*	980.97	823.17	1,012.33	490.07
CSD+ Institution	79.50	89.20	81.20	33.98
Nutriwel	6.00	27.20	27.90	8.74
E commerce	118.20	174.10	315.90	175.45
-Own website	15.60	22.10	47.20	19.00
-Others	102.60	152.00	268.60	156.45
Others**	7.10	-	21.00	0.66
<b>Domestic w/o stores</b>	<b>1,191.77</b>	<b>1,113.67</b>	<b>1,458.23</b>	<b>708.90</b>
Fabindia	125.00	250.80	112.20	59.59
Wellness Stores	16.93	69.44	65.04	30.33
Exclusive Store	70.35	85.18	73.75	26.61
Franchise Stores	3.51	7.70	8.12	2.92
<b>Total D2C</b>	<b>215.79</b>	<b>413.12</b>	<b>259.11</b>	<b>119.44</b>
<b>Total Domestic</b>	<b>1,407.56</b>	<b>1,526.79</b>	<b>1,717.34</b>	<b>828.34</b>
ROW	229.79	194.60	261.08	132.40
Mango	150.80	95.00	10.50	78.09
OI USA*	1,220.00	1,250.00	1,480.00	657.55
Clean	320.00	360.00	400.00	117.86
<b>Total Export</b>	<b>1,920.59</b>	<b>1,899.60</b>	<b>2,151.58</b>	<b>985.90</b>
<b>Total Sales</b>	<b>3,328.15</b>	<b>3,426.39</b>	<b>3,868.92</b>	<b>1,814.24</b>

\* Retail consists of General Trade, Modern Trade and chemists in India

\*\* Others consist of sale of raw material and scrap.

Our Domestic Retail Channel include:

General Trade: General trade are stores that are owned by individuals and usually cater to local customer requests.

Modern Trade: We also stock our Organic India products at modern trade stores, such as hypermarkets and supermarkets.

Chemists: We stock certain Organic India products such as teas, supplements and Ayurveda products at chemists across India.

Canteen stores department (“CSD”) and institutional sales include institutional sales (on a B2B basis) as well as Government of India operated stores, which are located in major military bases operated by the Indian Armed Forces.

Nutriwel: Nutriwel Health (India) Private Limited, one of our associate companies, sells Organic India products through various online market platforms and tele-sales.

E-Commerce: We also sell our products through online channels such as online retailers, as well as through our website, [organicindia.com](http://organicindia.com).

Fabindia stores: We also sell Organic India products through our Company’s retail stores and our Company’s website, [www.fabindia.com](http://www.fabindia.com).

Wellness Stores: As of September 31, 2021, we had 36 Wellness Stores selling Organic India products. Wellness Stores are stores located within our Experience Centers. These stores are run by Organic India within the Experience Centers.

Organic India exclusive stores: As of September 30, 2021, we had 32 Organic India exclusive stores across India from which we sold our products.

Franchise Stores: As of September 30, 2021, we had six Organic India franchise stores across India from which we sold our products.

International Retail Chains and Exports: We also sell our Organic India products through international retail chains. We have a presence in over 44 countries. Revenues from sales outside India accounted for ₹2,151.58 million and ₹985.90 million in Fiscal 2021 and the six months ended September 30, 2021.

## **Branding Marketing and Advertising**

We endeavor to market, advertise and engage with customers primarily through digital and social media initiatives. We constantly engage with the above customer base by way of continuous and relevant content covering our products, artisans, crafts and clusters. This content can be accessed through multiple touchpoints including our website [www.fabindia.com](http://www.fabindia.com), our social media presence where we reached more than 500,000 followers as of September 30, 2021 across our social media accounts on Instagram and Twitter. We also strive to engage with customers through our partnerships with influencers and live streaming. Customer engagement, product experience and immersive retail are the three key objectives of our marketing and communication strategy. We undertake marketing campaigns on social media which endeavors to involve a balance of reach-focused advertising, intelligent demographic and geo-targeting through digital media (after receiving customer’s express consent), engagement with customers through social media.

We also have our loyalty rewards program “*Fabfamily*®” in place, through which our customers earn points for shopping with us, submitting feedback and referring friends and family, and which provide for a variety of benefits for customers. Accumulated reward points can be redeemed by the customer on shopping but also on curated experiences that include craft tours, heritage visits, fine dining experiences and staycations.

Set out below are details key metrics in relation to *Fabfamily*®.

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of September 30, 2021
No. of members (#)	3,317,523	3,834,557	4,162,654	4,334,124
	During Fiscal 2019	During Fiscal 2020	During Fiscal 2021	During the six months ended September 30, 2021
Average ticket price (in ₹)	3,473	3,329	4,147	4,142
Total ticket price (in ₹ million)	338,718	184,449	76,064	77,749
Purchase Frequency (#)	2.84	2.40	1.90	2.01

## Human Resources

Our employees contribute significantly to each of our business operations. As of September 30, 2021, our Company had 2,394 permanent employees and 20 consultants. Of the 2,394 permanent employees, 28.15% are women.

Set out below are employee details of our Company categorized by function as of September 30, 2021.

Employee function	Number of consultants	Number of employees
Administration and Procurement	0	8
Apparel	5	78
Brand and Marketing	1	44
Digital Platform	0	5
E-commerce	3	62
Finance	1	90
Forensic and Internal Audit	0	6
Home and Lifestyle	1	25
HR and Training	2	36
IT	1	16
Legal	0	4
Markets	3	1,779
MDO	0	13
Personal care	0	5
SCM and QC	2	220
Strategy and Planning	0	3
PMO	1	-
<b>Grand Total</b>	<b>20</b>	<b>2,394</b>

Our business depends on our ability to recruit, train and retain frontline associates, managerial and creative professionals.

As part of our vision and purpose, we encourage wide employee model ownership. We endeavor to motivate our employees with incentives and the ESPS 2021. As of September 30, 2021, 15% of our outstanding issued share capital is held by employees. For further details, see “*Capital Structure*” on page 94. We also place significant emphasis on training our personnel and increasing their skill levels, and fostering ongoing employee engagement in our Company. In addition to an induction and mentoring program upon joining, we organize in-house training for our employees through skill-building programs and professional development programs across levels and functions. All employees and franchisee partners also have access to engaging e-learning content, assessment, and certifications through our digital learning platform ‘FIRMbyFabindia’. In addition, we focus on talent transformation through a leadership development process to build a leadership pipeline for critical roles and to strengthen succession planning.

For instance, several training programs have been implemented to enable all customer service roles to acquire skills and adapt in line with the new requirements of the post-COVID world. This includes an enhanced focus on customer safety, outbound or technology-driven sales and enhanced customer centricity.

Our human resource department continually focuses on employee engagement and motivation, recruitment, continuous development and addressing employee grievances, if any, in a timely manner.

## **Information Technology**

We invest in continually building and improving our IT capabilities, in order to improve our operational efficiencies and enhance productivity. For instance, we are in the process of implementing SAP, with the objective of standardizing our processes and supporting our management in aspects of better sales planning, performance, longevity, collecting information on a real-time basis and enhancing profitability. Such solution is designed to help us in the planning and management of our sourcing and manufacturing operations and to assist in the smooth functioning of finance, sales, stores, purchase, inventory and payroll functions. In addition, we have over the years collected data in relation to customer demographics, purchase patterns and feedback at our retail stores, which has been compiled as part of our CRM database. We process, analyze and mine this data on a continual basis, with a view to gauging and tracking market trends, changing consumer preferences, demographics and purchase patterns of customers, and formulate our marketing measures, such as sending customized and targeted emails to our customers. Our IT spend in Fiscal 2019, 2020 and 2021 and the six months ended September 30, 2021 were ₹154.64 million, ₹192.99 million, ₹146.33 million and ₹151.76 million respectively.

## **ESG initiatives**

We believe that enabling and uplifting the people we work with, taking care of the environment, and being ethical in our conduct with have a long and lasting positive impact. We have aimed to create social impact and foster economic wellbeing for our artisans, communities, employees and investors, using environmentally responsible and ethical means.

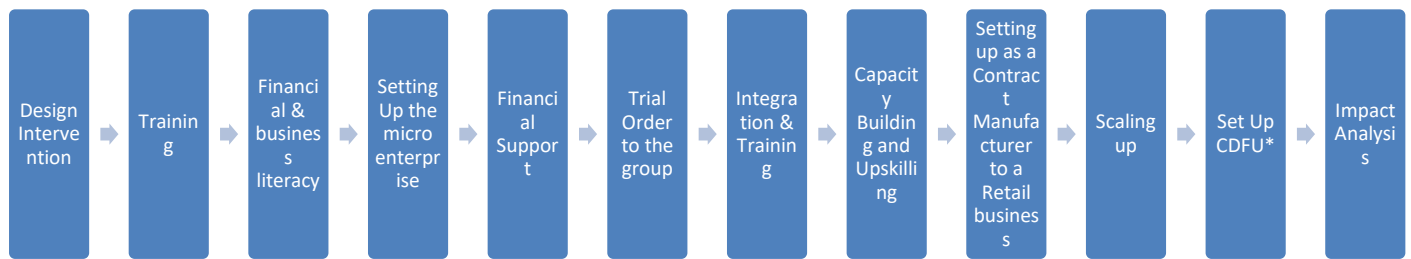
### *Creating and sustaining livelihoods*

We endeavor to sustain and enhance artisan livelihoods by creating access to a continuous market for their products and building capacity for scale and quality. We have also made efforts to engage with skilled women who work from of their homes by leveraging our supply chain enables to drop raw materials at the homes of women artisans (that we engage with through Contract Manufacturers) and pick up finished products. In addition, we obtain various products from Rangсутra Craft India Limited (“**Rangсутra**”), in which we have a 37.77% stake as of September 30, 2021, and which is a social enterprise and a “community owned company” working with artisan communities and craft clusters in India. We purchase handcrafted products for our women, men and kids portfolio for our apparel and accessories verticals to support these communities and provide an avenue to augment their livelihood. Our engagement with them is led with a view to provide sustenance to communities practicing traditional embroideries and handloom weaving. We actively engage with the product development team of Rangсутra by sharing market requirements and creative directions with them to collectively develop product lines in bags, garments, dupattas, stoles, blouses etc. with them.

### *Building Capacity of Artisans*

- We conduct various programs to adjust products to market demands through design interventions and simultaneously build on artisans’ skills to help them produce at higher volumes while maintaining consistency in quality and customer appeal. We conduct comprehensive capacity-building programs for artisans (that we engage with through Contract Manufacturers) to continually enhance their skills, business acumen, understanding of customer behavior, and managing digital engagements.
- Craft Cluster Development and Livelihood Impact Programs

We implemented the Craft Cluster Development and Livelihood Impact (“CDLI”) program as an intensive form of capacity building and livelihood creation for artisans in 2016.



A cluster comprises artisans at a village level, some of which also include existing local weaving or craft cooperatives, headed by Master Artisans/Senior Artisans. The CDLI program focuses on enhancing artisans' knowledge and skill base to produce at scale without impacting quality. Through the CDLI initiative, we work with artisans in fledgling and struggling clusters to empower them with the skills required to operate as independent creative partners for commercial enterprises other than our Company, with our Company also purchasing from them under contract manufacturing contracts. The artisans are upskilled in design, quality, business, financial and digital literacy. Once a cluster 'graduates' from CDLI, we work with them as an independent business entity and invite new clusters to go through the CDLI program.

CDLI has trained and nurtured numerous artisans and identified and supported new craft regions over the years. Since CDLI's inception, four clusters have been integrated into our supply chains.

#### *Natural Resource Management*

We aim to use environmentally friendly processes, materials and methods and prioritize the use of natural materials and traditional techniques in our product lines.

- We are undertaking several initiatives to create products that can be recycled or are made from recycled and naturally sourced materials, such as banana fibre to make products such as mats and runners, jute, which is used in certain of our home décor products and apparel and water hyacinth to make mats, baskets and table mats. We are also working to minimize our use of non-recyclable and non-biodegradable packaging materials and use recyclable paper packaging and labelling at all our stores.
- We avoid using synthetics and plastics in our products and have increased the use of natural and eco-friendly materials across our business verticals, such as locally sourced coconut and shell buttons in all our apparel lines, as well as cane and bamboo for our furniture and home décor products and vegan bone china for our tableware.

We have set guidelines on the use of harmful chemicals across our supply chain. Various initiatives help us optimize water usage within our stores and offices. Industrial best practices guide the mechanical work, electrical fittings, and plumbing undertaken during the construction of all our stores.

#### *Energy, Greenhouse Gas Management and Waste Management*

- Our portfolio comprises products that are crafted using traditional manufacturing methods, including handlooms and home-powered looms for weaving, hand-based block printing and fabric dyeing processes involving sun-drying. Such methods are environmentally-friendlier than industrial or mechanical methods
- Our primary energy usage comes from the electricity consumed at our offices, stores, and warehouses and across our supply chain. We strive to reduce energy consumption and switch to environmentally friendlier solutions, including by installing solar panels and replacing our traditional lighting system with LED bulbs

across our stores and warehouses, among other initiatives.

- We aim to reduce our waste generation and have several initiatives to reuse or recycle waste, including sending paper, plastic and e-waste at our corporate office to an authorized dealer for recycling, sending paper, cardboard, plastic, wood and metal scraps at our obtainment hubs to local municipality recycling units, utilizing leftover fabric from our production process to make other products like bags and pouches and other such initiatives.
- We have also launched an initiative called ‘*Shunya – Connected to the Earth*’ to create a new line of upcycled products made entirely from repurposed waste and leftover fabric from our production value chain.

### **CSR initiatives**

Over the last three Fiscal Years, we have incurred a total CSR Expenditure amounting to ₹116.67 million. These charities mainly include Goonj, the JLB Foundation, IGSS, the Aga Khan Foundation, and the Women's Interlink Foundation. In addition, we conducted fundraising activities for COVID-19 Relief following the onset of the pandemic.

Over the last three Fiscal Years, we have donated the following amounts to charitable causes.

- Fiscal Year 2021: ₹32.92 million.
- Fiscal Year 2020: ₹42.75 million
- Fiscal Year 2019: ₹41 million.

### **Fund-raising for COVID-19 Relief**

- In July 2021, we joined hands with other brands facilitated a fundraising effort by GiveIndia, an NGO, and we offered livelihood support to approximately 1,100 artisans across different clusters in India, identified by us as having been most impacted by COVID-19. Each such artisan received close to ₹6,000 due to this campaign from the total funds raised of ₹6,519,435 raised by GiveIndia with active facilitation by our Company.
- We also partnered with GiveIndia to start a campaign to allow our customers to donate their loyalty reward points to help provide a safety net to the families of casual laborers.

### **Governance, Human Rights and Compliance**

We aim to have a strong governance structure and have policies and procedures in place to empower our employees to operate efficiently, including code of conduct, anti-corruption policy, diversity and inclusion policy, whistleblower policy, gender-agnostic policy against sexual harassment at the workplace, personal accident insurance policy, maternity/ paternity eligibility policy, group health policy, travel policy, leave policy, privacy policy and social media policy.

Our operations are aligned to national and international human rights guidelines and prohibit discriminatory acts, child labour, forced labour and harm against marginalized in the society. We aim to ensure compliance with all applicable rules and regulations across our operations. We have partnered with a third-party service provider to manage the compliance of our retail outlets and establishments

### **Insurance**



Our operations are subject to hazards inherent in inventory management and transport of our products such as work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include coverage for all normal risks associated with our business, including fire, burglary, money, accidents and other natural disasters. We typically maintain standard fire, burglary and money policies for our fixed assets and stock of stores and warehouses, to cover risks such as fire and other ancillary perils. We also obtain


insurance for the transit of goods, including transfer of sales, purchases, stock transfers and raw materials supplied to us. We also have several marine policies, director and officer liability insurance policies, product liability policies, vehicle insurance policies, gratuity and leave encashment policies, global health policy for 16 senior management employees and a group mediclaim policy, group term life policy, and group personal accident policy for our employees. In addition, we maintain data protection and cyber security, commercial crime and commercial general liability insurance. These insurance policies are generally valid for a year and are renewed annually. We believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See “*Risk Factors - Our insurance coverage could prove inadequate to satisfy potential claims or protect us from potential operational hazards and losses which may have a material adverse effect on our business, results of operations and financial condition*” on page 64.

## **Health and Safety**

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environmental, energy, occupational health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, and various certifications, as well as ensuring the safety of our employees and the people working under our management.

## **Intellectual Property**

As on the date of this Draft Red Herring Prospectus, our Company has obtained 100 registered trademarks under various classes of the Trademarks Act, 1999, including for our logo  and . Further, our Material Subsidiary, Organic India has obtained 68 registered trademarks under various classes of the Trademarks Act, 1999

including its logo . One of the Material Subsidiary, Organic India USA LLC has obtained 14 registered trademarks in the United States of America. We also have five trademark applications pending in various stages of the registration process in India and three trademark applications pending in Nepal and our Material Subsidiary, Organic India has 15 trademark applications pending in various stages of the registration process in India. Further, our Material Subsidiary, Organic India USA LLC has eight trademark applications pending in various stages of the registration process in United States of America. Our registered trademarks are typically valid for a period of ten years from the date of application and are renewable for a period of ten years, on expiry. In addition, our Company has made an application seeking registration of a patent in relation to a multifunctional bed chassis, as interlocking assembly and a method of assembling the bed chassis, which is pending registration under the Patents Act, 1970. For further details, see “*Government and other Approvals – Intellectual Property*” on page 419.

## **Properties**

Our registered office is located at Plot No. 10, Local Shopping Complex, Sector – B, Pocket – 7, Vasant Kunj, New Delhi – 110070, India and our corporate office is located at C-40, 2nd Floor, Okhla Industrial Area, Phase -2, New Delhi 110020, India. Organic India operates a manufacturing facility in Barabanki, Uttar Pradesh. All these premises are on a leasehold basis.



## KEY REGULATIONS AND POLICIES

*The following is an overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information of laws and regulations available in this section has been obtained from publications available in public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

The following is an overview of some of the important laws and regulations, which are relevant to the business of our Company.

### **Key Legislations Applicable to Our Business**

#### ***The Food Safety and Standards Act, 2006 (the “FSSA”)***

The FSSA was enacted with a view to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“FSSAI”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registering food businesses, general principles of food safety, and responsibilities of the food business operator (“FBO”) and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’. In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 (the “FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences (including recall procedures). The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various FBOs, including petty FBOs as well as specific requirements to be fulfilled by businesses dealing with certain food products.

In terms of the Food Safety and Standards (Food Recall Procedure) Regulations, 2017, every FBO engaged in manufacturing of food is required to have a food recall plan. The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of prepackaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations 2020.

According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an ecommerce FBO (which includes sellers and brand owner who display or offer their food products, through ecommerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

#### ***Food Safety and Standards (Organic Foods) Regulations, 2017***

Food Safety and Standards (Organic Foods) Regulations 2017 were notified in November 2017. Section 22 of the Food Safety & Standards Act, 2006 specifies that organic food industry in the country will also be regulated by FSSAI. This is done to make sure that there is a single food law in the country. These regulations apply to every person either individual or body corporate who is involved in manufacturing, packing, re-packing, imports, sale, distribution, and marketing of organic food are covered under these regulations and are required to comply to it.

#### ***FSSAI Guidance Note on ‘Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID -19) Pandemic’ (“COVID-19 Guidance Note”)***

The COVID-19 Guidance Note was issued with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work

environment and any incidental contamination of food/food packages. It also provides guidance in relation to operative mechanism such as establishment of an inhouse emergency response team in large food businesses to deal with suspected infections effectively. It mandates that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premise. All the employees or visitors should be screened at entry point for the symptoms of COVID-19 such as, among others, temperature (using non-contact type thermometer), cough, cold etc. The entrance shall mandatorily have measures installed for hand hygiene. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. To spread awareness and contain the spread of the disease, employers should employ and ensure compliance with numerous measures such as, among others, display of posters/standees/audio visuals on preventive measures for COVID-19, frequent usage of alcoholbased sanitisers, avoidance of close contact with symptomatic personnel, usage of face masks, and frequent cleaning and disinfection. Food sectors involved in food services, takeaways and deliveries shall ensure, among others, that the food service area shall be thoroughly cleaned and disinfected after every meal, hand wash facilities should be made available to the workers, employees wear a clean uniform, mask/face cover, gloves and head covers at all time, adoption of contactless delivery. The COVID-19 Guidance Note also prescribes guidelines for management of the food establishment to handle a COVID-19 suspect/positive case in accordance with the guidelines issued by Ministry of Health and Family Welfare and clean and disinfect the premises accessed by the suspected case.

#### ***Drugs and Cosmetics Act, 1940 (“DCA”) and the Drugs and Cosmetics Rules, 1945 (“DCA Rules”)***

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

#### ***Legal Metrology Act, 2009 (“LM Act”)***

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing with instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

#### ***Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) to take all necessary steps for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services as may be necessary, to protect the interests of consumers and various stake holders. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, plant health, safety of the environment, or prevention of unfair trade practices, or national security. Further, the BIS Act also provides for, among other things, repairing or replacement or reprocessing. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

#### ***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer

network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, (“DoIT”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediary Rules”) requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules further requires the intermediaries to provide for a grievance redressal mechanism and also appoint a nodal officer and a resident grievance officer.

### ***Personal Data Protection Bill, 2019 (“PDP Bill”)***

The PDP Bill was introduced to propose a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the Indian Government, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors.

The Indian Government has also been mooting legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology, Government of India (“**MoEIT**”) formed a committee of experts (“**NPD Committee**”) to recommend a regulatory regime to govern non-personal data (“**NPD**”). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for “data businesses”, being business that collect, process or store data, both personal and non-personal.

Recently, the joint parliamentary committee (“**JPC**”) tabled a report on the PDP Bill before the Parliament of India on December 16, 2021 to submit its general and clause-by-clause recommendation, including a revised version of the PDP Bill (“**2021 Bill**”). While PDP Bill was focused on personal data with limited reference to sharing of NPD, the 2021 Bill has expanded the scope to cover NPD as well, because of which it is now proposed to be called the “Data Protection Bill”, rather than the “Personal Data Protection Bill”. The MoEIT is yet to submit the revised version of the data protection bill before the Parliament.

### ***Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder***

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with “e-commerce” defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakh. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

### ***Shops and establishments legislations***

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

### ***Laws relating to Country of Origin***

Currently, Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”) require a declaration of 'country of origin' or 'country of manufacture' or 'country of assembly' on the imported products. This is aimed at curbing false and misleading claims by the brands to deceive the customers, as also to give complete information of the product to a potential buyer. The Packaged Commodity Rules were wide and amendment made applicable to the product listing information on e-commerce platforms and inter alia, mandates the specification of Country of Origin on the product listing page. Demands for specifying the Country of Origin (“COO”) of products sold online has gained ground in view of the Prime Minister's vision of "Make in India" campaign. The Government had asked e-commerce entities to adhere to the Packaged Commodity Rules and display Country of Origin of products listed on their platform/s by August 01, 2020. In the recently draft of proposed amendment to the Consumer Protection (E-Commerce) Rules, 2020, inter alia, requires and e-commerce entity that offers imported goods or services for sale, to identify goods based on their country of origin, provide a filter mechanism on their e-commerce website and display notification regarding the origin of goods at the pre-purchase stage, at the time of goods being viewed for purchase, suggestions of alternatives to ensure a fair opportunity for domestic goods and further to provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and seller.

### **Environmental Legislations**

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed. These consent orders are indicative of the fact that the industry in question is functioning

in compliance with the pollution control norms.

#### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“**State PCB**”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

#### ***Plastic Waste Management Rules, 2016***

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. The waste generator shall also take steps to minimize generation of plastic waste. The Plastic Waste Management Rules, 2016 also requires the producers, importers and brand owners to collect back the plastic waste generated due to their products.

#### ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016***

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, requires that every occupier of a facility who is engaged in handling of ‘hazardous waste’ and other wastes is required to obtain an authorization from State PCB. It places an obligation on the occupier to prevent, minimize, reuse, recycle, recover, utilize including co-processing, and safe disposal of the waste. It also makes the occupier responsible for safe and environmentally sound management of hazardous and other wastes. It makes the occupier liable for damages caused to environment or third parties. It also prescribes financial penalties for violation of provisions of the rules.

#### **Labour law legislations**

The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- (i) Contract Labour (Regulation and Abolition) Act, 1970.
- (ii) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
- (iii) Employees’ State Insurance Act, 1948.
- (iv) State wise labour welfare fund legislations.
- (v) Tax on Professions, Trades, Callings and Employments Act, 1976
- (vi) Minimum Wages Act, 1948.
- (vii) Payment of Bonus Act, 1965.
- (viii) Payment of Gratuity Act, 1972.
- (ix) Payment of Wages Act, 1936.
- (x) Maternity Benefit Act, 1961.
- (xi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (xii) The Child Labour (Prohibition and Regulation) Act, 1986.
- (xiii) The Equal Remuneration Act, 1976.
- (xiv) Rights of Persons with Disabilities Act, 2016.

**In addition to the aforementioned, the following labour codes have received the assent of the President of India, and will come into force as and when notified in the Gazette, pursuant to which the abovementioned Labour Legislations will be subsumed by the following labour codes:**

#### ***The Code on Wages, 2019 (the “Wage Code”)***

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Ministry of Labour and Employment

vide notification dated December 18, 2020 notified certain provisions of the Wage Code. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The code proposes to provide for *inter alia* standards for health, safety and working conditions for employees of the establishments. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Code on Social Security, 2020 (“Social Security Code”)***

The Social Security Code received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The new code proposes to set up a National Social Security Board and State Unorganized Workers Board to administer schemes for unorganized workers. The Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employee-employee work-arrangements (including in online and digital platforms such as ours), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits, old age protection, under schemes framed under the Social Security Code from time to time. Further, the Social Security Code provides that such schemes may *inter alia*, be partly funded by contributions from platforms such as ours. The provisions of this code will be brought into force on a date to be notified by the Central Government.

## **Intellectual Property Laws**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961, and as a member of the World Trade Organisation, India also is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights (“**TRIPS**”).

### ***The Trademarks Act, 1999 (“Trademarks Act”)***

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also governs the statutory protection of trademarks and also prohibits any registration of deceptively similar trademarks or chemical compounds, among others. Indian law permits the registration of trademarks for both goods and services. It also provides for infringement, falsifying and falsely applying for trademarks. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a

trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

### **Laws governing foreign investments**

Foreign investment in India is governed by the provisions of The Foreign Exchange Management Act, 1999 (“**FEMA**”), the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“**FEMA NDI Rules**”) along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

### **The consolidated Foreign Direct Investment Policy of 2020 (the “Consolidated FDI Policy”)**

The Department for Promotion of Industry and Internal Trade (“**DPIIT**”), Ministry of Commerce and Industry on October 28, 2020 issued Consolidated FDI Policy. In terms of the FEMA NDI Rules and the Consolidated FDI Policy, up to 100% foreign investment is currently permitted in a company engaged in manufacturing activities in India (including contract manufacturing in India).

### **Laws relating to taxation**

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
- The Customs Act, 1962;
- Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-specific legislations made thereunder;
- The Integrated Goods and Service Tax Act, 2017;
- State-specific legislations in relation to professional tax; and
- Indian Stamp Act, 1899 and various state-specific legislations made thereunder.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as ‘Fabindia Overseas Private Limited’, as 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. On July 1, 1994, our Company’s name was changed to ‘Fabindia Overseas Limited’ by the Registrar of Companies, Delhi and Haryana, as it became a deemed public company under Section 43A of the Companies Act, 1956. Pursuant to the amendment in Section 43A of the Companies Act, 1956 by Companies Amendment Act, 2000, the Company’s status was converted from a deemed public company to a private limited company and consequently the name was changed to ‘Fabindia Overseas Private Limited’ on May 8, 2001. Subsequently, the name of our Company was changed to ‘Fabindia Private Limited’ and a fresh certificate of incorporation dated October 13, 2021 was issued by the RoC. Thereafter, our Company was converted into a public limited company, consequent to which its name was changed to ‘FABINDIA LIMITED’, pursuant to the resolution passed by our Board of Directors on September 2, 2021 and by our Shareholders on September 30, 2021. Fresh certificate of incorporation consequent to the conversion of our Company into a public limited company was issued by the RoC on October 22, 2021.

### Details of change in registered office

Effective date of change	Details of Change	Reason(s) for change
October 22, 2021	The registered office of the Company has changed from 14 N Block Market, Greater Kailash, New Delhi 110048 to Plot No. 10, Local Shopping Complex, Sector B, Pocket 7, Vasant Kunj, New Delhi 110070.	Administrative convenience

### Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

- To acquire and take over as a going concern, the business, as carried on at New Delhi under the name and style of “FABINDIA INC” a Company incorporated in the United States of America and all or any of the assets and liabilities of the said “FABINDIA INC” used in connection with the said business, or belonging thereto, as per and in terms of the agreement to be made between the said “FABINDIA INC” of the one part and the Company on its incorporation of the other part to the said agreement.*
- To carry on the business of designers, processors, manufacturers, exporters, importers, buyers, sellers, stockists, suppliers of wholesale and retail dealers in handloom fabric, bedspraeds, floor coverings, garments and handicrafts of all kinds and to provide all kinds of customization services.*
- To export from India, material, commodities, goods and articles whether raw, semi-manufactured or manufactured to all parts of the world.*
- To deal and trade in all kinds of organic food products through our branches, depots, retail shops in India or any part of the world.*
- To carry on all or any of the businesses of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of personal care products including perfumes, creams, cosmetics, skin and hair preparations, soaps, oils, oleaginous and vaporous substances, beauty specialties, preparations and accessories of every description*
- To carry on all or any of the businesses of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of home furnishing and giftware items, furniture, carpets, durries, mats, rugs etc. and provide all kinds of home solutions including customization services, interior design services through our branches, centers, retail shops in India or any part of the world.*
- To manufacture, buy, sell, deal, exchange, alter, improve, prepare for market, import, export and otherwise deal in all kinds of brasswares, metal items, ivory goods, pottery items, leather items, handcrafted items, paintings, precious and semi precious stones, jewellery of all kinds, artificial stones, accessories of all kinds and furnishing material.*



8. *To carry on all or any of the businesses of manufacturers, buyers, sellers, dealers and distributing agents of all kinds of Stationery items, learning aids, toys and printed material, including books, write-ups, magazines, reports, leaflets, articles, periodicals, gift items and other related items.*
9. *To establish and operate restaurants, cafes or refreshment rooms and to buy, store, sell, deliver, home-deliver or supply all kinds of food items and drinks including but not limited to processed, semi processed, un-processed and packaged food items belonging to various cuisines, bakery items, tea, coffee and other non-alcoholic beverages, either from the existing stores of the Company or from new stores which are to be set up for this purpose and to generally trade or deal in all kinds of food items.*
10. *To establish and operate wellness centres, health centres, health clubs, yoga centres, fitness clubs and physical training centres and to provide advice, services and consultancy to individuals, industries, companies or enterprises, whether in India or abroad in various fields including but not limited to health, wellness, fitness, yoga and general well-being.*
11. *To carry on the business of entertainment and event management including but not limited to organizing all kinds of events, recreations, indoor amusements, parties, kitty parties, craft melas, stage shows, exhibitions, fairs, birthday parties, corporate events, conferences, seminars, fashion shows, spiritual and social events, yoga sessions, team building programmes, adventure activities, exhibiting films, staging dramas, dances, musicals, and other entertainment, cultural and educational programmes, undertaking catering, banqueting, banquet hall rental services and establishing and operating kids zone comprising kids amusement activities, games, video games, play area, sports, competitions, dancing, skating and employing artists, entertainers, performers, sportsmen and other persons for the aforesaid purpose.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out as well as business proposed to be financed pursuant to the Net Proceeds.

#### **Amendments to our Memorandum of Association in the last 10 years**

<b>Sr. No.</b>	<b>Date of Shareholders' resolution/ order passed in a scheme of arrangement</b>	<b>Particulars</b>
1	September 30, 2015	Clause IV of the MoA was amended to  (IV) The liability of the members is limited to the extent of the amount unpaid, if any, on shares held by them.
2	October 9, 2015	Clause III of the MoA was amended to:  a) re-number clause (iii)(B) 8(a), as new clause (iii) (A) (4) and to read as under:  4. To deal and trade in all kinds of organic food products through our branches, depots, retail shops in India or any part of the world.  b) re-number Clause (iii)(C) (1) as Clause (iii)(A) (5) and to read it as under:  5. to carry on all or any of the businesses of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of personal care products including perfumes, creams, cosmetics, skin and hair preparations, soaps, oils , oleaginous and vaporous substances, beauty specialties, preparations and accessories of every description.  c) re-number clause (iii)(C) (4) as Clause (iii)(A) (6) and to read it as under:  6. to carry on all or any of the businesses of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of home furnishing and giftware items, furniture, carpets, durries, mats, rugs etc. and provide all kinds of home solutions including customization services, interior design services through our branches, centres, retail shops in India or any part of the world.  d) re-number clause (iii)(C) (9) as Clause (iii)(A) (7) and read it as under:  7. to manufacture, buy, sell, deal, exchange, alter, improve, prepare for market,

Sr. No.	Date of Shareholders' resolution/ order passed in a scheme of arrangement	Particulars
		<p>import, export and otherwise deal in all kinds of brasswares, metals items, ivory goods, pottery items, leather items, handcrafted items, paintings, precious and semi-precious stones, jewellery of all kinds, artificial stones, accessories of all kinds and furnishing material.</p> <p>e) re-number clause (iii)(C)(23) as Clause (iii)(A) (8) and read as under:</p> <p>8. The carry on all or any of the business of manufacturers, buyers, sellers, dealers and distributing agents of all kinds of Stationery items, learning aids, toys and printed material, including books, write ups, magazines, reports, leaflets, articles, periodicals gift items and other related items.</p> <p>f) delete the heading of Clause (iii)(B) and replace it with "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE (iii)(A)".</p> <p>g) re-number clause (iii)(B) (3) was amended and read it as under:</p> <p>3. To distribute, any of the Company's properties amongst the members in specie or in any manner whatsoever, in the event of its winding up, subject to the provisions of Companies Act, 2013.</p> <p>h) delete clause (iii)(C) "THE OTHER OBJECTS".</p> <p>i) re-number existing clause (iii) (B) pursuant to above-mentioned amendments.</p>
3	August 12, 2016	<p>Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company. The authorised share capital was increased from ₹ 25,000,000 divided into 25,00,000 equity shares of face value of ₹ 10 each to ₹ 150,000,000 divided into 15,000,000 equity shares of face value of ₹ 10 each.</p>
4	October 10, 2016	<p>The existing Clause III (A)(2) of the MoA was amended and replaced as follows:</p> <p>2. To carry on the business of designer, processors, manufacturers, exporters, importers, buyers, sellers, stockists, suppliers of wholesale and retail dealers in handloom fabrics, bedspreads, floor coverings, garments and handicrafts of all kinds and to provide all kinds of customization services.</p> <p>Clauses (iii) (A) 9 and 10 were added after clause (iii)(A) 8, which read as under:</p> <p>9. To establish and operate restaurants, cafes or refreshment rooms and to buy, store, sell, deliver, home-deliver or supply all kinds of food items and drinks including but not limited to processed, semi-processed, un-processed and packaged food items belonging to various cuisines, bakery items, tea, coffee and other non-alcoholic beverages, either from the existing stores of the Company or from new stores which are to be set up for this purpose and to generally trade or deal in all kinds of food items.</p> <p>10. To establish and operate wellness centres, health centres, health clubs, yoga centres, fitness clubs and physical training centres and to provide advice, service and consultancy to individuals, industries, companies or enterprises, whether in India or abroad in various fields including but not limited to health, wellness, fitness, yoga and general well-being.</p>
5	August 19, 2017	<p>Clause III (A) was amended to insertion a new clause (iii) (A) 11 which read as follows:</p> <p>11. To carry on the business of entertainment and event management including but not limited to organizing all kinds of events, recreations, indoor amusements, parties, kitty parties, craft melas, stage shows, exhibitions, fairs, birthday parties, corporate events, conferences, seminars, fashion shows, spiritual and social events, yoga sessions, team building programmes, adventure activities, exhibiting films, staging dramas, dances, musicals and other entertainment, cultural and educational programmes, undertaking catering, banqueting, banquet hall rental services and establishing and operating kids zone comprising kis amusement activities, games, video games, play area, sports, competitions, dancing, skating and employing artists, entertainers, performers,</p>

Sr. No.	Date of Shareholders' resolution/ order passed in a scheme of arrangement	Particulars
		sportsmen and other persons for the aforesaid purpose.
6	June 8, 2021	The equity shares of our Company were sub-divided into face value of ₹ 1 per Equity Share from face value of ₹ 10 per equity share. Accordingly, Clause V of the MoA was amended and replaced with the following clause:  The Authorised Capital of the Company is ₹150,000,000 divided into 150,000,000 Equity Shares of ₹ 1/- each.
7	September 30, 2021	a) Clause I of the MoA was amended to reflect the change of name of our Company from Fabindia Overseas Private Limited to Fabindia Private Limited.  b) Clause I of the MoA was amended to reflect the change of name of our Company from Fabindia Private Limited to FABINDIA LIMITED, pursuant to conversion of our Company from private limited to public limited.
8	December 18, 2021	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company. The authorised share capital was increased from ₹150,000,000 divided into 150,000,000 Equity Shares of ₹ 1/- each to ₹ 160,000,000 divided into 160,000,000 equity shares of face value of ₹ 1 each.

### Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Company:

Calendar Year	Event /milestone
1976	Our Company was incorporated as Fabindia Overseas Private Limited
2000	Forayed into offerings beyond just garments and apparel like bed and table linen
2004	Ventured into the business of organic foods and established the organic foods department
2006	Started trade in body care products
2008	Started trading in jewellery
2013	Acquired Organic India Private Limited
2014	Launched franchise stores
2016	Introduced interior design centers offering <i>inter alia</i> , customised tailoring solutions and distinctly themed collections.
2017	Set up Fabcafe to offer dishes from all over India with a creative, modern and healthy twist The franchise store count of our Company increased from 7 in the Financial Year 2014-2015 to 32 in the Financial Year 2016-2017.
2021	Started FabNU line of clothing

For further details in relation to capacity/facility creation, location of plants, launch of key products or services, entry in new geographies or exit from existing markets, see “Our Business” on page 172.

### Key awards, accreditations or recognitions

Our Company has received the following awards, accreditations and recognitions:

Year	Awards, Recognitions and Accreditations
2015	We were awarded the ‘Corporate Philanthropy Award 2014-15’ in recognition of our unique contribution in Social Work by Faculty of Social Work, The Maharaja Sayajirao University of Baroda.
2005	We were nominated for the title of ‘THE BRAND OF THE YEAR – WOMEN’S INDIAN ETHNIC WEAR (LARGE)’ Apex Awards 2005 by the Clothing Manufacturers Association of India.

### Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has following (a) three direct Indian Subsidiaries: (1) Organic India Private Limited, (2) Fabcafe Foods Private Limited; and (3) Biome Life Sciences India Private Limited; (b) one direct foreign Subsidiary: Fabindia International Pte. Limited; and (c) three indirect foreign Subsidiaries: (1) Indigo Origins Pte. Limited (2) Organic India USA, LLC and (3) The Clean

Program Corp, USA.

For details with respect to our Subsidiaries, see “*Our Subsidiaries*” on page 222.

#### **Time and/or cost overrun in setting up projects by our Company**

Our Company has not experienced any time or cost overruns in relation to any projects set up by our Company in the last 10 years preceding the date of this Draft Red Herring Prospectus.

#### **Defaults or rescheduling/restructuring of borrowings with financial institutions/banks**

As on the date of this Draft Red Herring Prospectus, our Company has not defaulted on repayment of any loan availed from any banks or financial institutions.

#### **Significant financial and strategic partners**

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

#### **Launch of key products or services, entry into new geographies or exit from existing markets**

For details of the key products or services launched by our Company, entry into new geographies or exit from existing markets, see “*Our Business*” on page 172.

#### **Details regarding material acquisitions or divestments of business/undertakings, mergers or amalgamation, and any revaluation of assets in the last 10 years**

Except as disclosed below, our Company has not undertaken any merger, demerger, amalgamation, material acquisitions or divestments of any business or undertaking, or any revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

#### **Scheme of Amalgamation and Arrangement made between our Company and AHIPL Management Consulting Private Limited (“AHIPL”) (“Scheme of Arrangement”).**

With effect from April 1, 2015 (the “**Appointed Date**”), AHIPL was amalgamated with our Company, by an order dated August 12, 2016 passed by the High Court of Delhi. The rationale for the Scheme of Arrangement was, amongst other things:

- a. to create a single business entity with better financial and growth prospects through consolidation of resource base and improvement in generation, mobilisation and utilisation of physical resources, financial resources, human resources, knowledge, information and other important tangible and intangible resources; and
- b. to reduce managerial overlaps, which are necessarily involved in running multiple entities.

Pursuant to the Scheme of Arrangement, *inter alia* all property, rights, powers, liabilities and duties of AHIPL stood transferred to and vested in our Company on a going concern basis. Further, all the proceedings pending by or against AHIPL were to be continued by or against our Company. As consideration for the amalgamation of AHIPL with our Company, pursuant to the Scheme of Arrangement, our Company as per the share exchange ratio issued and allotted one equity share of ₹ 10 each of our Company to the shareholders of AHIPL for every 100 equity shares of ₹ 10 each of AHIPL held.

#### **Details of Share Purchase Agreements**

*Convertible Preferred Stock Purchase Agreement dated December 1, 2017 entered into between our Company and Fabcafe Foods Private Limited (“Fabcafe”, and the agreement “Stock Purchase Agreement, 2017”) and Addendum dated October 1, 2018 to the Stock Purchase Agreement, 2017 (“Addendum 2018”) and Convertible Preferred Stock Purchase Agreement dated December 1, 2018 entered into by and between Fabcafe and our Company (“Stock Purchase Agreement, 2018”) and Addendum dated April 1, 2020 to the Stock Purchase Agreement, 2018 (“Addendum 2020”)*

Our Company and Fabcafe entered into the Stock Purchase Agreement 2017, Addendum 2018 and Stock Purchase Agreement, 2018 and Addendum 2020, whereby our Company purchased 50,80,000 series 9% cumulative optionally convertible preference shares (“OCPS”) of Fabcafe to provide equity financing on the terms and conditions specified in the said agreements. The total investment made by Company pursuant to the Stock Purchase Agreement, 2017, Stock Purchase Agreement, 2018 and addendum dated October 1, 2018 Addendum 2018 and Addendum 2020 amounted to ₹ 508 million. The OCPS provided an option to Company to convert the preference shares held by it into equity shares on a 1:10 ratio, i.e., 10 equity shares for 1 preference share and an option to redeem at any time until the end of a period of 84 months from the date of receipt of the investment. In accordance with the terms of the stock purchase agreements, the redemption of the OCPS was required to be effected in tranches of 50,000 shares or of a value of ₹ 5 million in one single transaction.

***Joint Venture cum Shareholders’ Agreement dated June 23, 2018 entered into by and amongst our Company, Sunil Chauhan and Fabcafe (the “Fabcafe JV Agreement”)***

The Fabcafe JV Agreement was entered into amongst our Company, Sunil Chauhan and Fabcafe to set up a joint venture as per the terms and conditions stipulated in the Fabcafe JV Agreement. In accordance with the terms of the Fabcafe JV Agreement, our Company hold 90% of the equity share capital of the joint venture and 10% of the equity share capital shall held by Sunil Chauhan. On November 9, 2017, 2,000 equity shares held by our Company were transferred to Sunil Chauhan and subsequent infusion in the equity share capital of Fabcafe was made in the ratio of 7:3 (i.e. 70% to be held by our Company and 30% to be held by Sunil Chauhan). As per the Fabcafe JV Agreement, the board of directors of Fabcafe shall consist of not less than two directors who shall be nominated by the parties in accordance with the Fabcafe JV Agreement. Our Company shall have the right to nominate majority of the directors on the board of Fabcafe and Sunil Chauhan shall have the right to nominate one director as long as he holds not less than 20% of the equity share capital of the Fabcafe. During the term of the Fabcafe JV Agreement, the parties shall be governed by the non-compete clauses which prohibit them, including, among other things, from directly or indirectly investing or participating in any business or activity as that of the joint venture.

***Joint Venture and Shareholders’ Agreement dated April 27, 2013 entered into by and amongst our Company, OI (India) Holdings, LLC and Organic India Private Limited (“OIPL”) (the “OIPL JV Agreement”) and Share Subscription Agreement dated March 05, 2013 entered into between Holly B. Lev, Yoav Lev, Steven Bookoff, Christopher Dean, Laurent Chappuis, Krishan Gupta, OIPL and our Company (“OIPL Share Subscription Agreement”) and Addendum and Amendment No. 1 dated March 5, 2013 to the OIPL JV Agreement (“Addendum 2013”)***

The OIPL JV Agreement was entered into amongst our Company, OI (India) Holdings, LLC and Organic India Private Limited to set up a joint venture as per the terms and conditions stipulated in the OIPL JV Agreement to conduct business through the Joint Venture in accordance with the memorandum of association and articles of association of the joint venture and as may be mutually agreed between the parties. Further, our Company, OIPL and OI Holdings, LLC had executed the OIPL Subscription Agreement, under which our Company subscribed to 34,392,167 equity shares of ₹ 10 each of OIPL, for an aggregate consideration of ₹ 343.92 million.

In accordance with the OIPL JV Agreement, our Company shall be entitled to nominate two directors and two persons as observers on the board who shall attend the meetings of the board of directors of OIPL or its subsidiaries. The board meeting, general meetings, appointment of auditors, audit and other allied matters of OIPL shall be conducted in accordance with the OIPL JV Agreement. The parties executed Addendum 2013 to amend the OIPL JV Agreement in order to amend commercial terms such as lock-in period, right of first refusal, etc.

***Share Purchase Agreement dated February 10, 2012 entered into by and amongst our Company, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell (the “Transferors”) WCP Mauritius Holding (“Investor 1”) and PI Opportunities Fund-I (“Investor 2”) (hereinafter referred to as the “SPA”) and Share Subscription Agreement dated February 10, 2012 amongst our Company, the Transferors and Investor 2 (hereinafter referred to as the “SSA”)***

Pursuant to the SPA, the Transferors agreed to sell Equity Shares of our Company to Investor 1 and Investor 2 in three tranches. The details of the transfers are given below:

The Transferors agreed to sell 10,000 equity shares and 76,393 Equity Shares of our Company to Investor 1 and Investor 2 at a consideration amount of ₹ 66.00 million and ₹ 504.20 million, respectively at a price of ₹ 6,600

per Equity Share (“**Tranche 1 Purchase Shares**”). Upon the successful transfer of the Tranche 1 Purchase Shares, , Investor 1 and Investor 2 agreed to purchase additional shares of our Company in the following manner:

- a) Subject to receipt of certain approvals permitting Investor to hold upto 16% of the share capital of our Company, Investor 2 agreed to purchase 89,764 Equity Shares for an aggregate consideration of ₹ 64.96 million and Investor 1 agreed to purchase 9,843 Equity Shares for an aggregate consideration of ₹ 592.44 million (“**Tranche 2 Purchase Shares**”) at a price of ₹ 6,600 per Equity Share.
- b) Upon the successful transfer of the Tranche 2 Purchase Shares, Investor 1 agreed to purchase 45,000 Equity Shares at an aggregate consideration of ₹ 592.44 million and Investor 2 agreed to purchase 30,000 Equity Shares for an aggregate consideration of ₹ 198.00 million at a price of ₹ 6,600 per Equity Share.

Pursuant to the SSA, Investor 2 agreed to subscribe and our Company agreed to allot Investor 2: (i) 85,000 Equity Shares at a price of ₹ 6,600 per Equity Share for an aggregate consideration of ₹ 561.00 million; and (ii) 50,000 Equity Shares at a price of ₹ 6,600 per Equity Share for an aggregate consideration of ₹ 330.00 million. The aforementioned Equity Shares were subscribed by Investor 2 in two tranches.

***Share Purchase Agreement dated May 20, 2016 entered into by and amongst our Company, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell (the “Transferors”) WCP Mauritius Holding (the “Seller”) and Hasham Investment and Trading Company Private Limited (the “Purchaser” and the agreements is referred to as the “SPA 2016”)***

Pursuant to the SPA 2016, the Seller agreed to sell, assign, transfer, convey and deliver to the Purchaser 3,61,854 Equity Shares of our Company constituting 15.30% of our paid-up Equity Share capital at a price of ₹ 19,645 per Equity Share for an aggregate consideration of ₹ 7,108.62 million.

***Share Sale Agreement dated March 22, 2017 entered into by and amongst our Company, Hasham Investment and Trading Company Private Limited (the “Seller”) and PI Opportunities Fund I (the “Purchaser” and the agreements is referred to as the “SSA 2017”)***

Pursuant to the SSA 2017, the Seller agreed to sell, assign, transfer, convey and deliver to the Purchaser 3,61,854 Equity Shares of our Company for an aggregate consideration of ₹ 7,372.41 million.

***Share Transfer Agreement dated August 19, 2021 entered into by and amongst OI (India) Holdings, LLC (the “Transferor”), Organic India Private Limited (“OIPL”) and our Company (the “Transferee” and the agreements is referred to as the “STA 2021”)***

Pursuant to the STA 2021, the Transferor agreed to transfer 1,02,48,336 equity shares held by it in OIPL to our Company at a consideration of ₹ 257.07 per equity share, aggregating to a total consideration of ₹ 2,634.54 million. The consideration was agreed to be paid to the Transferor in United States Dollars.

***Letter of Intent (“LOI”) dated January 9, 2022 executed between OI (India) Holdings, LLC (the “Transferor”), Organic India Private Limited (“OIPL”), Holly B Lev and Yoav Lev (the “Founders”) and our Company.***

Our Company along with Transferor, OIPL and Founders have entered into a non-binding LOI, pursuant to which, 25,579,539 equity shares (representing 30.9% shareholding) of OIPL from the Transferor shall be acquired by the Company or its nominated affiliate or investor entities.

Our Company in its meeting of its Board of Directors held on January 20, 2022 has recorded (I) its in-principle agreement to acquire 13,174,164 equity shares representing 15.90% of the shareholding of OIPL, and (II) Premji Invest’s intention to acquire 12,405,375 equity shares representing 15.00% of the shareholding of OIPL, subject to our Company acquiring 15.90% of the shareholding of OIPL.

In order to give effect to the terms of the LOI on consummation of transaction, the parties have also agreed to amend and modify the Joint Venture and Shareholders Agreement dated March 5, 2013 and execute a definitive share transfer agreement summarising the proposed transfer, as mutually agreed.

#### **Details of Shareholders’ Agreements**

***Restated Shareholder's Agreement dated June 30, 2016 amongst our Company, William Nanda Bissell, PI Opportunities Fund I and Hasham Investment and Trading Company Private Limited as amended by an Addendum and Amendment No. 1 dated May 11, 2017 (hereinafter referred to as the "Shareholder Agreement") and the Amendment Agreement dated December 18, 2021 (hereinafter referred to as the "Amendment Agreement")***

Pursuant to the share subscription agreement dated February 10, 2012 ("**SSA 2012**"), the share purchase agreement dated February 10, 2012 ("**SPA 2012**") and the share purchase agreement dated May 20, 2016 ("**SPA 2016**"), PI Opportunities Fund-I ("**PI Opportunities Fund**") and Hasham Investment and Trading Company Private Limited (collectively, 'the **Investor Group**'), our Company entered into the Shareholders Agreement, wherein our Company, William Nanda Bissell and the Investor Group recorded certain rights and obligations in relation to the management and operation of the Company.

The Shareholders Agreement sets out, amongst others, the following: (a) the Investor Group's right to nominate and appoint two directors (not liable to retire by rotation "**Investor Director**") when their ownership is at least 18% and is not less than the minimum ownership (ownership of 8% of the share capital or 5% of the share capital of the company if the reduction of the investors ownership is because of dilution rather than active sale) and if their ownership remains between minimum ownership and 18% then the Investor Group shall have the right to one seat in the Board of Directors of our Company; (b) tag along rights of the Investor Group; (c) affirmative written consent or approval of the Investor Group for certain identified matters (if the ownership of the Investor Group is equal to at least the minimum ownership); (d) upon change in control of the subsidiary, prior written consent of the Investor Group is required for undertaking certain actions and (e) certain information rights.

However, the Shareholders' Agreement along with the special rights available to the Investor Group shall automatically stand terminated upon commencement of listing of the Equity Shares on any recognized stock exchange in India. By way of an Addendum to the Shareholders Agreement dated June 30, 2021, certain terms of the Shareholders' Agreement were amended, such as (a) deletion of Hasham Investment and Trading Company Private Limited as an investor; (b) all the rights, duties, liabilities and obligations vested with Hasham Investment and Trading Company Private Limited vested with PI Opportunities Fund-I; (c) increase in permissible number of directors to fifteen (15); and (d) modifying the requirement of quorum for a board meeting to at least 4 members.

The Company, Promoters and Investor Group have entered into an Amendment Agreement dated December 18, 2021 to the Shareholders Agreement ("**Amendment Agreement**") to (i) amend certain terms of the Shareholders' Agreement; and (ii) waive certain rights and consent to certain matters under the Shareholders' Agreement. Pursuant to the Amendment Agreement, the parties have agreed that the Shareholders Agreement shall continue in full force and effect until the earlier of (i) the Investor Group ceasing to have at least equal to the minimum ownership of the Company, or (ii) the consummation of the Offer, upon which the Shareholders Agreement shall stand automatically terminated, without any further act or deed required on the part of any party. The Amendment Agreement provides that at any time on and after the consummation of the Offer and, as long as the ownership of PI Opportunities Fund-I is not less than the minimum ownership and is at least 18%, PI Opportunities Fund-I shall have the right to appoint two directors on the Board and if the ownership of the Investor Group is between the minimum ownership and 18%, PI Opportunities Fund-I shall be entitled to nominate one director on the Board. This right will be subject to the receipt of approval of the shareholders of the Company, by way of special resolution, in the first shareholders' meeting held by the Company after the consummation of the Offer.

***Fibonacci Investment Agreement dated September 16, 2019 between our Company, PI Opportunities Fund I ("Seller"), William Nanda Bissell ("Promoter") and Axis New Opportunities AIF – I ("Purchaser") (the "2019 Fibonacci Investment Agreement- I").***

Pursuant to the 2019 Fibonacci Investment Agreement- I, the Purchasers have purchased from the Sellers equity shares for a consideration of ₹ 33,300 per Equity Share aggregating to ₹ 1,250.02 million ("**Consideration Amount**"). The 2019 Fibonacci Investment Agreement- I stipulates that the Purchasers shall not have the right to participate in the management or operation of our Company in any manner. However, as part of any initial public offering, of our Company, the Purchasers shall have the right to sell the equity shares held by them, provided such offering takes place before July 31, 2021, failing which Purchaser and the purchasers (as defined in the 2019 Fibonacci Investment Agreement- II) shall be entitled to jointly appoint one Director on the Board of our Company. Furthermore, the Purchasers shall have the right to be provided with the following information

till the time they hold any equity shares in our Company: (i) audited consolidated financial statements; (ii) quarterly and annual management information system; (iii) any other similar information which the parties may mutually agree upon from time to time. The Purchaser *vide* its letter dated December 22, 2021 (the “**Letter**”) has in order to facilitate the Pre-IPO Placement and the Offer, with effect from the date of the Letter, until (A) the listing of Equity Shares on the Stock Exchanges or (B) December 31, 2022, or such other date decided by our Company with the prior written consent of the parties, or (C) the date on which the Board and the parties jointly decide to not undertake the IPO, whichever is earlier has waived certain rights accorded to it under the 2019 Fibonacci Investment Agreement- I such as anti-dilution right, confidentiality, right to receive information, *etc.*

***Fibonacci Investment Agreement dated September 16, 2019 between our Company, PI Opportunities Fund I (“Seller 1”), Avian Management Consultants Private Limited (“Seller 2”), William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell (“Promoters”), Bajaj Holdings and Investment Limited (“Purchaser 2”), Kotak Securities Limited (“Purchaser 3”), Kotak India Advantage Fund – I (“Purchaser 4”) and the remaining purchasers (Purchaser 2, Purchaser 3, Purchaser 4 and the remaining purchasers referred to as the “Purchasers”) (the “2019 Fibonacci Investment Agreement- II”).***

Pursuant to the 2019 Fibonacci Investment Agreement- II, the Purchasers have purchased from the Sellers for a consideration of ₹ 33,300 per Equity Share aggregating to ₹ 2,808.82 million (“**Consideration Amount**”). The 2019 Fibonacci Investment Agreement- II stipulates that the Purchasers shall not have the right to participate in the management or operation of our Company in any manner. However, as part of any initial public offering, of our Company, the Purchasers shall have the right to sell the equity shares held by them, provided such offering takes place before July 31, 2021, failing which Purchasers and Axis New Opportunities AIF – I shall be entitled to jointly appoint one Director on the Board of our Company. Furthermore, the Purchasers shall have the right to be provided with the following information till the time they hold any equity shares in our Company: (i) audited consolidated financial statements; (ii) quarterly and annual management information system; (iii) any other similar information which the parties may mutually agree upon from time to time. The Purchaser 2 *vide* its letter dated January 21, 2022 (the “**Letter**”) has in order to facilitate the Pre-IPO Placement and the Offer, with effect from the date of the Letter, until (A) the listing of Equity Shares on the Stock Exchanges or (B) December 31, 2022, or such other date decided by our Company with the prior written consent of the parties, or (C) the date on which the Board and the parties jointly decide to not undertake the IPO, whichever is earlier has waived certain rights accorded to it under the 2019 Fibonacci Investment Agreement- II such as anti-dilution right, confidentiality, right to receive information, *etc.*

***Investment Agreement dated October 28, 2016 entered between William Nanda Bissell (“Founder 1”), JLB Partners Holding Inc. (“Founder 2”), India 2020 Fund II, Limited (“Investor”) and our Company. (“Investment Agreement”)***

Pursuant to the Investment Agreement, Founder 1 and Founder 2 each transferred 17,844 equity shares which constituted 1.5% of the share capital of our Company for a consideration payable to each of Founder 1 and Founder 2 amounting to ₹ 330.12 million, respectively, calculated on the basis of ₹ 18,500 per equity share. Furthermore, the Investment Agreement provides that as part of any public offering of the equity shares of our Company, the Investor will have the right, but not an obligation, to sell all or any of the equity shares held by it as part of such public offering. If the Investor does not avail of the option of exit, the Company will use its best efforts, to assist the Investor in selling the equity shares before December 31, 2022. The Investor shall have the right to be provided with the following information till the time it holds any equity shares in our Company: (i) annual audited accounts; (ii) quarterly unaudited accounts; (iii) any other management information which the Investor reasonably requests. The Investor *vide* its letter dated January 21, 2022 (the “**Letter**”) has in order to facilitate the Pre-IPO Placement and the Offer, with effect from the date of the Letter, until (A) the listing of Equity Shares on the Stock Exchanges or (B) December 31, 2022, or such other date decided by our Company with the prior written consent of the parties, or (C) the date on which the Board and the parties jointly decide to not undertake the IPO, whichever is earlier has waived right to receive information under the Investment Agreement.

***Agreement dated September 28, 2019 executed by and between Avian Management Consultants Private Limited (“Seller”) and Sanjeev Bikhchandani (“Purchaser”) (“AMCPL Agreement”) and Deed of Adherence dated September 28, 2019 executed by and between the Seller, the Purchaser and our Company. (the “Deed”)***

Pursuant to the AMCPL Agreement, the Purchaser agreed to purchase from the Seller 1,500 equity shares of our



Company together with all rights, title and interest therein, free from all Encumbrances, for a consideration of ₹ 33,300 per equity share aggregating to ₹ 49.950million. Pursuant to the Deed the Purchaser undertook to adhere to and be bound by all the duties, burdens and obligations imposed pursuant to the provisions of the AMCPL Agreement and all documents expressed in writing to be supplemental or ancillary thereto. The Purchaser *vide* its letter dated November 26, 2021 (the “**Letter**”) has in order to facilitate the Pre-IPO Placement and the Offer, with effect from the date of the Letter, until (A) the listing of Equity Shares on the Stock Exchanges or (B) December 31, 2022, or such other date decided by our Company with the prior written consent of the parties, or (C) the date on which the Board and the parties jointly decide to not undertake the IPO, whichever is earlier has waived certain rights accorded to it under the AMCPL Agreement such as anti-dilution right, confidentiality, right to receive information, *etc.*

### **Guarantees given by our Promoter Selling Shareholders**

As of the date of this Draft Red Herring Prospectus, our Promoter Selling Shareholders have not provided any guarantees to third parties.

### **Key terms of other subsisting material agreements**

Except as disclosed below and in “*History and Certain Corporate Matters— Details of shareholders’ agreements and other agreements*” above, our Company has not entered into any subsisting material agreements other than in the ordinary course of business of our Company.

### **Other confirmations**

Neither our Promoter nor any of the Key Managerial Personnel, nor Directors nor any other employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

## OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has following (a) three direct Indian Subsidiaries: (1) Organic India Private Limited, (2) Fabcafe Foods Private Limited; and (3) Biome Life Sciences India Private Limited; (b) one direct foreign Subsidiary: Fabindia International Pte. Limited; and (c) three indirect foreign Subsidiaries: (1) Indigo Origins Pte. Limited (2) Organic India USA, LLC and (3) The Clean Program Corp, USA.

### DIRECT SUBSIDIARIES (INDIAN)

#### 1. Organic India Private Limited (OIPL)

OIPL was incorporated on February 17, 1997 as a private limited company under the name and style of Indo Israel Trading Company Private Limited with the Registrar of Companies, Kanpur. The name Indo Israel Trading Company Private Limited was subsequently changed to Indo Israel Trading Corporation Private Limited on October 14, 1998 and IITC Organic India Private Limited on January 11, 2002. On November 02, 2006, the name IITC Organic India Private Limited was changed to its present name, Organic India Private Limited. Its corporate identification number is U74130DL1997PTC326085. Its registered office is situated at Unit 2, Ground Floor, M-6, Uppal Plaza, District Centre, Jasola, South Delhi, New Delhi -110 025, India.

OIPL is involved in the business of manufacturing, trading, exporting and importing all kinds of herbal infusions, ayurvedic medicines and preparations, herbs, herbal products, tea, food products and organic products.

#### *Capital structure*

The authorized share capital of OIPL is ₹ 894,000,000 divided into 89,400,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹ 827,024,970 divided into 82,702,497 equity shares of ₹ 10 each.

#### *Shareholding Pattern*

S. No	Name of Shareholder	Number of equity shares of face value of ₹ 10 each	% of total equity share capital
1.	Our Company	52,751,805	63.79%
2.	OI (India) Holdings, LLC	26,406,564	31.93%
3.	Vandita Joan Samuel jointly with Poonam Singh Chauhan and Dipankar Vig, Designated Trustee for Organic India Employees Welfare Trust	2,482,697	3.00%
4.	Individual Shareholders (Resident)	1,004,445	1.21%
5.	Individual Shareholders (Non-Resident)	56,986	0.07
	<b>Total</b>	<b>82,702,497</b>	<b>100%</b>

#### 2. Biome Life Sciences India Private Limited (BLSPL)

BLSPL was incorporated on October 22, 2019 under the Companies Act, 2013 as a private limited company with the Registrar of Companies, National Capital Territory of Delhi and Haryana. The corporate identification number is U24100DL2019PTC356473. Its registered office is situated at 14 N Block Market, Greater Kailash Part I, New Delhi – 110 048, India.

BLSPL is involved in the business of manufacturing, marketing and retail sale of personal care and beauty products.

#### *Capital structure*

The authorized share capital of BLSPL is ₹ 40,000,000 divided into 4,000,000 Equity shares of ₹ 10 each and its issued, subscribed and paid up Equity share capital is ₹10,000,000 divided into 1,000,000 equity shares of ₹ 10 each.

#### *Shareholding Pattern*

Sr. No.	Name of the shareholders	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	500,100	50.01
2.	Shantanu Jain jointly with Sania Arora Jain	489,900	48.99
3.	Shantanu Jain	9,000	0.9
4.	Sania Arora Jain	1,000	0.1
	<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>

### 3. Fabcafe Foods Private Limited (FFPL)

FFPL was incorporated on October 20, 2017 as a private limited company under the name and style of Fabcafe Foods Private Limited with the Registrar of Companies, National Capital Territory of Delhi and Haryana. The corporate identification number is U55209DL2017PTC325170. Its registered office is situated at 14, N Block Market, Greater Kailash, Part-I, South Delhi, New Delhi- 110 048, India.

FFPL is also a joint venture of our Company formed pursuant to the joint venture cum shareholders' agreement dated June 23, 2018 executed between our Company, Sunil Chauhan and Fabcafe Foods Private Limited.

FFPL is involved in the business of establishing and operating restaurants, cafes or refreshments rooms, buying, selling, storing, delivering, home delivering or supplying all kinds of food items and drinks including but not limited to processed, semi-processed, unprocessed and packaged food items belonging to various cuisines, bakery items, tea, coffee, other non-alcoholic and alcoholic beverages, either from the existing stores of the Company or from new stores which are to be set up for this purpose and to generally trade or deal in all kinds of food items.

#### Capital structure

The authorized share capital of FFPL is ₹ 660,000,000 divided into 1,500,000 Equity Shares of ₹ 10 each and 6,450,000 and 9% Cumulative Optionally Convertible Preference Shares of ₹ 100 each and its issued, subscribed, and paid-up share capital is ₹ 518,224,310 divided into 1,022,431 Equity shares of ₹ 10 each and 5,080,000 and 9% Optionally Convertible Preference Shares of ₹ 100 each.

#### Shareholding Pattern

##### a) Equity shareholding pattern:

Sr. No.	Name of the shareholders	No. of equity shares of ₹10 each	Percentage of shareholding (%)
1.	Our Company	700,000	68.46
2.	Sunil Chauhan	312,500	30.56
3.	Manjeet Singh	893	0.09
4.	Naveen Kumar	614	0.06
5.	Sadan Arshi	565	0.06
6.	Sanam Bhujel	586	0.06
7.	Swarup Narjinary	628	0.06
8.	Santosh Kumar	628	0.06
9.	Om Hari Manjhi	628	0.06
10.	Davinder Kumar Bhutani	390	0.04
11.	Gurpreet Singh	390	0.04
12.	Brijesh Bhadana	446	0.04
13.	Roshan M Rawat	372	0.04
14.	Ravi Kumar	453	0.04
15.	Harish Chand Tiwari	326	0.03
16.	Dipankar Narjinary	326	0.03
17.	Suresh Bara	326	0.03
18.	Arun Singh Rana	326	0.03
19.	Goutam Thakur	326	0.03
20.	Subhash Singh	326	0.03
21.	Siman Basumata	302	0.03
22.	Joy Prakash Thakur	279	0.03
23.	Naveen Chandra Arya	256	0.03

Sr. No.	Name of the shareholders	No. of equity shares of ₹10 each	Percentage of shareholding (%)
24.	Yash Kumar Gupta	313	0.03
25.	Kailash Chand	232	0.02
	<b>Total</b>	<b>1,022,431</b>	<b>100.00</b>

b) Preference shareholding pattern:

Sr. No.	Name of the shareholders	No. of preference shares of ₹100 each	Percentage of shareholding (%)
1.	Our Company	508,000	100
	<b>Total</b>	<b>508,000</b>	<b>100</b>

## DIRECT SUBSIDIARIES (FOREIGN)

### Fabindia International Pte. Limited (Fabindia International)

Fabindia International was incorporated as a private limited company in Republic of Singapore on April, 18, 2012. Its company registration number is 201209608M. Its registered office is situated at 336, Smith Street, #06-308 New Bridge Centre, Singapore 050336. Fabindia International is engaged in the business of general wholesale trade.

#### Capital Structure

Capital Structure of Fabindia International comprises ordinary shares of US\$ 31,916,360. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. *Shareholding Pattern*

S. No.	Name of the shareholder	No. of equity shares	% of total equity share capital
1.	Our Company	31,916,360	100
	<b>Total</b>	<b>31,916,360</b>	<b>100</b>

## INDIRECT SUBSIDIARIES

### 1. Indigo Origins Pte. Limited (IOPL)

IOPL was incorporated as a private limited company in Republic of Singapore on September, 16, 2010. Its company registration number is 201019755H. Its registered office is situated at 336, Smith Street, #06-308 New Bridge Centre, Singapore 050336.

IOPL is engaged in the business of general wholesale trade (including general importers and exporters) and retail sale of handicrafts, collectibles and gifts.

#### Capital Structure

The Capital Structure comprises of 1,791,935 ordinary shares aggregating to 1,791,935 Singapore Dollars.

#### Shareholding Pattern

Sr. No.	Name of the shareholders	No. of equity shares	Percentage of shareholding (%)
1.	Fabindia International Pte. Limited	1,791,935	100
	<b>Total</b>	<b>1,791,935</b>	<b>100</b>

### 2. Organic India USA, LLC

Organic India USA, LLC was formed on October 15, 2001 under the laws of the State of Colorado, under the name Om Organics, LLC. Its name was changed to Organic India USA, LLC, by the filing of Articles of Amendment with the Secretary of State of Colorado on March 6, 2007. Organic India USA, LLC's Colorado identification number is 20011198618. It has its Principal place of business at 1795 Pearl Street, Boulder CO 80302.

Organic India USA, LLC is primarily engaged in the business of retail sales of food, beverage and supplements.

#### *Capital Structure*

OI USA is a limited liability company. Its holding company is Organic India Private Limited. It has issued 23802-unit stocks to Organic India Private Limited.

#### *Shareholding Pattern*

Sr. No.	Name of the shareholders	No. of equity shares	Percentage of shareholding (%)
1.	Organic India Private Limited	23,802	100
	<b>Total</b>	<b>23,802</b>	<b>100</b>

### **3. The Clean Program Corp, USA (Clean Corp)**

Clean Corp was incorporated as a corporation in United States of America on February 2, 2009. Its identification is 26-4215922. Its registered office is situated at 6525, Gunpark Drive, Suite 370#570, Boulder Colorado.

Clean Corp is engaged in the business of selling supplements and nutritional shakes direct to consumer through the company's website.

#### *Capital Structure*

The authorized, issued and outstanding common shares for Clean Corp is 20,000 with a par value of \$.001 USD per share.

#### *Shareholding Pattern*

Sr. No.	Name of the shareholders	No. of equity shares	Percentage of shareholding (%)
1.	Organic India USA, LLC	10,002	50.01
2.	Dr. Alejandro Junger	9,998	49.99
	<b>Total</b>	<b>20,000</b>	<b>100</b>

#### *Amount of accumulated profits or losses*

There are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

#### *Common Pursuits*

Except for Organic India Private Limited, Fabcafe Foods Private Limited, Biome Life Sciences India Private Limited, Clean Program Corp., USA, Indigo Origins Pte. Limited and Organic India USA, LLC none of our Subsidiaries have common pursuits similar to that of our Company. As a result, there may be conflicts of interest in allocating business opportunities between us and our Subsidiaries. Our Company and our Subsidiaries will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. For risks relating to the same, please refer to *“Risk Factors – Certain of our Subsidiaries and Group Companies may have conflicts of interest as they are engaged in similar business or industry segments and may compete with us”* at page 68.

For details of related business transactions between our Company and our Subsidiaries, see *“Related Party Transactions”* on page 363.

#### *Business interest between our Company and our Subsidiaries*

Except as stated in “*Our Business*” and “*Related Party Transactions*” on pages 172 and 363, respectively, none of our Subsidiaries have any business interest in our Company.

***Other Confirmations***

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

## OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 14 Directors, including three Executive Directors, five Independent Directors (including one woman director) and six Non-Executive Directors (including one woman director).

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Sr. No.	Name, designation, address, occupation, date of birth, period and term and DIN	Age (years)	Directorships in other companies
1.	<b>Gyanendra Nath Gupta</b>  Designation: Chairman and Independent Director  Address: D-902, Surya Vihar, VPO Doondahera, Gurugram - 122016, Haryana  Occupation: Consultant  Date of birth: July 23, 1931  Term: Three years with effect from November 24, 2021  Period of Directorship: Since September 2, 2021  DIN: 00027502	90	Indian Companies <ul style="list-style-type: none"> <li>• Asian Fertilizers Limited;</li> <li>• SMCC Construction India Limited; and</li> <li>• Rivi Fire Fighting Private Limited.</li> </ul> Foreign Companies  NIL
2.	<b>William Nanda Bissell</b>  Designation: Executive Vice-Chairman and Director  Address: N-19, Panchsheel Park, New Delhi - 110017  Occupation: Business  Date of birth: June 10, 1966  Term: Five years with effect from November 24, 2021  Period of Directorship: Since August 23, 1994*  DIN: 00012819	55	Indian Companies <ul style="list-style-type: none"> <li>• Organic India Private Limited</li> </ul> Foreign Companies <ul style="list-style-type: none"> <li>• JLB Partners Holding Inc. (formerly JLB Canton LLC)</li> </ul>
3.	<b>Viney Singh</b>  Designation: Managing Director  Address: No. 201/2, Heather Block, Woodsvale Apartments, 78, Nandidurg Road, Benson Town, Bengaluru 560046, Karnataka  Occupation: Service  Date of birth: November 28, 1959  Term: Five years with effect from February 22, 2018  Period of Directorship and Term: Since August 20, 2016. Redesignated as Managing Director on February 22, 2018	62	Indian Companies <ul style="list-style-type: none"> <li>• Fabcafe Foods Private Limited; and</li> <li>• Biome Life Sciences India Private Limited.</li> </ul> Foreign Companies  NIL

Sr. No.	Name, designation, address, occupation, date of birth, period and term and DIN	Age (years)	Directorships in other companies
	DIN: 00932145		
4.	<p><b>Mukesh Kumar Chauhan</b></p> <p>Designation: Executive Director (Whole-time Director)</p> <p>Address: 80, Upper Ground Floor, Model Town, Northex, Near Queen Marry School, Delhi - 110009</p> <p>Occupation: Service</p> <p>Date of birth: June 22, 1968</p> <p>Term: Five years with effect from November 24, 2021 and liable to retire by rotation</p> <p>Period of Directorship: Since August 20, 2021</p> <p>DIN: 05108075</p>	53	<p>Indian Companies</p> <ul style="list-style-type: none"> <li>Organic India Private Limited;</li> <li>Fabcafe Foods Private Limited; and</li> <li>Biome Life Sciences India Private Limited.</li> </ul> <p>Foreign Companies</p> <ul style="list-style-type: none"> <li>Fabindia International Pte. Ltd.; and</li> <li>Indigo Origins Pte. Ltd.</li> </ul>
5.	<p><b>Yoav Lev</b></p> <p>Designation: Non-Executive Director</p> <p>Address: 892, The Pocket Road Billindgel, NSW 2483, New South Wales, Australia - 2483</p> <p>Occupation: Business</p> <p>Date of birth: December 12, 1964</p> <p>Term: Liable to retire by rotation</p> <p>Period of Directorship: Since August 10, 2018</p> <p>DIN: 00183462</p>	57	<p>Indian Companies</p> <ul style="list-style-type: none"> <li>Lev True Wellness Private Limited; and</li> <li>Organic India Private Limited.</li> </ul> <p>Foreign Companies</p> <ul style="list-style-type: none"> <li>Bet Lev Foundation.</li> </ul>
6.	<p><b>Vijai Kumar Kapoor</b></p> <p>Designation: Non-Executive Director</p> <p>Address: 23/1A, Prithvi Raj Road, NDMC, Central Delhi, Delhi - 110011</p> <p>Occupation: Retired from Government</p> <p>Date of birth: September 13, 1938</p> <p>Term: Liable to retire by rotation</p> <p>Period of Directorship: Since January 31, 2006</p> <p>DIN: 01084371</p>	83	<p>Indian Companies</p> <p>NIL</p> <p>Foreign Companies</p> <p>NIL</p>
7.	<p><b>Aditya Ghosh</b></p> <p>Designation: Non-Executive Director</p> <p>Address: MG-0425, The Magnolias, DLF Golf Links, DLF City Phase V, Gurugram 122009, Haryana</p> <p>Occupation: Business</p> <p>Date of birth: July 27, 1975</p> <p>Term: Liable to retire by rotation</p>	46	<p>Indian Companies</p> <ul style="list-style-type: none"> <li>Magnum Fitness Private Limited;</li> <li>Homage Aviation Private Limited;</li> <li>Oravel Stays Limited; and</li> <li>Nani Palkhivala Arbitration Centre.</li> </ul> <p>Foreign Companies</p> <p>NIL</p>



Sr. No.	Name, designation, address, occupation, date of birth, period and term and DIN	Age (years)	Directorships in other companies
	Period of Directorship: Since June 30, 2020 DIN: 01243445		
8.	<b>Monsoon Latane Bissell</b>  Designation: Non-Executive Director  Address: N-19, Panchsheel Park, New Delhi - 110017  Occupation: Professional  Date of birth: December 17, 1969  Term: Liable to retire by rotation  Period of Directorship: Since June 27, 2000  DIN: 02705935	52	Indian Companies  • Organic India Private Limited  Foreign Companies  • JLB Partners Holding Inc. (formerly JLB Canton LLC)
9.	<b>Nikhil Kherra</b>  Designation: Non-Executive Director  Address: C-103, Defence Colony, Lajpat Nagar, New Delhi - 110024  Occupation: Business  Date of birth: March 5, 1978  Term: Liable to retire by rotation  Period of Directorship: Since September 1, 2021  DIN: 09298685	43	Indian Companies  NIL  Foreign Companies  NIL
10.	<b>Tekkethalakal Kurien Kurien**</b>  Designation: Non-Executive Director  Address: 701, ETA BEAU MONDE, 7 <sup>th</sup> Floor, 17 Benson Cross Road, Benson Town, Bengaluru 560046, Karnataka  Occupation: Service  Date of birth: November 17, 1958  Term: Not liable to retire by rotation  Period of Directorship: Since February 23, 2017  DIN: 03009368	63	Indian Companies  • Wipro GE Healthcare Private Limited; and  • SBI General Insurance Company Limited.  Foreign Companies  • PI International Holdings LLC; and  • Plan Investment Company Pte Limited.
11.	<b>Saurabh Navinchandra Mehta</b>  Designation: Independent Director  Address: A/9 Sea Face Park, 50 Bhulabhai Desai Road, Breach Candy, Mumbai - 400026, Maharashtra  Occupation: Business  Date of birth: January 11, 1952	70	Indian Companies  • Central Camera Company Private Limited;  • Indifoss Analytical Private Limited;  • GEM Photographic India Private Limited;  • Prompt Equipments Private Limited;  • Jens Travels Private Limited;

Sr. No.	Name, designation, address, occupation, date of birth, period and term and DIN	Age (years)	Directorships in other companies
	Term: Three years with effect from November 24, 2021  Period of Directorship: Since September 2, 2021  DIN: 01115594		<ul style="list-style-type: none"> <li>• Pardi Investments Private Limited;</li> <li>• Varsha Investments and Estates Private Limited;</li> <li>• Bharti Investments and Estate Private Limited; and</li> <li>• Nina Investments and Estate Private Limited.</li> </ul> Foreign Companies  NIL
12.	<b>Prakash Parthasarathy</b>  Designation: Independent Director  Address: C1111, Windmills, 5B EPIP Zone, Whitefield, Behind SAP Labs, Bengaluru 560066, Kanataka  Occupation: Business  Date of birth: March 4, 1971  Term: Three years w.e.f. November 24, 2021  Period of Directorship: Since February 22, 2012  DIN: 02011709	50	Indian Companies <ul style="list-style-type: none"> <li>• Manipal Global Education Services Private Limited;</li> <li>• NSE Foundation; and</li> <li>• JM Financial Services Limited.</li> </ul> Foreign Companies <ul style="list-style-type: none"> <li>• Fabindia International Pte. Ltd;</li> <li>• Creaegis I Private Limited; and</li> <li>• Creaegis Advisers Limited.</li> </ul>
13.	<b>Richard Frank Celeste</b>  Designation: Independent Director  Address: 720 Crestfield Grove, Colorado Springs, Colorado, USA - 80906  Occupation: Service  Date of birth: November 11, 1937  Term: Three years with effect from November 24, 2021  Period of Directorship: Since September 1, 2021  DIN: 09296533	84	Indian Companies <ul style="list-style-type: none"> <li>• Organic India Private Limited</li> </ul> Foreign Companies <ul style="list-style-type: none"> <li>• Clean Program Corp.; and</li> <li>• Organic India, USA LLC.</li> </ul>
14.	<b>Smita Mankad</b>  Designation: Independent Director  Address: 403, Tower No. 34, Common Wealth Games Village, Near Akshardham Temple, New Delhi 110092  Occupation: Professional  Date of birth: March 20, 1971  Term: Three years with effect from November 24, 2021  Period of Directorship: Since October 20, 2021  DIN: 02009838	50	Indian Companies <ul style="list-style-type: none"> <li>• Mahindra Auto Steel Private Limited;</li> <li>• Mahindra Heavy Engines Limited;</li> <li>• Mahindra Waste To Energy Solutions Limited;</li> <li>• Compact India Private Limited; and</li> <li>• Women on Wings Foundation.</li> </ul> Foreign Companies  NIL

*\*The date of appointment in the records maintained on database of MCA is August 8, 2000. However, the original date of appointment of*

*William Nanda Bissell is August 23, 1994.*

*\*\*He is nominee director of PI Opportunities Fund – I.*

*Note: For details of risks arising out of missing or untraceable past secretarial records of our Company, see “Risk Factors- Certain of our corporate records and filings with the RoC are not traceable or have discrepancies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 57.*

### **Arrangement or understanding with major shareholders, customers, suppliers or others**

Except Tekkethalakal Kurien Kurien who has been appointed as a nominee director of PI Opportunities Fund – I, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors has been appointed on the Board.

### **Relationship between our Directors and Key Managerial Personnel**

Except as disclosed below, none of our Directors are related to each other.

- William Nanda Bissell is the brother of Monsoon Latane Bissell; and
- Vijai Kumar Kapoor is father-in-law of William Nanda Bissell.

None of the Key Management Personnel employed with our Company are related to each other.

### **Brief Biographies of Directors**

**Gyanendra Nath Gupta** is the Chairman and Independent Director of our Company. He has been on the Board of our Company since September 2, 2021. He holds a bachelor’s degree in science and laws from Agra University and a master’s degree in science and laws from Agra University. He has also participated in the programme for senior income tax commissioners which was sponsored by Central Board of Direct Taxes and in collaboration with National Academy of Direct Taxes. He is also member of the executive board for Centre of Science and Environment since 1999 and a member of the Income Tax Appellate Tribunal Bar Association, New Delhi. He is registered as an authorised income-tax practitioner under the Income Tax Act, 1961 and has experience in taxation. He is also a member of the board of Asian Fertilizers Limited since January 1, 1992.

**William Nanda Bissell** is the Executive Vice-Chairman and Director of our Company. He has been on the Board of our Company since August 23, 1994 and was the Managing Director of our Company from April 1, 2000 to February 22, 2018. He holds a bachelor’s degree in arts from Wesleyan University, Middletown, Connecticut. He has over 27 years of experience in the retail and apparel industry. He has also received the ‘Entrepreneur with Social Impact’ award from Forbes India.

**Viney Singh** is the Managing Director of our Company. He has been on the Board of our Company since August 20, 2016. He joined our Company as Chief Executive Officer in August, 2016. After completing his schooling at Mayo College Ajmer, he did bachelor’s degree in arts (economics) from Loyola College, University of Madras. He has also participated in extension programme in general management held at Indian Institute of Management, Calcutta. He was previously associated with Max Hypermarket India Private Limited (part of Dubai based Landmark Group) as a managing director and has also worked at Reliance Communications Limited as circle-ceo (Karnataka and Kerala) for sales and marketing, Hindustan Unilever Limited, J. Thomas & Company Private Limited and Lipton India Limited in various leadership roles. He has experience in the hypermarkets industry, lifestyle and retail industry, telecom industry and FMCG verticals.

**Mukesh Kumar Chauhan** is an Executive Director (Whole-time Director) of our Company. He has been on the Board of our Company since August 20, 2021. He was Chief Operating Officer of the Company till March, 2021 and prior to this, he was the group chief financial officer of the Company from April 2016 till March 2020. He is associated with the Company since 2004 and has been handling various roles over a period of more than 17 years. He holds a bachelor’s degree in commerce (honours) from Shri Ram College of Commerce, University of Delhi. He is also a fellow member of ‘The Institute of Chartered Accountants of India’. He has experience in accounting, finance, legal matters and corporate finance of over two decades. He was previously associated with Herberts Jenson & Nicholson Limited and Jenson & Nicholson (I) Limited.

**Yoav Lev** is a Non-Executive Director of our Company. He has been on the Board of our Company since August 10, 2018. He has attended KfarHaryarok as part of his school education. He is a founder of Organic India Private Limited and associated as director since 1997. He has experience of 24 years in the international markets for organic products and solutions.

**Vijai Kumar Kapoor** is a Non-Executive Director of our Company. He has been on the Board of our Company since January 31, 2006. He holds a bachelor's degree and master's degree in arts (mathematics) from St. Stephen's College, University of Delhi and Fellow in Oxford University. He served as Lieutenant Governor of Delhi for over 6 years and has experience in administration services.

**Aditya Ghosh** is a Non - Executive Director of our Company. He has been on the Board of our Company since June 30, 2020. He has completed an advanced management program from Harvard Business School, USA. In the past, he has served as a director at various companies including Interglobe Aviation Limited, Interglobe Luxury Products Private Limited and Interglobe Hotels Private Limited. He also serves as a director at Nani Palkhivala Arbitration Centre, Magnum Fitness Private Limited, Oravel Technology and Hospitality Lanka (Private) Limited.

**Monsoon Latane Bissell** is a Non-Executive Director of our Company. She has been on the Board of our Company since June 27, 2000. She holds a diploma from The Ethel Walker School, Simsbury, Connecticut and bachelor's degree in arts from the Trustees and Faculty of Bryn Mawr College in the state of Pennsylvania and two master's degrees in education and arts, respectively, from Columbia University, New York. She is a counselor, coach and applied behavioural science practitioner. She has been a professional member of the Indian Society for Applied Behavioural Sciences for more than 15 years and held the position of joint dean of programmes and professional development. She is also a visiting faculty at the Indian Institute of Management, Ahmedabad.

**Nikhil Kherra** is a Non-Executive Director of our Company. He has been on the Board of our Company since September 1, 2021. He holds a bachelor's degree in Science from the University of Philadelphia and is a member alpha chapter of Phi Psi Fraternity. He has over 25 years of experience in textile industry. He is also a partner in Bharat Carpet Manufacturers since April 1, 1996 and partner in V-Weave since August 24, 2004.

**Tekkethalakal Kurien Kurien** is a Non-Executive Director of our Company and representing PI Opportunities Fund – I. He has been on the Board of our Company since February 23, 2017. He is an associate member of 'The Institute of Chartered Accountants of India. He has extensive years of experience and is currently serving as the Managing Partner and Chief Investment Officer at PI Investment Advisory LLP. Prior to his current role, he served as an Executive Vice Chairman and Chief Executive Officer of Wipro Limited. He has been instrumental in building and scaling many of Wipro's successful businesses. He has also been instrumental in turning around various businesses that he had spearheaded within Wipro including its BPO, media, telecom and consulting business divisions. He also has five patents filed with the US Patent & Trademark Office in his capacity as an inventor. During the 6<sup>th</sup> Annual Women's Empowerment Principles (WEPs) event (a joint initiative UN Women and the UN Global Compact), he was also recognized with the WEPs Cultural Change for Empowerment Award 2014 for proactive commitment to gender equality. He has also served as a member of the World Economic Forum and in May 2014, American India Foundation honoured him during its Annual AIF Spring Awards Gala.

**Saurabh Navinchandra Mehta** is an Independent Director of our Company. He has been on the Board of our Company since September 2, 2021. He holds a bachelor's degree in commerce from University of Mumbai. He is a member of the board of Central Camera Co. Private Limited since September 2000. He is also an executive director of IndiFOSS Analytical Private Limited since September 30, 2016.

**Prakash Parthasarathy** is an Independent Director of our Company. He has been on the Board of our Company since February 22, 2012. He holds a bachelor's degree in engineering (honours) from The Birla Institute of Technology and Science, Pilani and a post graduate diploma in management from Indian Institute of Management, Bangalore. He has extensive years of experience in research analysis. He was previously associated with BA Asia Limited and Perigrine Capital India Private Limited.

**Richard Frank Celeste** is an Independent Director of our Company. He has been on the Board of our Company since September 1, 2021. He holds a bachelor's degree in Arts from the Yale University. He was a full-time undergraduate member of Exeter College, University of Oxford. He also served as president of Colorado College, Colorado. He was elected Governor of the state of Ohio from January 1983 to January 1991 by the qualified electors of State of Ohio. He also served as U.S. ambassador to India.

**Smita Mankad** is an Independent Director of our Company. She has been on the Board of our Company since October 20, 2021. She holds a bachelor's degree in arts (Economics Honours) from Lady Shri Ram College for Women, University of Delhi and master's degree in management studies from Narsee Monjee Institute of

Management Studies, University of Bombay. She was associated with the FABINDIA group for over 12 years and has extensive years of experience in exports, international business, retail operations, systems, protocols and plan implementation, new business development and supply chain management. She was managing director of Artisans Micro Finance Private Limited. She was associated with ABN AMRO Bank N.V., Tata Engineering and Locomotive Company Limited, Organic India Private Limited and The Indian Nutrition Initiative (TINI) (an initiative of Tata Trusts). She has worked as consultant with Sir Dorabji Tata Trusts and lead the food fortification resource centre at the Food Safety and Standards Authority of India (FSSAI), Government of India as principal lead. She has served as an independent director in Mahindra Vehicle Manufacturers Limited and Mahindra Renewables Private Limited. She has also served as consultant at the World Bank for an assignment with health and nutrition. She is a Vital Voices U.S.A. Fellow and a Chevening Oxford Fellow.

### **Details regarding directorships of our Directors in listed companies**

None of our Directors is or was, during the last five years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares has been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

### **Confirmations**

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified either as wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations.

### **Terms of appointment of Directors**

#### **1. Remuneration to Managing Director and Whole-time Directors:**

##### **Viney Singh**

Viney Singh was paid ₹ 10.39 million by our Company in Financial Year 2021. The terms and conditions of appointment of Viney Singh were approved by the shareholders at their meeting held on December 18, 2021. The particulars of remuneration were approved pursuant to a Board resolution dated November 24, 2021, are as follows:

<b>Fixed Remuneration</b>	₹ 30.25 million for FY 2021-22 and ₹ 33.28 million for FY 2022-23
<b>Commission (in case of profits)</b>	At the rate of 1.5% of standalone profits before tax for FY 2021-22 and FY 2022-23 (April 1, 2022 to February 21, 2023)

##### **William Nanda Bissell**

William Nanda Bissell was paid ₹ 15.01 million (including commission) by our Company in Financial Year 2021. The terms and conditions of appointment of William Nanda Bissell were approved by the shareholders at their meeting held on December 18, 2021. The particulars of remuneration were approved pursuant to a Board resolution dated November 24, 2021, are as follows:

<b>Fixed Remuneration</b>	₹ 61 million for FY 2021-22 and ₹ 66 million for FY 2022-23
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##### **Mukesh Kumar Chauhan**

Mukesh Kumar Chauhan was appointed as an Executive Director (Whole-time Director) on November 24, 2021 and therefore no remuneration was paid to him by our Company in Financial Year 2021. The terms and conditions of appointment of Mukesh Kumar Chauhan as an Executive Director (Whole-time Director) were approved by the shareholders at their meeting held on December 18, 2021. The particulars of remuneration were approved pursuant to a Board resolution dated November 24, 2021, are as follows:

<b>Fixed Remuneration</b>	₹ 24.00 million
<b>Commission (in case of profits)</b>	At the rate of 1% of standalone profits before tax for FY 2021-22 and FY 2022-23

## 2. Sitting Fees to Non – Executive Directors and Independent Directors:

Pursuant to the Board resolution dated November 24, 2021, each Non-Executive Director and Independent Director except Tekkethalakal Kurien Kurien, Aditya Ghosh and Monsoon Latane Bissell fixed remuneration of ₹ 0.2 million per month for next three Financial Years, *i.e.*, till Financial Year 2023-24, exclusive of sitting fees and reimbursement of expenses. Additionally, Aditya Ghosh and Monsoon Latane Bissell, Non-Executive Directors of the Company, are entitled for fixed remuneration of ₹ 0.2 million per month or 0.5% of standalone profit before tax, whichever is higher, for next three Financial Years, *i.e.*, till Financial Year 2023-24, exclusive of sitting fees and reimbursement of expenses. Details of the remuneration paid to the Non-Executive Directors and Independent Directors of our Company in the Financial Year 2021 as per Restated Consolidated Financial Statements are set forth below.

S. No.	Name of Non-Executive Directors and Independent Directors	Sitting Fees (in ₹ million)
1.	Madhukar Khera	0.05
2.	Monsoon Latane Bissell	0.05
3.	Vijai Kumar Kapoor	0.06
4.	Prakash Parthasarathy	0.06
5.	William Sean Sovak	0.06
6.	Vinita Bali	0.05
7.	Yoav Lev	0.05

## Remuneration paid or payable to our Directors by our Subsidiaries

Except as disclosed below, none of the Directors of our Company has been paid any remuneration by our Subsidiaries, including any contingent or deferred compensation accrued for Financial Year 2021.

Sr. No	Director	Name of the Subsidiary	Total compensation (in ₹ million)
1.	William Nanda Bissell	Organic India Private Limited	10.91
2.	Yoav Lev	Organic India Private Limited	7.27
3.	Mukesh Kumar Chauhan	Organic India Private Limited	6.18

## Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

Sr. No.	Name of the Director	No. of Equity Shares of face value ₹1 each	Percentage of the pre-Offer Equity Share capital (%)
1.	William Nanda Bissell	23,001,400	15.56
2.	Monsoon Latane Bissell	2,733,000	1.85
3.	Yoav Lev	450,000	0.30
4.	Viney Singh	286,260	0.19
5.	Vijai Kumar Kapoor	61,260	0.04
6.	Saurabh Navinchandra Mehta*	101,640	0.07
7.	Tekkethalakal Kurien Kurien	84,000	0.06
8.	Mukesh Kumar Chauhan	225,360	0.15
9.	Nikhil Khera	336,360	0.23
10.	Smita Mankad	197,280	0.13

\*Jointly held with Varsha S Mehta

## Interest of Directors

All our Non – Executive Directors and Independent Directors may be deemed to be interested to the extent of sitting fees and commission payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to

the extent of remuneration and reimbursement of expenses payable to them.

Except for William Nanda Bissell and Monsoon Latane Bissell, none of our Directors have any interest in the promotion or formation of our Company.

Our Directors, namely, William Nanda Bissell, Vijai Kumar Kapoor, Mukesh Kumar Chauhan, Tekkethalakal Kurien Kurien and Smita Mankad shall be deemed to be interested in this Offer to the extent of their participation in the Offer for Sale. The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any, held by them.

None of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc.

Except for Mukesh Kumar Chauhan, no loans have been availed by our Directors from our Company or the Subsidiaries. For further details see “*Related Party Transactions*” on page 363.

Except as mentioned above in “*Terms of appointment of Directors*” on page 233, none of our Directors are party to any bonus or profit sharing plan of our Company.

#### Changes in the Board in the last three years

Name	Date of Change	Reason
Charu Sharma	April 1, 2019	Change in designation
Aditya Ghosh	June 30, 2020	Appointment**
Charu Sharma	March 31, 2021	Retirement
William Sean Sovak	May 11, 2021	Resignation
Vinita Bali	June 1, 2021	Resignation
Mukesh Kumar Chauhan	August 20, 2021	Appointment*
Richard Frank Celeste	September 1, 2021	Appointment*
Nikhil Khera	September 1, 2021	Appointment*
Madhukar Khera	September 2, 2021	Retirement
Gyanendra Nath Gupta	September 2, 2021	Appointment*
Saurabh Navinchandra Mehta	September 2, 2021	Appointment*
Smita Mankad	October 20, 2021	Appointment
William Nanda Bissell	November 24, 2021	Change in designation
Mukesh Kumar Chauhan	November 24, 2021	Change in designation
Gyanendra Nath Gupta	November 24, 2021	Change in designation
Saurabh Navinchandra Mehta	November 24, 2021	Change in designation
Richard Frank Celeste	November 24, 2021	Change in designation
Smita Mankad	November 24, 2021	Change in designation
Prakash Parthasarathy	November 24, 2021	Change in designation
Rahul Garg	November 25, 2021	Resignation

\*Regularized on September 30, 2021

\*\*Regularized on September 30, 2020

#### Borrowing Powers of Board

Pursuant to our Shareholders’ resolution dated January 15, 2022, and in accordance with Section 180(1)(c) and all other applicable sections of the Companies Act, 2013, read with such rules as may be applicable and the Articles of Association of our Company, the Board is authorized to borrow money from time to time up to ₹ 12,000 million over and above the aggregate of the paid-up share capital, free reserves and securities premium of the Company.

#### Corporate Governance

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof and formulation and adoption of policies, as applicable. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

### **Committees of the Board**

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

#### ***Audit Committee***

The members of the Audit Committee are:

1. Gyanendra Nath Gupta (Chairman and Independent Director), Chairman
2. Mukesh Kumar Chauhan (Executive Director (Whole-time Director)), Member
3. Smita Mankad (Independent Director), Member

The Audit Committee was constituted by a resolution of our Board at their meeting held on November 24, 2021. The terms of reference of the Audit Committee are as follows:

#### **A. Powers of Audit Committee:**

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee of the Company;
- (c) To obtain outside legal or other professional advice;
- (d) To secure attendance of outsiders with relevant expertise if it considers necessary; and
- (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### **B. Role of the Audit Committee:**

- (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- (d) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and
  - (vii) Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;



- (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (p) Discussion with internal auditors of any significant findings and follow up thereon;
- (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (u) Reviewing the functioning of the whistle blower mechanism;
- (v) Monitoring the end use of funds raised through public offers and related matter;
- (w) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

- (x) Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;
- (y) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (bb) Reviewing the utilization of loans and/or advances from/investment by Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments as may be applicable;
- (cc) To consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and;
- (dd) Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.”

C. The Audit Committee shall mandatorily review the following information:

- (a) Management’s discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor;
- (f) Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
- (g) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- (h) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Richard Frank Celeste (Independent Director), Chairman
2. Tekkethalakal Kurien Kurien (Non-Executive Director), Member
3. Smita Mankad (Independent Director), Member

The Remuneration and Compensation committee was constituted by a resolution of our Board at their meeting held on May 5, 2016 and was renamed as Nomination and Remuneration Committee in the meeting dated November 27, 2018 and reconstituted by a resolution of our Board at their meeting held on November

24, 2021. The terms of reference of the Nomination and Remuneration Committee are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates, the Committee may:
  - (i) use the services of an external agencies, if required;
  - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (iii) consider the time commitments of the candidates.
- (c) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (d) Devising a policy on Board diversity;
- (e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (f) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
- (g) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (h) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- (i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (j) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (k) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (l) Administering any employee stock option scheme/plan or employee purchase scheme approved by the Board and shareholders of the Company ("ESOP Scheme/ESPS") in accordance with the terms of such scheme/plan as the designated compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 including the following:
  - i. Determining the eligibility of employees to participate under the ESOP Scheme;

- ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - iii. Date of grant;
  - iv. Determining the exercise price of the option under the ESOP Scheme;
  - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. The procedure for cashless exercise of options;
  - xiii. Forfeiture/ cancellation of options granted;
  - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (m) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme/ESPS, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme/ESPS;
- (n) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,
- by the Company and its employees, as applicable;
- (o) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- (p) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. Ensure that the person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: i) use the services of an external agencies, if required; ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and iii) consider the time commitments of the candidates; and
- (q) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations or other applicable laws or by any other regulatory authority.

### ***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Vijai Kumar Kapoor (Non-Executive Director), chairman
2. Richard Frank Celeste (Independent Director), member
3. Mukesh Kumar Chauhan (Executive Director (Whole-time Director)), member

The 'Stakeholders' Relationship Committee' was reconstituted by a resolution of our Board at their meeting held on November 24, 2021. The terms of reference of the Stakeholders' Relationship Committee are as follows:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, issue of new/ duplicate share certificates, general meetings. non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
- (g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority;
- (h) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- (i) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- (j) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and
- (k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

### ***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Smita Mankad (Independent Director), chairperson
2. Monsoon Latane Bissell (Non-Executive Director), member
3. Mukesh Kumar Chauhan (Executive Director (Whole-time Director)), member

The Corporate Social Responsibility was reconstituted by a resolution of our Board at their meeting held on November 24, 2021. The terms of reference of the Corporate Social Responsibility are as follows:

- (a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
- (c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) To monitor the corporate social responsibility policy from time to time;
- (e) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (f) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (g) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act;
- (i) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;
- (j) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
  - (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
  - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the Company; and
- (k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

### ***Risk Management Committee***

The members of the Risk Management Committee are:

1. Gyanendra Nath Gupta (Chairman and Independent Director), chairman

2. Viney Singh (Managing Director), member
3. Monsoon Latane Bissell (Non-Executive Director), member

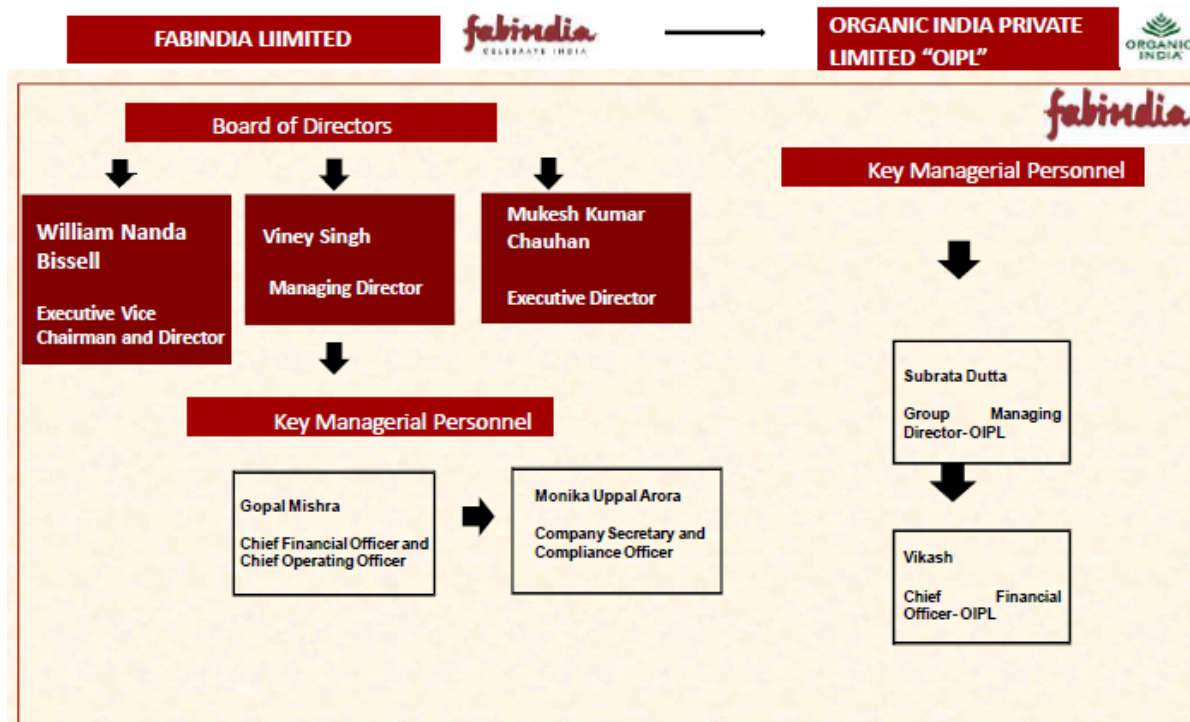
The Risk Management Committee was constituted by a resolution of our Board at their meeting held on November 24, 2021. The terms of reference of the Risk Management Committee are as follows:

- (a) To periodically review the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes;
- (d) The policy shall include:
  1. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;
  2. Measures for risk mitigation including systems and processes for internal control of identified risks;
  3. Business continuity plan.
- (e) To approve the process for risk identification and mitigation;
- (f) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- (g) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- (h) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (i) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (j) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- (k) To consider the effectiveness of decision making process in crisis and emergency situations;
- (l) To balance risks and opportunities;
- (m) To generally, assist the Board in the execution of its responsibility for the governance of risk;
- (n) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (o) To consider the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
- (p) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

- (q) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- (r) To attend to such other matters and functions as may be prescribed by the Board from time to time; and
- (s) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.



## Management Organisation Chart



## Key Managerial Personnel

The details of our Key Managerial Personnel of are as follows:

**William Nanda Bissell** is an Executive Vice Chairman and Director of our Company. For further details see “*Brief Biographies of Directors*” and “*Terms of appointment of Directors*” on page 231 and 233, respectively.

**Viney Singh** is the Managing Director of our Company. For further details see “*Brief Biographies of Directors*” and “*Terms of appointment of Directors*” on page 231 and 233, respectively.

**Mukesh Kumar Chauhan** is a Executive Director (Whole-time Director) of our Company. For further details see “*Brief Biographies of Directors*” and “*Terms of appointment of Directors*” on page 231 and 233, respectively.

**Gopal Mishra** is the Chief Financial Officer and Chief Operating Officer of our Company. He has been associated with our Company since May, 2021. He holds a degree in bachelor of technology (honours) in mechanical engineering from Indian Institute of Technology, Kharagpur and post graduate diploma in management from Indian Institute of Management, Lucknow, where he was gold medallist for securing the first rank. He has also completed digital transformation course conducted by Imperial College Business School. He has over 24 years of experience in sustainable value creation. Prior to joining our Company, he has worked with RB Corporate Services as a global head of finance transformation and General Manager Finance at Hindustan Unilever Limited and with Tata Steel as a deputy manager. Since he was appointed in May 2021, no remuneration was paid to him during the Financial Year 2021.

**Monika Uppal Arora** is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since April 1, 2008. She is a member of ‘The Institute of Company Secretaries of India’. She also holds a degree in bachelor of Commerce (honours) from University of Delhi. She also holds a degree in bachelor of laws from University of Delhi. She has over 18 years of experience in handling secretarial and corporate restructuring compliances. Prior to joining our Company, she has worked with Pearl Engineering Polymers Limited and ANM & Associates. During the Financial Year 2021, she was paid a gross remuneration of ₹ 3.75 million (excluding retirement benefits).

**Subrata Dutta** is the group managing director of our Subsidiary, Organic India Private Limited and has been associated with them since January 1, 2021. He holds a degree in bachelor of technology (honours) in electrical engineering from Indian Institute of Technology, Kharagpur and post graduate diploma in management from Indian Institute of Management, Bangalore. He has extensive years of experience in consumer products and has worked with organisations like Samsonite Asia Private Limited, Himalaya Drug Company, Wimco Limited, Elbee Services Limited, Pepsi Foods Limited, Hindustan Lever Limited, Lakme Limited and CESC Limited. Prior to joining Organic India Private Limited, he was also associated with our Company from 2013 to 2016 and handled various roles including chief operating officer and chief executive officer. During the Financial Year 2021, he was paid a gross remuneration of ₹ 9.75 million (excluding retirement benefits).

**Vikash** is the chief financial officer of our Subsidiary, Organic India Private Limited and has been associated with the company since March 4, 2016. He attended Shiksha Niketan High School and Ranchi University. He is also an associate member of ‘The Institute of Chartered Accountants of India. He has over 21 years of experience in accounts and finance. Prior to joining Organic India Private Limited, he has worked with Mawana Sugars Limited, formerly known as Seil Limited. During the Financial Year 2021, he was paid a gross remuneration of ₹ 4.88 million (excluding retirement benefits).

## Status of Key Managerial Personnel

Except Subrata Dutta and Vikash Rai who are permanent employees our Subsidiary, Organic India Private Limited, all our Key Managerial Personnel are permanent employees of our Company.

Our Company does not have a high attrition rate of Key Managerial Personnel as compared to the industry.

## Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

### Relationship between our Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

### Shareholding of Key Managerial Personnel

Except as disclosed below and in “*Shareholding of Directors in our Company*” on page 234, as on the date of this Draft Red Herring Prospectus, the Key Managerial Personnel do not hold any Equity Shares in our Company:

Sr. No	Name of Key Managerial Personnel	No. of Equity Shares held	Shareholding %
1.	Monika Uppal Arora	95,650	0.06
2.	Subrata Dutta	235,260	0.16
<b>Total</b>		330,910	0.22

### Bonus or Profit Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit sharing plan of our Company.

### Interests of Key Managerial Personnel

Our Key Managerial Personnel, namely, Subrata Dutta shall be deemed to be interested in this Offer to the extent of his participation in the Offer for Sale. Our Key Managerial Personnel will not participate in the Offer, except to the extent of the sale of Offered Shares by way of Offer for Sale. Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares, if any, held by them in the Company. To the extent applicable, our Key Managerial Personnel are also interested in any Equity Shares which may be allotted to them pursuant to exercise of options under the ESPS Scheme and any distributions in relation thereof.

### Changes in the Key Managerial Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel in the last three years.

Name	Designation	Date of change	Reason for change
Mukesh Kumar Chauhan	Chief Financial Officer	March 31, 2020	Change in designation
Surbrata Dutta	Group managing director of our Subsidiary, Organic India Private Limited	January 1, 2021	Appointment
Gopal Mishra	Chief Financial Officer and Chief Operating Officer	November 24, 2021	Appointment

### Service Contracts with Directors and Key Managerial Personnel

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or superannuation, other than statutory benefits.

### Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation accrued for Financial Year 2021 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

### Payment or benefit to Key Managerial Personnel

No non – salary amount or benefit has been paid or given to any officer of our Company within the two preceding years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

### Employees Stock Options

For details of the ESOP schemes of our Company, see “*Capital Structure*” on page 94.

## OUR PROMOTERS AND PROMOTER GROUP




Bimla Nanda Bissell, William Nanda Bissell, Monsoon Latane Bissell, Madhukar Khera and JLB Partners Holding Inc. are the Promoters of our Company.


As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Promoter	No. of Equity Shares held	% of pre-Offer issued, subscribed and paid-up Equity Share capital
1.	JLB Partners Holding Inc.	32,438,160	21.95
2.	William Nanda Bissell	23,001,400	15.56
3.	Bimla Nanda Bissell	12,214,970	8.27
4.	Madhukar Khera	8,875,080	6.01
5.	Monsoon Latane Bissell	2,733,000	1.85

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*", on page 102.

### Details of our Individual Promoters

	<p><b>Bimla Nanda Bissell</b></p> <p>Bimla Nanda Bissell, aged 89 years, is one of our Promoters. She holds a bachelor's degree in arts from the University of Delhi and a master's degree in education from the University of Michigan, U.S.A. From October 16, 1975 to May 1, 1996, she worked as the External Affairs Officer at the International Bank for Reconstruction and Development, an institution of the World Bank. She is the chairperson of the John L. Bissell Foundation, a registered charity and the chair emeritus of Udyogini, a non-profit organization promoting women entrepreneurs. For details, please refer to "<i>Risk Factors – We do not have documentary evidence for certain details in relation to Bimla Nanda Bissell and Madhukar Khera included in "Our Promoters and Promoter Group", in this Draft Red Herring Prospectus</i>" on page 57.</p> <p>Date of Birth: October 12, 1932</p> <p>Her passport number is N4768377 and her PAN is AAQPB7757B.</p>
	<p><b>William Nanda Bissell</b></p> <p>William Nanda Bissell, aged 55 years, is one of our Promoters, the Executive Vice-Chairman and Director of our Company. For further details of his educational qualifications, personal address, date of birth, experience in the business, positions and posts held in the past, other directorships, business and financial activities and special achievements, see "<i>Our Management</i>" on page 227.</p> <p>His passport number is 505824072 and his PAN is AGAPB2796G.</p>
	<p><b>Monsoon Latane Bissell</b></p> <p>Monsoon Latane Bissell, aged 52 years, is one of our Promoters and Non-Executive Director of our Company. For further details of her educational qualifications, personal address, date of birth, experience in the business, positions and posts held in the past, other directorships, business and financial activities and special achievements, see "<i>Our Management</i>" on page 227.</p> <p>Her passport number is 566771612 and her PAN is ADIPB5408Q.</p>

	<p><b>Madhukar Khera</b></p> <p>Madhukar Khera, aged 75 years, is one of our Promoters and the Chairperson Emeritus of our Company. He holds a bachelor's degree in commerce from Panjab University. He has experience of 45 years in the fabric and retail industry and is on the board of Narain Das Tulsidas Private Limited, Bharat Carpet Manufacturers and Om Jyoti Properties Private Limited. For details, please refer to “<i>Risk Factors – We do not have documentary evidence for certain details in relation to Bimla Nanda Bissell and Madhukar Khera included in “Our Promoters and Promoter Group”, in this Draft Red Herring Prospectus</i>” on page 57.</p> <p>Date of Birth: December 18, 1946</p> <p>His passport number is Z3143051 and his PAN is AATPK0013G.</p>
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Our Company confirms that the permanent account numbers, aadhaar card numbers, driving license numbers, bank account numbers and the passport numbers of William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell and Madhukar Khera shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus. Bimla Nanda Bissell and Madhukar Khera do not hold a valid driving license as on the date of filing of this Draft Red Herring Prospectus.

### Details of our Corporate Promoters

JLB Partners Holding, Inc.

#### *Corporate Information*

JLB Partners Holding, Inc. was incorporated on September 26, 2011 under the General Corporation Law as JLB Holdings, Inc. JLB Partners Holding, Inc. is a corporation organized and existing under and by virtue of the provisions of the General corporation Law of the State of Delaware. Its registered office is 251 Little Falls Drive Wilmington, DE 19808. JLB Partners Holding Inc. was originally incorporated to *inter alia* hold and manage securities for investment purposes.

#### *Board of Directors*

The board of directors of JLB Partners Holding Inc. comprise of the following members:

Name	Designation
William Nanda Bissell	Director
Monsoon Latane Bissell	Director

#### *Shareholding Pattern*

The shareholding pattern of JLB Partners Holding Inc. is as follows:

Name of Shareholder	Percentage of Shareholding (%)
William Nanda Bissell	50.00
Monsoon Latane Bissell	50.00

#### *Promoters of JLB Partners Holding, Inc.*

JLB Partners Holding, Inc. is a company incorporated under the Delaware Limited Liability Company Act and there is no concept of promoter under the said law. .

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies, to the extent applicable of JLB Partners Holding Inc. will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

#### *Change in control of our Promoter*

There has been no change in the control of JLB Partners Holding Inc. in the three years preceding the date of

this Draft Red Herring Prospectus.

### **Changes in control of our Company**

Other than as disclosed in “*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*”, on page 102, there has not been any effective change in the management and control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Other ventures of our Promoters**

Our Promoters are not involved in any other venture which is in the same line of activity or business as that of our Company.

### **Interest of our Promoters**

Our Promoters are interested in our Company to the extent: (1) that they have promoted our Company; (2) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives; (3) of being Whole-time Directors and Key Management Personnel of our Company and the remuneration and benefits payable by our Company to them. For further details, see “*Capital Structure*”, “*Our Management*”, “*Related Party Transactions*” and “*Financial Statements*” on pages 94, 227, 363 and 257 respectively.

Other than the as disclosed in “*Our Management – Interest of Directors*” on page 234, William Nanda Bissell and Monsoon Latane Bissell are not interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the date of filing of the Draft Red Herring Prospectus.

Our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

None of our Promoters are engaged in business activities similar to those of our Company.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Except as stated in “*Related Party Transactions*” on page 363 and disclosed in “*Our Management*” on page 227, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

### **Companies or firms with which our Promoters have disassociated in the last three years**

Except as set out below, our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Draft Red Herring Prospectus:

*William Nanda Bissell*

<b>Name of Company or Firm from which Promoter has Disassociated</b>	<b>Reasons for and Circumstances Leading to Disassociation</b>	<b>Date of Disassociation</b>
Godwar Farmers Collective Private Limited	Disassociation as promoter shareholder due to other occupational commitments	March 30, 2019

### **Confirmations**

Our Promoters have neither been declared as Wilful Defaulters nor as fraudulent borrowers.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market

for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoters are not promoter or director of any other Company which is debarred from accessing capital markets.

Except as disclosed in ‘*Outstanding Litigation and Material Developments*’ on page 409, there are no legal regulatory proceedings involving our Promoters as on the date of this Draft Red Herring Prospectus

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

### Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations except the Promoters are set out below:

*Natural persons forming part of our Promoter Group (other than our Promoters):*

Sr. No.	Name of the individuals
<b>William Nanda Bissell</b>	
1.	Anjali Kapoor Bissell (Wife)
2.	Sara Kamla Bissell (Daughter)
3.	Master John Varun Bissell (Son)
4.	Vijai Kumar Kapoor (Father-in-law)
5.	Mini Kapoor (Sister-in-law)
<b>Monsoon Latane Bissell</b>	
6.	Nil
<b>Bimla Nanda Bissell</b>	
7.	Meena Rajbir Singh (Sister)
<b>Madhukar Khera</b>	
8.	Nilu Khera (Wife)
9.	Nikhil Khera (Son)
10.	Mitali Khera (Daughter)
11.	Vinay Kumar Khera (Brother)
12.	Anjali Banga (Sister)
13.	Anita Gulati (Sister)
14.	Bijay Kumar Bagga (Brother-in-law)
15.	Veena Mohindroo (Sister-in-law)
16.	Roma Bahal (Sister-in-law)

*Entities forming part of our Promoter Group (other than our Promoters):*

Sr. No.	Name of the entities
<b>Companies</b>	
1.	Foradian Technologies Private Limited
2.	Om Jyoti Properties Private Limited
3.	Narain Das Tulsidas Private Limited
4.	V-Weave
5.	Bharat Carpet Manufacturers
<b>HUF</b>	
6.	Vijai Kumar Kapoor (HUF)

## OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, the term ‘group companies’, shall include (a) such companies (other than promoter(s) and subsidiaries) with which there were related party transactions (as covered under the applicable accounting standards (*i.e.*, Ind AS 24 issued by the Institute of Chartered Accountants of India), during the period for which financial information is disclosed in the relevant Offer Document, and (b) any other companies as considered “material” by the Board.

Accordingly, for (a), all such companies (other than the subsidiaries of the Company, if any) with which the Company had related party transactions during the period covered in the restated financial statements shall be considered as, in terms of the SEBI ICDR Regulations.

None of our Company, the Book Running Lead Managers or any of the Company’s or the Book Running Lead Managers’ respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

Accordingly, set forth below are our Group Companies as on the date of the Draft Red Herring Prospectus:

1. Rangsutra Crafts India Limited
2. Nutriwel Health (India) Private Limited
3. Weavers India General Trading LLC
4. Fabindia S.r.l., Italy
5. Orissa Artisans and Weavers Limited
6. OI (India) Holdings, LLC
7. OI (US) Holdings, LLC
8. LEV Tue Wellness Private Limited
9. Organic India Farmers Producer Company Limited
10. Ganga Yamuna Agro Technologies and Plantation Private Limited
11. East Lifestyle Limited, United Kingdom\*

*\*An exemption application dated January 21, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from considering and disclosing East Lifestyle Limited, United Kingdom as a Group Company in accordance with the SEBI ICDR Regulations.*

For the purposes of (b) above, the Board, pursuant to its resolution dated January 15, 2022, have decided that apart from the group companies mentioned above, none of the other companies shall be considered material and disclosed as a group company.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the respective websites indicated below.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

### A. Details of our top 5 Group Companies

#### 1. Rangsutra Crafts India Limited (“RCIL”)

##### *Corporate Information*

RCIL was originally incorporated on July 15, 2006 as a private limited company with the Registrar of Companies, Jaipur under the Companies Act, 1956 as Rangsutra Crafts India Private Limited and on July 7, 2008 the name was changed to Rangsutra Crafts India Limited by shareholders approval. The registered office of RCIL is located at A-39 Karni Nagar, Lalgarh Bikaner, Rajasthan, 334 001, India. The corporate identification number of RCIL is U52511RJ2006PLC026497.

##### *Financial Performance*

The financial information derived from the audited consolidated financial statements of RCIL for the financial years ended 2021, 2020 and 2019 are available at <https://rangsutra.com/financials/>.



## **2. Nutriwel Health (India) Private Limited (“NHIPL”)**

### *Corporate Information*

NHIPL was incorporated on March 26, 2009 as a private limited company with the Registrar of Companies, National Capital Territory of Delhi under the Companies Act, 1956. The registered office of NHIPL is located at 249A, Second Floor, Okhla Industrial Estate, Phase III, New Delhi-110020. The corporate identification number of NHIPL is U85190DL2009PTC188895.

### *Financial Performance*

The financial information derived from the audited consolidated financial statements of NHIPL for the financial years ended 2021, 2020 and 2019 are available at <http://www.nutriwel.co/balance-sheet/>.

## **3. Weavers India General Trading LLC (“WIGL”)**

### *Corporate Information*

WIGL was incorporated on November, 29, 2004 as a private limited company in United Arab Emirates. The registered office of WIGL is located at Dubai, P.O. Box 117597, United Arab Emirates. The registration number of WIGL is 563470.

### *Financial Performance*

As required under the SEBI ICDR Regulations, WIGL shall host the financial information derived from the audited consolidated financial statements for the financial years ended 2021, 2020 and 2019 on the website of our Company since WIGL does not have a separate website. Such financial information is available at <https://www.fabindia.com/investor-relations>.

## **4. Fabindia S.r.l., Italy**

### *Corporate Information*

Fabindia S.r.l., Italy was incorporated on October 05, 1999 as a private limited company in Italy. The registered office of Fabindia S.r.l., Italy is located at Via Del Banco S.Spirito, 40 DO186, Roma. The registration number of Fabindia S.r.l., Italy is R.E.A. 927292.

### *Financial Performance*

As required under the SEBI ICDR Regulations, Fabindia S.r.l., Italy shall host the financial information derived from the audited consolidated financial statements for the financial years ended 2021, 2020 and 2019 on the website of our Company since Fabindia S.r.l., Italy does not have a separate website. Such financial information is available at <https://www.fabindia.com/investor-relations>.

## **5. Orissa Artisans and Weavers Limited (“OAWL”)**

### *Corporate Information*

OAWL was incorporated on October 26, 2010 as a private limited company with the Registrar of Companies, Odisha under the Companies Act, 1956. The registered office of OAWL is located at Shed No. 17/B, Industrial Estate Khapuria, Madhupatna, Cuttack, 753 010, Odisha. The corporate identification number of OAWL is U17226OR2010PLC012597.

### *Financial Performance*

As required under the SEBI ICDR Regulations, OAWL shall host the financial information derived from the audited consolidated financial statements for the financial years ended 2021, 2020 and 2019 on the website of our Company since OAWL does not have a separate website. Such financial information is available at <https://www.fabindia.com/investor-relations>.

## **B. Details of other Group Companies**

### **1. OI (India) Holdings, LLC**

#### *Corporate Information*

OI (India) Holdings, LLC was incorporated on 12 February, 2013 in the United States of America. The registered office of OI (India) Holdings, LLC is located at One Penn Plaza Suite 3000, New York, NY-10119. The employer identification number of OI (India) Holdings LLC is 46-2310045.

### **2. OI (US) Holdings, LLC**

#### *Corporate Information*

OI (US) Holdings, LLC was incorporated on February 12, 2013 in the United States of America. The office of OI (US) Holdings, LLC is situated at 200 S. Wilcox Street Suite 230, Castle Rock, CO 80104. The employer identification number of OI (US) Holdings, LLC is 46-2322710.

### **3. LEV True Wellness Private Limited (“LTWPL”)**

#### *Corporate Information*

LTWPL was incorporated on March 19, 2013 as a private limited company with the Registrar of Companies, Uttar Pradesh & Uttaranchal under the Companies Act, 2013. The registered office of LTWPL is located at A-306 Indira Nagar, Lucknow Uttar Pradesh – 226016, India. The corporate identification number of LTWPL is U74120UP2013PTC055728.

### **4. Organic India Farmers Producer Company Limited (“OIFPCL”)**

#### *Corporate Information*

OIFPCL was incorporated on August 12, 2013 as a private limited company with the Registrar of Companies, Uttar Pradesh & Uttaranchal under the Companies Act, 2013. The registered office of OIFPCL is located at Family Health Care Centre, Mewa Lal Ki Mill Deo Par (Bijaura), Tehsil Sadar, Bhawarnath, Azamgarh, Uttar Pradesh – 276001, India. The corporate identification number of OIFPCL is U01403UP2013PTC058912.

### **5. Ganga Yamuna Agro Technologies and Plantation Private Limited (“GYAT”)**

#### *Corporate Information*

GYAT was incorporated on August 31, 1998 as a private limited company with the Registrar of Companies, Uttar Pradesh & Uttaranchal under the Companies Act, 2013. The registered office of GYAT is located at Brindavan Farm, Near IISE Mohammadpur Khatri Kalyanpur, Lucknow, Uttar Pradesh – 226022, India. The corporate identification number of GYAT is U01134UP1998PTC023813.

## **C. Litigation**

Other than as disclosed in “*Outstanding Litigation and Material Developments – Litigations involving our Group Companies*” on page 417, our Group Companies are not party to any litigation which may have material impact on our Company.

## **D. Common pursuits**

Except for RCIL, NHIPL, WIGL, Fabidia S.r.l., Italy, OAWL and LTWPL, none of our Group Companies have common pursuits similar to that of our Company. As a result, there may be conflicts of interest in allocating business opportunities between us and our Group Companies. Our Company and our Group Companies will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. For risks relating to the same, please refer to “*Risk Factors – Certain of our Subsidiaries and Group Companies may have conflicts of interest as they are engaged in similar business or industry segments and may compete with us*” at page 68.

**E. Related business transactions within our Group Companies and significance on the financial performance of the Company**

Other than the transactions disclosed in “*Related Party Transactions*” on page 363, there are no other related business transactions between Group Companies and our Company.

**F. Business Interest**

OI (US) Holdings, LLC, through its wholly owned subsidiary, Acterus Investment (One) Holdings Limited, which is a shareholder of our Company, indirectly holds 357,900 Equity Shares of our Company. Except as disclosed in this chapter and in “*Related Party Transactions*” on page 363, our Group Companies do not have any business interest in our Company.

For further details on risks in relation to transactions being entered into with related parties, see “*Risk Factors - We have in the past entered into related-party transactions and may continue to do so in the future*” on page 65.

**G. Nature and extent of interest of our Group Companies**

*a) In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

*b) In the properties acquired by us in the preceding three years before filing this draft red herring prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

*c) In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

## DIVIDEND POLICY

The Board of Directors at its meeting held on January 15, 2022 have adopted a Dividend Distribution Policy (“the Policy”). The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act.

The quantum of dividend, if any, and our ability to pay dividends will depend on a number of factors, including, but not limited to, our Company’s profits, past dividend trends, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business. In a year where the profits of the Company are inadequate or there is a loss, the Company would like to utilise the reserves judiciously and the Board may not consider payment of dividend as a viable proposition.

The details of dividend on Equity Shares declared and paid by our Company during the six month period ended September 30, 2021 and the last three Financial Years, until the date of this Draft Red Herring Prospectus are given below:

Particulars	Period			
	April 1, 2021 to January 21, 2022	Financial year ended March 31, 2021	Financial year ended March 31, 2020	Financial year ended March 31, 2019
No. of Equity Shares bearing face value of ₹ 10	Nil	Nil	14,466,090	2,389,716
Face value of Equity Shares**			10	10
Interim Dividend***			360.70	-
Final Dividend***			325.49	238.96
Total Dividend***			686.19	238.96
Dividend per share*			172.50	100.00
Dividend Rate (%)			1725	1000
Mode of payment of dividend			Direct transfer – NEFT and Cheques	Direct transfer – NEFT and Cheques
Dividend Distribution Tax*			141.08	49.13

\* in ₹

\*\* ₹ per equity share

\*\*\*in ₹ million.

As certified by A Puri and Associates, chartered accountants, pursuant to their certificate dated January 21, 2022

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. See, “Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements” on page 68.

## SECTION V – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

S. No.	Financial Statements
1.	Restated Consolidated Financial Statements

**Report of Independent Auditors' on the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2021 and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 along with the Restated Consolidated Statement of Significant Accounting Policies and other explanatory information of Fabindia Limited, its subsidiaries and its associates (hereinafter collectively, the "Restated Consolidated Financial Statements")**

The Board of Directors

**Fabindia Limited (Formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited")**

C-40, 2<sup>nd</sup> Floor Okhla Industrial Area,

Phase-II, New Delhi

New Delhi 110020

Dear Sirs/ Madams,

1. We have examined the attached Restated Consolidated Financial Statements of **Fabindia Limited (Formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited")** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associates, comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2021 and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on January 20, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
  - a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and
  - c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

**Management's Responsibility for the Restated Consolidated Financial Statements**

2. The Company's Board of Directors is responsible for the preparation of Restated Consolidated Financial Statements for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with the proposed IPO. The Restated Consolidated Financial Statements have been prepared by the Management of the Group and its associates in accordance with the basis of preparation stated in Note 2(a) of the Restated Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group and of its associates is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Statements. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its associates complies with the Act, the ICDR Regulations and the Guidance Note.

**Auditor's Responsibilities**

3. We have examined the Restated Consolidated Financial Statements taking into consideration:
  - a) the terms of reference and terms of our engagement agreed upon with the Company in accordance with our engagement letter dated October 22, 2021 in connection with the proposed IPO of the Company;

- b) the Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Statements; and
- d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Statements have been compiled by the Management of the Company from:

- a) Audited Special Purpose Interim Consolidated Financial Statements of the Group and its associates as at and for the six months period ended September 30, 2021 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Financial Statements"), which have been approved by the Board of Directors of the Company at their meeting held on January 20, 2022;
- b) Audited Consolidated Financial Statements of the Group and its associates as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS as 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, (the "Consolidated Financial Statements"), which had been approved by the Board of Directors of the Company at their meetings held on August 27, 2021, August 28, 2020 and July 18, 2019, respectively.

5. For the purpose of our examination, we have relied on the:

- a) Independent Auditors' report jointly issued by "A Puri & Associates" and "MSKA & Associates", Chartered Accountants ("we" or "us" or "our" or "Firm") dated January 20, 2022 on the Special Purpose Interim Consolidated Financial Statements of the Group and its associates as at and for the six months period ended September 30, 2021 and Audited Consolidated Financial Statements of the Group and its associates dated January 20, 2022 for the year ended March 31, 2021 respectively as referred in Para 4 above.
- b) Independent Auditor's report issued by one of the Joint Auditor - A Puri & Associates, dated August 28, 2020 and July 18, 2019, respectively on the Consolidated Financial Statements of the Group and its associates as at and for the years ended March 31, 2020 and March 31, 2019.

The audit for the years ended March 31, 2020 and March 31, 2019 were conducted by A Puri & Associates and accordingly reliance is placed on the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2020 and 31 March 2019 and the Statement of Significant Accounting Policies, and other explanatory information ("March 2020 and March 2019 Restated Consolidated Financial Statements") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by A Puri & Associates. They have also confirmed that March 2020 and March 2019 Restated Consolidated Financial Statements:

- i) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2020 and March 31, 2019, to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed in the Audited Special Purpose Interim Consolidated Financial Statements of the Group and its associates as at and for the six months period ended September 30, 2021.
- ii) There are no qualifications in the auditor's reports on the Audited Consolidated Financial Statements of the Group and its associates as at and for the years ended March 31, 2020 and March

31, 2019 which require any adjustments to the March 2020 and March 2019 Restated Consolidated Financial Statements; and

- iii) March 2020 and March 2019 Restated Consolidated Financial Statements have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
- c) The Audited Consolidated Financial Statements of the Group and its associates for the year ended March 31, 2021 and Special Purpose Interim Consolidated Financial Statements of the Group and its associates for the six months period ended September 30, 2021 audited by us included an Emphasis of Matter Paragraph/ Other Matter as follows:

**Audited Special Purpose Interim Consolidated Financial Statements of the Group and its associates for the six months period ended September 30, 2021:**

#### **Emphasis of Matter Paragraph**

*“We draw attention to note no. 52(f) to the Special Purpose Interim Consolidated Financial Statements which states that Management of the Holding Company has made an assessment of the impact of COVID-19 on the Holding Company’s operations, financial performance and position as at and for the period ended September 30, 2021 and accordingly made a provision of ₹ 90.73 million and ₹ 0.86 million towards ‘Provision for slow and non-moving stock’ and ‘allowance for credit losses’ respectively”.*

#### **Other Matter Paragraph**

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

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

The above table also include:

- Two step-down foreign subsidiaries namely “Organic India LLC USA” and its downstream subsidiary “The Clean Program Corp” (together referred as “Consolidated Financial Statements of Organic India LLC USA”), for which special purpose audit have been performed by one of the Joint Auditor - MSKA & Associates for six months period ended September 30, 2021 and which has been relied by one of the Joint Auditor - A Puri & Associates.
- Share of loss in respect of associate of “Organic India Private Limited” namely “Nutriwel Health (India) Private Limited” audited by Lodha & Company for the six months period ended September 30, 2021.

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



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

Particulars	(₹ in Million) As at and for the six months period ended September 30, 2021
Group’s share of net profit in its associates	2.29

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

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

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

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

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

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

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

Audited Consolidated Financial Statements of the Group and its associates for the year ended March 31, 2021:

**Emphasis of Matter Paragraph**

*“We draw attention to note no. 51(g) to the Consolidated Financial Statements which states that Management of the Holding Company has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2021 and accordingly made a provision of ₹ 308.80 million and ₹ 1.80 million towards ‘Provision for slow and non-moving stock’ and ‘allowance for credit losses’ respectively”.*

**Other Matters Paragraph**

- i. The financial statements of three Indian subsidiaries (including their two step-down subsidiaries and one associate), whose financial statements reflect total assets of ₹ 5,023 million as at March 31, 2021, total revenues of ₹ 4,325 million and net cash flows amounting to ₹ (-)102 million for the year ended on that date, as considered in the Consolidated Financial Statements is audited by one of the Joint Auditor – A Puri & Associates and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the reports of one of the Joint Auditor.
  - ii. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 2.9 million for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements are audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on the reports of other auditors.
  - iii. We did not audit the Consolidated Management accounts of an overseas wholly owned subsidiary company (including their one step-down subsidiary and two associates), whose financial information reflect total assets of ₹ 154 million as at March 31, 2021, total revenues of ₹ 68 million and net cash flows amounting to ₹ 0.10 million for the year ended on that date, as considered in the Consolidated Financial Statements. Our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanation given to us by the Management, this financial statement and other financial information is not material to the Group. Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information provided by the Management.
- d) The Audited Consolidated Financial Statements of the Group and its associates for the year ended March 31, 2020 and March 31, 2019 audited by one of the Joint Auditor - A Puri & Associates included in Other Matter as follows:
- Audited Consolidated Financial Statements for the years ended March 31, 2020 and March 31, 2019:
- i. For the years ended March 31, 2020 and March 31, 2019 Consolidated Financial Statements of “Organic India LLC USA”, prepared in accordance with auditing standards generally accepted in the United States of America had been audited by other auditor (Plante & Moran, PLLC in their host country). The Joint Auditor – A Puri & Associates relied on Management accounts to fit-for consolidation with the consolidated financial statements of the Company for the years ended March 31, 2020 and March 31, 2019. The share of total assets, total revenues (including other income) and net cash inflows/ (outflows) included in the Restated Consolidated Financial Statements of the Group of such subsidiary, for the relevant years is tabulated below:

(in ₹ Million)

Particulars	As at/ for the year ended March 31, 2020	As at/ for the year ended March 31, 2019
Total assets	1,063.45	1,066.30
Total revenues (including other income)	1,656.11	1,589.37
Net cash inflows/ (outflows)	(-) 22.16	84.12

- ii. Share of loss of ₹ (-) 4.25 million and ₹ (-) 0.75 million in respect of associate of “Organic India Private Limited” namely “Nutriwel Health (India) Private Limited” had been audited by Lodha & Company for the years ended March 31, 2020 and March 31, 2019 respectively.
- iii. Indian subsidiaries of “Organic India Private Limited” namely “Godwar Farmers Collective Private Limited” had been liquidated on August 31, 2019. “Godwar Farmers Collective Private Limited” had been audited by Rajan Chakravarthy & Associates for the year ended March 31, 2019 and relied on the Management accounts for the period April 01, 2019 to August 31, 2019 for the purpose of “Organic India Private Limited” consolidated financial statements. The share of total assets, total revenues (including other income) and net cash inflows/ (outflows) included in the Restated Consolidated Financial Statements of the Group of such subsidiary, for the relevant years is tabulated below:

(in ₹ Million)

Particulars	As at/ for the period April 1, 2019 to August 31, 2019	As at/ for the year ended March 31, 2019
Total assets	1.13	0.62
Total revenues (including other income)	0.19	-
Net cash inflows/ (outflows)	0.14	0.07

In so far as it relates to the amounts and disclosures included in respect of the above-mentioned entities for the relevant years, are based solely on the individual reports of other auditors and Management Accounts. Our opinion on the Consolidated Financial Statements is not modified in respect of these matters.

- iv. We did not audit the financial statements of two associates namely “Rangсутra Craft India Limited” and “Orissa Artisans and Weavers Limited” of the Company whose share of profit included in the Consolidated Financial Statements of the Company as at and for the years ended March 31, 2020 and March 31, 2019, which had been audited by “Daiya Tiwari & Soni” and “Laldash & Company” respectively and whose reports had been furnished to us by the Company’s Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the said auditors:

(in ₹ Million)

Particulars	As at/ for the year ended March 31, 2020	As at/ for the year ended March 31, 2019
Group’s share of net profit in its associates	0.75	4.32

- v. We did not audit the Consolidated Management Accounts of an overseas wholly-owned subsidiary – “Fabindia International Pte. Ltd” (“Consolidated Fabindia International Accounts”) of the Holding Company (comprising its step-down subsidiary – “Indigo Origins Pte. Ltd”. Singapore and two associates – “Weaver India General Trading LLC” and “Fabindia S.r.l.”, Italy) whose share on a consolidated basis of total assets, total revenues, net cash inflows and Group’s share of net profit in associate included in the Restated Consolidated Financial Statements of the Company as at and for the years ended March 31, 2020 and March 31, 2019 for the relevant years is tabulated below:

<i>(in ₹ Million)</i>		
<b>Particulars</b>	<b>As at/ for the year ended March 31, 2020</b>	<b>As at/ for the year ended March 31, 2019</b>
Total assets	98.89	50.80
Total revenues (including other income)	114.25	83.17
Net cash inflows	47.66	0.34
Group’s share of net profit/ loss in its associate	3.89	(-)0.48

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

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

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

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

- vi. The auditor of the subsidiaries namely “Organic India Private Limited” along with its subsidiaries and associates (collectively referred as “Organic India Private Limited Group”), “Fabcafe Foods Private Limited” and “Biome Life Sciences Private Limited” (together referred as “Certain Subsidiaries”) for the six months period ended September 30, 2021 and for the year ended March 31, 2021 had examined the restatements for the Certain Subsidiaries and had confirmed that:
- a. The restatements have been made after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in case of Certain Subsidiaries included in the Restated Consolidated Financial Statements for the period ended September 30, 2021 and year ended March 31, 2021, to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed in the Audited Special Purpose Interim Consolidated

Financial Statements of the Group and its associates as at and for the six months period ended September 30, 2021.

- b. There are no qualifications in the auditors' reports of Certain Subsidiaries as at and for the period ended September 30, 2021 and for the year ended March 31, 2021 which require any adjustments to the Restated Consolidated Financial Statements and
  - c. Restated Consolidated Financial Statements have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
6. Based on the above and according to the information and explanations given to us and also as per reliance placed on the examination report submitted by one of the Joint Auditor – A Puri & Associates for the period and Certain Subsidiaries as stated above, we report that:
  - a. Restated Consolidated Financial Statements have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years March 31, 2021 and March 31, 2020 and March 31, 2019, to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed in the Audited Special Purpose Interim Consolidated Financial Statements of the Group and its associates as at and for the six months period ended September 30, 2021.
  - b. There are no qualifications in the auditors' reports on the Audited Consolidated Financial Statements of the Group and its associates as at and for the period ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which require any adjustments to the Restated Consolidated Financial Statements. There is an Emphasis of Matter (refer paragraph 5(c), which do not require any adjustment to the Restated Consolidated Financial Statements; and
  - c. Restated Consolidated Financial Statements have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
7. We have not audited any financial statements of the Group and its associates as at any date or for any period subsequent to September 30, 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group and its associates as at any date or for any period subsequent to September 30, 2021.
8. The Restated Consolidated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us or by one of the Joint Auditor - A Puri & Associates or other auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
11. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with the SEBI, BSE and NSE, as applicable in connection with the proposed issue. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. 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.

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

**Jyoti Subarwal**  
Partner  
Membership No.: 080654  
UDIN: 22080654AAAAAU2154  
Place: New Delhi  
Date: January 20, 2022

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

**Amit Mitra**  
Partner  
Membership No.: 094518  
UDIN: 22094518AAAAAH3368  
Place: Gurugram  
Date: January 20, 2022

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

Particulars	Notes	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	3A	3,430.34	3,569.81	3,938.04	3,519.15
Capital work-in-progress	3A	283.04	302.22	296.43	451.19
Right-of-use assets	3B	5,437.05	4,975.72	5,837.47	4,982.00
Goodwill on consolidation	3C	601.63	594.97	605.47	567.90
Intangible assets	3C	4,490.12	4,577.39	4,784.69	4,965.68
Intangible assets under development	3C	51.97	10.10	8.79	10.76
Financial assets					
Investments	4	219.48	254.15	280.35	154.21
Loans	5	87.26	81.64	1.00	-
Other financial assets	6	554.42	533.39	561.45	581.92
Income tax assets (net)	7	350.47	311.30	301.47	79.93
Other non-current assets	8	237.80	154.68	18.07	62.26
<b>TOTAL NON-CURRENT ASSETS</b>		<b>15,743.58</b>	<b>15,365.37</b>	<b>16,633.23</b>	<b>15,375.00</b>
<b>CURRENT ASSETS</b>					
Inventories	9	4,319.56	3,224.37	4,299.97	3,992.44
Financial assets					
Trade receivables	10	880.68	728.32	1,031.76	960.93
Cash and cash equivalents	11	1,072.44	572.64	1,987.49	387.63
Bank balances other than cash and cash equivalents	12	101.89	132.52	36.08	51.52
Loans	13	33.14	26.61	-	-
Other financial assets	14	154.16	181.36	77.52	30.56
Other current assets	15	940.32	798.83	574.95	510.43
<b>TOTAL CURRENT ASSETS</b>		<b>7,502.19</b>	<b>5,664.65</b>	<b>8,007.77</b>	<b>5,933.51</b>
Assets classified as held for sale and discontinued operations (refer note no. 50)		-	-	19.42	-
<b>TOTAL ASSETS</b>		<b>23,245.77</b>	<b>21,030.02</b>	<b>24,660.42</b>	<b>21,308.51</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity share capital	16	147.78	147.36	144.66	23.90
Other equity	17	5,055.40	7,424.90	8,358.22	8,601.90
Non-controlling interest	17	2,174.28	2,959.31	2,897.99	2,981.92
<b>TOTAL EQUITY</b>		<b>7,377.46</b>	<b>10,531.57</b>	<b>11,400.87</b>	<b>11,607.72</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Financial liabilities					
Borrowings	18	1,041.45	1,397.83	580.31	689.83
Lease Liabilities	19	4,701.17	4,295.34	4,816.31	4,019.76
Other financial liabilities	20	53.12	51.55	39.10	22.65
Provisions	21	208.09	244.02	175.99	62.86
Deferred tax liabilities (net)	22	54.82	298.26	685.03	835.08
Other non-current liabilities	23	1.23	1.78	2.26	4.38
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,059.88</b>	<b>6,288.78</b>	<b>6,299.00</b>	<b>5,634.56</b>
<b>CURRENT LIABILITIES</b>					
Financial liabilities					
Borrowings	24	6,033.82	1,494.28	3,751.41	1,376.63
Lease Liabilities	25	1,023.38	889.44	1,015.73	869.49
Trade payables	26				
total outstanding dues of micro enterprises and small enterprises		614.11	320.92	99.26	77.48
total outstanding dues of creditors other than micro enterprises and small enterprises		1,305.69	772.47	1,326.70	977.35
Other financial liabilities	27	292.31	322.60	393.43	450.06
Other current liabilities	28	369.12	340.62	289.01	268.69
Provisions	29	170.00	69.34	70.06	46.53
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,808.43</b>	<b>4,209.67</b>	<b>6,945.60</b>	<b>4,066.23</b>
Liabilities directly associated with discontinued operations (refer note no. 50)		-	-	14.95	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,245.77</b>	<b>21,030.02</b>	<b>24,660.42</b>	<b>21,308.51</b>
Summary of significant accounting policies	2				
The accompanying notes are an integral part of the Restated Consolidated Financial Statement	1-55				

As per our report of even date.

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

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

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

Jyoti Subarwal  
Partner  
Membership number: 080654

Amit Mitra  
Partner  
Membership number: 094518

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

Viney Singh  
Managing Director  
DIN: 00932145

Place: New Delhi  
Date: January 20, 2022

Place: Gurugram  
Date: January 20, 2022

Place: New Delhi  
Date: January 20, 2022

Place: Bangalore  
Date: January 20, 2022

Gopal Mishra  
Chief Financial Officer and Chief Operating Officer

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

Place: Noida  
Date: January 20, 2022

Place: New Delhi  
Date: January 20, 2022

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

Particulars	Notes	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CONTINUING OPERATIONS</b>					
<b>INCOME</b>					
Revenue from operations	30	5,560.40	10,596.43	15,080.47	14,743.07
Other income	31	100.28	277.70	163.73	71.87
<b>TOTAL INCOME</b>		<b>5,660.68</b>	<b>10,874.13</b>	<b>15,244.20</b>	<b>14,814.94</b>
<b>EXPENSES</b>					
Cost of materials consumed	32	1,550.15	1,821.72	3,159.89	2,917.45
Cost of contract manufactured goods	33	1,586.91	1,352.63	2,987.15	2,935.49
Decrease/ (increase) in inventories of finished goods and stock-in-trade	34	(1,148.62)	628.34	(453.34)	(402.25)
Employee benefits expense	35	1,129.34	1,963.15	2,330.87	2,119.74
Finance costs	36	396.32	733.08	629.55	467.14
Depreciation and amortization expense	3A, 3B, 3C	975.88	2,022.09	1,864.10	1,580.64
Impairment losses	3A	3.60	18.82	-	-
Other expenses	37	1,892.60	3,807.25	4,332.48	3,671.52
<b>TOTAL EXPENSES</b>		<b>6,386.18</b>	<b>12,347.08</b>	<b>14,850.70</b>	<b>13,289.73</b>
(Loss)/ profit from continuing operations before share of accumulated (loss)/ profit in associate companies, exceptional items and tax		(725.50)	(1,472.95)	393.50	1,525.21
Share of accumulated profit in associate companies		4.58	1.95	0.41	3.08
(Loss)/ profit from continuing operations before exceptional items and tax		(720.92)	(1,471.00)	393.91	1,528.29
<b>TAX EXPENSE:</b>					
Current tax	38	(26.30)	(44.91)	(321.09)	(775.85)
Earlier years tax	38	-	(36.26)	0.92	(3.02)
Deferred tax	22	229.97	395.83	267.73	123.29
(Loss)/ profit for the period/year from continuing operations (I)		(517.25)	(1,156.34)	341.47	872.71
<b>DISCONTINUED OPERATIONS</b>					
(Loss) before tax from discontinued operations	50	-	-	(19.77)	(45.37)
(Loss)/ profit on disposal of subsidiary		-	(15.03)	0.92	-
Tax expense of discontinued operations		-	-	(15.71)	16.30
(Loss) after tax from discontinued operations (II)		-	(15.03)	(34.56)	(29.07)
(Loss)/ profit for the period/year ( III= I+II)		(517.25)	(1,171.37)	306.91	843.64
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>A. Items that will not be re-classified to statement of profit and loss</b>					
Actuarial (loss)/ gain on defined benefit obligation		(62.74)	2.48	10.86	2.28
Income tax relating to items that will not be re-classified to statement of profit and loss		13.97	(0.64)	(2.70)	(0.78)
Share of other comprehensive income/ (loss) in associates		(0.22)	0.04	(0.02)	0.03
<b>B. Items that will be re-classified to statement of profit and loss</b>					
Foreign currency translation differences		0.29	37.03	7.85	(20.77)
Income tax relating to items that will be re-classified to statement of profit and loss		(0.50)	(8.42)	(9.64)	-
Share of other comprehensive (loss) in associates		(2.26)	(0.75)	(1.77)	(1.05)
Other comprehensive (loss)/income for the period/year		(51.46)	29.74	4.58	(20.29)
<b>Total comprehensive (loss)/ income for the period/year</b>		<b>(568.71)</b>	<b>(1,141.63)</b>	<b>311.49</b>	<b>823.35</b>
<b>(Loss)/ profit for the period/year attributable to</b>					
Owners of the Company		(456.46)	(1,078.95)	417.07	833.29
Non-controlling interests		(60.79)	(92.41)	(110.16)	10.32
<b>Other comprehensive income/ (loss) (net) for the period/year attributable to</b>					
Owners of the Company		(50.92)	15.16	(0.37)	(17.06)
Non-controlling interests		(0.54)	14.59	4.94	(3.23)
<b>Total comprehensive (loss)/ income for the period/year attributable to</b>					
Owners of the Company		(507.38)	(1,063.79)	416.70	816.23
Non-controlling interests		(61.33)	(77.82)	(105.22)	7.09
<b>Earnings per equity share - continuing operations (in ₹)</b>					
Basic	45	(3.10)	(7.41)	2.99	5.85
Diluted		(3.10)	(7.41)	2.97	5.82
<b>Earnings per equity share - discontinued operations (in ₹)</b>					
Basic	45	-	(0.04)	(0.10)	(0.09)
Diluted		-	(0.04)	(0.10)	(0.09)
<b>Earnings per equity share - continuing and discontinued operations (in ₹)</b>					
Basic	45	(3.10)	(7.45)	2.88	5.77
Diluted		(3.10)	(7.45)	2.87	5.74
Summary of significant accounting policies	2				
The accompanying notes are an integral part of the Restated Consolidated Financial Statement	1-55				

As per our report of even date

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

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

**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

**Jyoti Subarwal**  
Partner  
Membership number: 080654

**Amit Mitra**  
Partner  
Membership number: 094518

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

**Viney Singh**  
Managing Director  
DIN: 00932145

Place: New Delhi  
Date: January 20, 2022

Place: Gurugram  
Date: January 20, 2022

Place: New Delhi  
Date: January 20, 2022

Place: Bangalore  
Date: January 20, 2022

**Gopal Mishra**  
Chief Financial Officer and Chief Operating Officer

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

Place: Noida  
Date: January 20, 2022

Place: New Delhi  
Date: January 20, 2022

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

Particulars	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net (loss)/ profit before tax and after exceptional items from continuing operations	(720.92)	(1,471.00)	393.91	1,528.28
Net (loss) before tax and after exceptional items from discontinued operations	-	(15.03)	(18.85)	(45.37)
Adjustments to reconcile (loss)/ profit before tax to net cash flows:				
Depreciation and amortization expense	975.88	2,022.09	1,864.10	1,580.64
Interest expense	166.18	289.93	196.50	107.60
Interest expense on lease liabilities	223.30	441.01	433.48	359.50
Interest income	(53.32)	(87.46)	(66.91)	(46.14)
Rental income	(0.67)	(2.34)	(2.41)	(0.10)
Rent Expense	-	-	-	32.52
Employee stock options compensation expense (refer note no. 48(b))	11.64	-	-	-
Employee share purchase scheme expense (refer note no. 48(a))	42.57	58.45	60.31	67.83
Loss on property, plant and equipment and intangible assets sold/ discarded (net)	28.54	58.45	93.57	56.55
Obsolete stock written off	1.85	51.08	13.05	5.99
(Gain)/Loss on right-of-use assets (net)	(27.30)	(47.40)	24.86	2.03
(Gain)/Loss on sale of investment (net)	-	(0.10)	-	0.19
Loss on sale of government scrips	0.11	-	0.25	0.20
Loss on disposal of subsidiary	-	15.03	-	-
Loss on fair value of investment in OCPs and OCCDs	-	43.54	3.84	-
(Gain) arising on investments measured at FVTPL	-	(6.62)	(74.87)	(12.05)
Loss/(Gain) arising on derivatives measured at FVTPL	27.36	(25.88)	36.98	-
Share of accumulated (loss) in associate company	(4.58)	(1.95)	(0.41)	(3.08)
Bad debts/ advances written off	3.24	45.53	17.03	11.17
Allowance for credit losses/ doubtful advances/ (written back)	2.06	10.10	13.34	3.78
Provision for impairment of Investments	2.77	43.88	-	-
Provision for impairment loss on property, plant and equipment	3.59	18.82	-	-
Provision for expiry	-	17.37	15.53	-
Provision/ liability no longer required/ (written back)	(199.38)	(628.69)	(74.74)	(65.14)
Provision for asset retirement obligation/ (written back)	(5.07)	(4.53)	(7.91)	(4.03)
Provision for sales returns/ (written back)	(1.78)	(0.73)	0.72	0.12
Provision for rent equalisation	(0.01)	-	-	-
Provision for non-moving inventory/ (written back)	93.94	289.80	(5.19)	21.04
Corporate dividend distribution tax written back	-	-	(4.26)	-
Provision for gratuity and leave encashment	(34.88)	31.33	7.03	7.80
Depreciation credited (refer note no. 31)	-	(67.00)	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>535.12</b>	<b>1,077.68</b>	<b>2,918.95</b>	<b>3,609.33</b>
Adjustments for changes in working capital:				
Decrease/ (increase) in trade receivables	(154.82)	271.14	(112.61)	(270.80)
Decrease/ (increase) in inventories	(1,190.98)	734.73	(315.39)	(764.57)
Decrease/ (increase) in loans and other assets	(150.66)	(563.51)	(176.36)	(144.45)
(Decrease)/ increase in trade payables	826.41	(330.00)	734.25	70.05
(Decrease)/ increase in other liabilities	63.16	153.00	(168.86)	313.97
(Decrease)/ increase due to foreign exchange translation	(37.58)	(0.75)	(33.58)	(18.33)
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>(109.35)</b>	<b>1,342.29</b>	<b>2,846.40</b>	<b>2,795.20</b>
Income tax paid (net of refund received)	(65.47)	(90.81)	(544.71)	(842.07)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(174.82)</b>	<b>1,251.48</b>	<b>2,301.69</b>	<b>1,953.13</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment and intangible assets	(307.49)	(255.26)	(876.96)	(990.66)
Proceeds from sale of property, plant and equipment and intangible assets	6.58	23.35	3.42	9.34
Government grant received	-	-	23.00	-
Proceeds from sale of non-current investments	-	0.36	1.60	92.06
Purchase of non-current investments	(2,637.93)	-	(45.00)	(138.43)
(Investment in)/Proceeds from bank deposits (with original maturity over 12 months)	0.50	(0.31)	72.42	(31.95)
(Investment in)/Proceeds from bank deposits (with original maturity over 3 months)	20.11	(95.54)	21.51	76.94
Principal receipts of lease rentals	(0.02)	(0.29)	1.87	(1.76)
Interest received on lease rentals	2.02	3.47	2.17	0.14
Interest received	22.88	32.45	17.34	34.59
Dividend received	-	-	-	-
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(2,893.35)</b>	<b>(291.77)</b>	<b>(778.63)</b>	<b>(949.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from short-term borrowings	4,408.94	4,983.92	2,346.83	395.84
Proceeds from long-term borrowings	-	1,456.92	102.68	-
Proceeds from equity component of compound financial instrument	-	-	-	-
Repayment of short-term borrowings	-	(7,395.96)	-	(107.73)
Repayment of long-term borrowings	(233.97)	(291.37)	(157.48)	52.00
Proceeds from issue of shares (including share premium)	31.53	245.17	127.49	81.40
Proceed from non-controlling interest	-	-	3.70	(190.98)
Principal payment of lease liabilities	(278.50)	(431.02)	(820.46)	(751.44)
Interest paid on lease liabilities	(223.30)	(441.01)	(433.48)	(359.50)
Interest paid	(142.33)	(276.89)	(188.56)	(100.86)
Final dividend paid	-	(27.75)	(398.54)	(282.56)
Dividend distribution tax paid On final dividend	-	-	(90.65)	(65.20)
Interim dividend paid	-	-	(325.49)	-
Dividend distribution tax paid on interim dividend	-	-	(66.92)	-
<b>NET CASH FROM/ (USED IN) FINANCING ACTIVITIES</b>	<b>3,562.37</b>	<b>(2,177.99)</b>	<b>99.12</b>	<b>(1,329.03)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>494.19</b>	<b>(1,218.28)</b>	<b>1,622.18</b>	<b>(325.62)</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD/YEAR</b>	<b>495.08</b>	<b>1,713.36</b>	<b>91.18</b>	<b>378.99</b>
<b>CASH &amp; CASH EQUIVALENTS - ACQUIRED ON ACCOUNT OF ACQUISITIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.81</b>
<b>CASH AND CASH EQUIVALENT AT PERIOD/YEAR END</b>	<b>989.27</b>	<b>495.08</b>	<b>1,713.36</b>	<b>91.18</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>494.19</b>	<b>(1,218.28)</b>	<b>1,622.18</b>	<b>(325.62)</b>

**NOTES:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in the Ind AS - 7 "Statements of Cash Flows".
- Figures in bracket indicate cash outflow.
- Previous year figures have been regrouped and recast wherever necessary to conform to current period's/year's classification.
- Cash and cash equivalents at the end of the period/year consist of cash on hand and balance with banks as follows:



	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash on hand	20.33	16.98	8.42	100.58
Cheque in hand	0.06	0.06	0.05	-
Balance with banks				
- in current accounts	468.14	310.68	509.55	210.64
- in deposit with original maturities upto three months	583.91	244.92	1,469.70	76.41
				-
Bank overdrafts used for cash management purpose	(83.17)	(77.56)	(274.36)	(296.45)
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>989.27</b>	<b>495.08</b>	<b>1,713.36</b>	<b>91.18</b>

Summary of significant accounting policies 2  
The accompanying notes are an integral part of the Restated Consolidated Financial Statement 1-55

As per our report of even date

**For A Puri & Associates**  
Chartered Accountants

**For MSKA & Associates**  
Chartered Accountants

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

Firm Registration Number: 009203N

Firm Registration Number: 105047W

CIN: U74899DL1976PLC008436

**Jyoti Subarwal**  
Partner  
Membership number: 080654

**Amit Mitra**  
Partner  
Membership number: 094518

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

**Viney Singh**  
Managing Director  
DIN: 00932145

Place: New Delhi  
Date: January 20, 2022

Place: Gurugram  
Date: January 20, 2022

Place: New Delhi  
Date: January 20, 2022

Place: Bangalore  
Date: January 20, 2022

**Gopal Mishra**  
Chief Financial Officer and Chief Operating Officer

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

Place: Noida  
Date: January 20, 2022

Place: New Delhi  
Date: January 20, 2022

**Part A: Particulars of Restated Consolidated Summary Statements for prior years**

**Reconciliation between audited equity and restated equity**

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Equity (as per audited financial statements)	7,229.68	10,384.21	11,256.21	11,583.82	10,762.42
<b>Adjustments</b>					
<b>Change in accounting policies</b>					
(i) Ind AS 116 transition adjustment (Refer Note 1)	-	-	-	169.00	-
<b>Other Equity as per restated consolidated summary statement of assets and liabilities</b>	<b>7,229.68</b>	<b>10,384.21</b>	<b>11,256.21</b>	<b>11,752.82</b>	<b>10,762.42</b>

**Reconciliation between audited (loss)/profit and restated (loss)/profit**

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(Loss)/Profit after tax (as per audited financial statements)	(517.25)	(1,171.37)	306.91	1,012.64	834.14
<b>Restatement adjustments</b>					
Impact of Ind AS 116 transition adjustment					
(Increase)/decrease in total expenses					
Depreciation of Right-of-use assets	-	-	-	(1,009.86)	-
Interest on lease liabilities	-	-	-	(359.50)	-
Interest Income on lease receivables	-	-	-	0.14	-
Other Income - Sublease	-	-	-	1.61	-
Loss on sale of Right to Use	-	-	-	(2.03)	-
Other expenses - Lease cost	-	-	-	1,112.02	-
Foreign Exchange Difference	-	-	-	(0.16)	-
	-	-	-	(257.78)	-
Tax impact of above adjustments	-	-	-	88.78	-
Total impact on adjustments	-	-	-	(169.00)	-
<b>Restated (loss)/profit after tax for the period / year</b>	<b>(517.25)</b>	<b>(1,171.37)</b>	<b>306.91</b>	<b>843.64</b>	<b>834.14</b>

**1. Notes to adjustments**

Ind AS 116 - Leases effective from April 1, 2019, prescribes accounting of the lease contracts/arrangements. The Group had applied Ind AS 116 for preparing the Ind AS audited financial statements for the period beginning from April 1, 2019. For the purpose of preparing Restated Consolidated Financial statements, Ind AS 116 has been applied using the modified retrospective approach with effect from April 1, 2018 as prescribed by SEBI (ICDR), 2018.

Effective April 1, 2018, the Group had recognised lease liability measured at an amount equal to present value of remaining lease payments and corresponding Right of Use asset at an amount equivalent to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before April 1, 2018. ROU assets are being amortized over the period of the lease. Interest on lease liabilities are recognised as charge following incremental rate of borrowing method and lease liabilities (including interest) are adjusted either on settlement through periodic payouts or on reversal for rent concessions negotiated with lessors.

**Part B: Non adjusting events**

**a) Audit qualifications for the respective years, which do not require any adjustments in the restated financial information are as follows:**

There are no audit qualification in auditors' reports on the financial statements for financial years for six months period ended September 30, 2021 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.

**b) Emphasis of matters not requiring adjustments to restated consolidated summary financial statements:**

**1) Emphasis of matter for the period ended September 30, 2021**

"We draw attention to note no. 55(g) to the Restated Consolidated Financial Statements which states that Management of the Holding Company has further made a provision of ₹ 90.73 million and ₹ 0.86 million towards 'slow and non-moving stock' and 'allowance for credit losses respectively on account of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the period ended September 30, 2021.

Our opinion is not modified in respect of this matter."

**2) Emphasis of matter for the year ended March 31, 2021**

"We draw attention to note no. 51(g) to the Consolidated Financial Statements which states that Management of the Holding Company has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2021 and accordingly made a provision of ₹ 308.80 million and ₹ 1.80 million towards 'slow and non-moving stock' and 'allowance for credit losses respectively.

Our opinion is not modified in respect of this matter."

**c) Other matters reported in the Annexure to the Auditors' Reports issued under Companies (Auditor's Report) Order, 2016, on the financial statements of the Holding Company and its subsidiaries for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 which do not require any adjustment to the restated consolidated summary financial statements are as follows:**

**Holding Company**

**For the year ended March 31, 2021**

Clause (vii) of CARO 2016 Order

"(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and services tax, duty of customs, cess and other statutory dues applicable to it."

"(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, as at the year end, for a period more than six months from the date they became payable."

"(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:"

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	1.05	Assessment Year 2010-11	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	1.23	Assessment Year 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	0.22	Assessment Year 2018-19	Assistant Commissioner of Income Tax - New Delhi
Central Excise Act, 1944 (Central Excise Duty)	Excise Duty	0.61	Financial Year 2016-17	Assistant Commissioner - Central Excise & Service Tax - Jaipur
Central Excise Act, 1944/Finance Act, 1994 (Service Tax)	Excise Duty	0.70	Financial Year 2014-15 to 2017-18	Assistant Commissioner - Central Excise & Service Tax - Jaipur
West Bengal Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.18	Financial Year 2013-14	Commercial Tax Officer, West Bengal
West Bengal Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.43	Financial Year 2016-17	Commercial Tax Officer, West Bengal

**For the year ended March 31, 2020**

Clause (vii) of CARO 2016 Order

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

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

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

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	3.12	Assessment Year 2007-08	Income Tax Officer / Transfer Pricing Officer (TPO)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	6.93	Assessment Year 2008-09	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	1.09	Assessment Year 2010-11	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	4.43	Assessment Year 2013-14	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	0.62	Assessment Year 2014-15	Commissioner of Income Tax (Appeal)
Central Excise Act, 1944 (Central Excise Duty)	Excise Duty	0.70	Financial Year 2016-17	Assistant Commissioner - Central Excise & Service Tax - Jaipur
Central Excise Act, 1944 / Finance Act, 1994 (Service Tax)	Excise Duty	0.70	Financial Year 2014-15 to 2017-18	Assistant Commissioner - Central Excise & Service Tax - Jaipur
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.30	Financial Year 2013-14	Assistant Commissioner (Assessment) of Commercial Taxes - Special Circle-II, Ernakulum, Kerala / CTO Walayar, Squad No: V Malappuram
West Bengal Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.26	Financial Year 2013-14	Commercial Tax Officer, West Bengal

**For the year ended March 31, 2019**

Clause (vii) of CARO 2016 Order

"(a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, value added tax, central sales tax, service tax, goods and services tax, duty of customs, duty of excise, cess and other statutory dues applicable to it."

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

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

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	3.12	Assessment Year 2007-08	Income Tax Officer / Transfer Pricing Officer (TPO)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	6.93	Assessment Year 2008-09	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	1.09	Assessment Year 2010-11	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	19.74	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	40.92	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Income Tax Demands)	Income Tax	0.62	Assessment Year 2014-15	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961 (Tax Deducted at Source Demands)	Income Tax	0.63	Assessment Year 2010-11	Income Tax Officer - TDS (Mumbai)
Income Tax Act, 1961 (Tax Deducted at Source Demands)	Income Tax	0.32	Assessment Year 2010-11	Income Tax Officer - TDS (Mumbai)
Karnataka Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	1.70	Assessment Year 2012-13	Commercial Tax Officer Bangalore (Department of Commercial Taxes, Government of Karnataka)
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.90	Financial Year 2008-09 to 2010-11	Assistant Commissioner (Assessment) of Commercial Taxes - Special Circle-II, Ernakulum, Kerala
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.43	Financial Year 2011-12	Assistant Commissioner (Assessment) of Commercial Taxes - Special Circle-II, Ernakulum, Kerala
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.69	Financial Year 2012-13	Assistant Commissioner (Assessment) of Commercial Taxes - Special Circle-II, Ernakulum, Kerala
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	1.10	Financial Year 2013-14	Assistant Commissioner (Assessment) of Commercial Taxes - Special Circle-II, Ernakulum, Kerala / CTO Walayar, Squad No: V Malappuram
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	1.30	Financial Year 2014-15	Assistant Commissioner (Assessment) of Commercial Taxes - Special Circle-II, Ernakulum, Kerala
Kerala Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	1.46	Financial Year 2015-16	Assistant Commissioner (Assessment) of Commercial Taxes - Special Circle-II, Ernakulum, Kerala
West Bengal Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.52	Financial Year 2008-09	Hon'ble President, West Bengal Taxes Appellate & Revision Board
West Bengal Value Added Tax Act, 2003 (Value Added Tax Demand)	Value Added Tax	0.18	Financial Year 2013-14	Commercial Tax Officer, West Bengal

**Part C: Material Reclassification**

Appropriate regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Group for the period ended September 30, 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

Restated Consolidated Statement of Changes in Equity

(All amounts in ₹ million, unless otherwise stated)

A. Equity share capital

Particulars	Note	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting period/year	16	147.36	144.66	23.90	23.87
Changes in equity share capital due to prior reporting errors		-	-	-	-
Restated balance at the beginning of the reporting period/year		147.36	144.66	23.90	23.87
Changes in equity share capital during the period/year		0.42	2.70	120.76	0.03
Balance at the end of the reporting period/year		147.78	147.36	144.66	23.90

B. Other equity

Particulars	Reserves and surplus								Other comprehensive income		Attributable to the owners of the parent	Non-controlling interest	Total
	Capital reserve	General reserve	Securities premium	Treasury Shares	Export profits reserve	Capital redemption reserve	Stock option outstanding account	Retained earnings	Remeasurements of the net defined benefit plans (net of tax)	Foreign currency translation reserve			
Balance as at April 01, 2018	136.00	3,061.44	1,735.89	-	6.72	1.74	45.99	3,023.50	(7.56)	57.23	8,060.95	2,701.62	10,762.57
Profit for the Year	-	-	-	-	-	-	-	843.63	1.53	(21.82)	823.34	-	823.34
Profit transferred to non-controlling interest	-	-	-	-	-	-	-	(10.32)	(0.10)	3.18	(7.24)	7.09	(0.15)
Premium recognized on Shares issued under Employee Stock Option Plan	-	-	23.62	-	-	-	(23.62)	-	-	-	-	-	-
Employee Stock Options Compensation (Refer Note No. 48)	-	-	-	-	-	-	68.58	-	-	-	68.58	-	68.58
Transfer to General Reserve on cancellation of options issues under Employees Stock Option Plan	-	22.87	-	-	-	-	(22.87)	-	-	-	-	-	-
Transfer from Retained Earnings to General Reserve	-	47.86	-	-	-	-	-	(47.86)	-	-	-	-	-
Addition/(Deletion) During the year	3.25	-	-	-	-	-	-	-	-	-	3.25	273.14	276.39
Final Dividend paid for FY 2017-18 (including Dividend Distribution Tax)	-	-	-	-	-	-	-	(347.86)	-	-	(347.86)	-	(347.86)
Balance as at March 31, 2019	139.25	3,132.17	1,759.51	-	6.72	1.74	68.08	3,461.09	(6.13)	38.59	8,601.90	2,981.92	11,583.82
Proforma Ind AS Adjustments:													
Adjustment on account of restated profits	-	-	-	-	-	-	-	(5.38)	-	-	(5.38)	5.38	-
Adjustment on account of restatement of Ind AS 116	-	-	-	-	-	-	-	169.00	-	-	169.00	-	169.00
Balance as at April 01, 2019	139.25	3,132.17	1,759.51	-	6.72	1.74	68.08	3,624.71	(6.13)	38.59	8,765.52	2,987.30	11,752.82
Profit for the year	-	-	-	-	-	-	-	306.91	(0.12)	(12.62)	294.17	-	294.17
Profit transferred to non-controlling interest	-	-	-	-	-	-	-	110.16	(0.66)	(4.24)	105.26	(105.26)	-
Premium received on shares issued under private placement/ preferential allotment	-	-	127.28	-	-	-	-	-	-	-	127.28	-	127.28
Premium recognized on shares issued under employee stock option plan (refer note no. 48(b))	-	-	55.77	-	-	-	(55.77)	-	-	-	-	-	-
Employee stock options compensation (refer note no. 48(b))	-	-	-	-	-	-	60.31	-	-	-	60.31	-	60.31
Share of non-controlling interest on disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	0.29	0.29
Transfer to general reserve for stock options lapsed under employee stock option plan	-	12.77	-	-	-	-	(12.94)	-	-	-	(0.17)	-	(0.17)
Transfer from retained earnings to general reserve	-	44.88	-	-	-	-	-	(44.88)	-	-	-	-	-
Addition/(deletion) during the year	0.69	-	(6.02)	-	-	-	-	-	-	-	(5.33)	6.93	1.60
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	8.22	-	8.22	0.04	8.26
Final dividend paid for financial year 2018-19 (including dividend distribution tax)	-	-	-	-	-	-	-	(493.13)	-	-	(493.13)	-	(493.13)
Other comprehensive income*	-	-	-	-	-	-	-	-	-	9.06	9.06	8.88	17.94
Interim dividend paid during the year (including dividend distribution tax)	-	-	-	-	-	-	-	(392.41)	-	-	(392.41)	-	(392.41)
Bonus issue of equity shares (refer note no. 16 (c))	-	(118.82)	-	-	-	(1.74)	-	-	-	-	(120.56)	-	(120.56)
Balance as at March 31, 2020	139.94	3,071.00	1,936.54	-	6.72	-	59.68	3,112.24	1.31	30.79	8,358.22	2,897.99	11,256.21
Add: Adjustment on account of restatement to Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2020	139.94	3,071.00	1,936.54	-	6.72	-	59.68	3,112.24	1.31	30.79	8,358.22	2,897.99	11,256.21
(Loss) for the year	-	-	-	-	-	-	-	(1,171.36)	0.07	0.17	(1,170.92)	-	(1,170.92)
Profit transferred to non-controlling interest	-	-	-	-	-	-	-	92.41	(1.12)	(13.47)	78.02	(77.82)	0.20
Share of non-controlling interest on issue of share capital of subsidiary	-	-	-	-	-	-	-	-	-	-	-	4.72	4.72
Premium recognized on shares issued under employee stock option plan (refer note no. 48(b))	-	-	91.40	-	-	-	(91.59)	-	-	-	0.01	-	0.01
Premium recognized on shares issued under Fabindia Limited (formerly known as "Fabindia Private Limited" and "Fabindia Overseas Private Limited") employee share purchase scheme (ESPS) 2021 (refer note no. 48(a))	-	-	138.62	-	-	-	-	-	-	-	139.02	-	139.02
Employee stock options compensation (refer note no. 48(b))	-	-	-	-	-	-	58.17	-	-	-	58.17	-	58.17
Share of non-controlling interest on disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	10.71	10.71
Transfer to general reserve for stock options lapsed under employee stock option plan	-	-	-	-	-	-	(0.01)	0.01	-	-	-	-	-
Addition/(deletion) during the year	(58.58)	-	(7.56)	-	-	-	-	-	-	-	(66.14)	155.96	89.82
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	1.81	-	1.81	-	1.81
Final dividend paid for financial year 2019-20 (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	-	-	(27.75)	(27.75)
Other comprehensive income*	-	-	-	-	-	-	-	-	-	27.70	27.70	(4.50)	23.20
Balance as at March 31, 2021	81.37	3,071.00	2,159.00	-	6.72	-	26.25	2,033.31	2.06	45.19	7,424.90	2,959.31	10,384.21

Add: Adjustment on account of restatement to Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Restated Balance as at April 01, 2021</b>	<b>81.37</b>	<b>3,071.00</b>	<b>2,159.00</b>	<b>-</b>	<b>6.72</b>	<b>-</b>	<b>26.25</b>	<b>2,033.31</b>	<b>2.06</b>	<b>45.19</b>	<b>7,424.90</b>	<b>2,959.31</b>	<b>10,384.21</b>
(Loss) for the period/year	-	-	31.57	-	-	-	-	(517.25)	(0.21)	(4.09)	(489.98)	-	(489.98)
Profit transferred to non-controlling interest	-	-	-	-	-	-	-	60.79	1.13	(0.59)	61.33	(61.33)	-
Addition on account of issue of equity shares	-	-	-	(0.04)	-	-	-	-	-	-	(0.04)	-	(0.04)
Employee stock options compensation (refer note no. 48(b))	-	-	-	-	-	-	11.64	-	-	-	11.64	-	11.64
Addition/(deletion) during the period/year	(1,905.28)	-	-	-	-	-	-	-	-	-	(1,905.28)	(726.25)	(2,631.53)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(48.79)	-	(48.79)	-	(48.79)
Other comprehensive income*	-	-	-	-	-	-	-	-	-	1.63	1.63	2.55	4.18
<b>Balance as at September 30, 2021</b>	<b>(1,823.91)</b>	<b>3,071.00</b>	<b>2,190.57</b>	<b>(0.04)</b>	<b>6.72</b>	<b>-</b>	<b>37.89</b>	<b>1,576.84</b>	<b>(45.81)</b>	<b>42.14</b>	<b>5,055.40</b>	<b>2,174.28</b>	<b>7,229.68</b>

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

Summary of significant accounting policies

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The accompanying notes are an integral part of the Restated Consolidated Financial Statement

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As per our report of even date

For A Puri & Associates

Chartered Accountants

Firm Registration Number: 009203N

For MSKA & Associates

Chartered Accountants

Firm Registration Number: 105047W

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

Jyoti Subarwal

Partner

Amit Mitra

Partner

William Nanda Bissell

Executive Vice-Chairman and Director

Viney Singh

Managing Director

Gopal Mishra

Chief Financial Officer and Chief Operating Officer

Monika Uppal Arora

Company Secretary and Compliance Officer

Membership number: 080654

Membership number: 094518

DIN: 00012819

DIN: 00932145

Membership number: A17485

Place: New Delhi

Date: January 20, 2022

Place: Gurugram

Date: January 20, 2022

Place: New Delhi

Date: January 20, 2022

Place: Bangalore

Date: January 20, 2022

Place: Noida

Date: January 20, 2022

Place: New Delhi

Date: January 20, 2022

**Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)**

**Notes annexed to and forming part of to the Restated Consolidated Financial Statements**

**1. Group Information**

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

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

The Holding Company is engaged in the business of designing, contract manufacturing, and sale by way of retailing of crafts and fabrics, garments and accessories, home furnishings, furniture, organic food, handicraft/ imitation jewellery, leather items, body care products and other similar products through its stores and e-commerce sites. During the financial year 2019-20, the Holding Company had shifted from trading to solely contract manufacturing of finished goods.

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

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

The Restated Consolidated Financial Statements of the Group for the period ended September 30, 2021 and for each year ended March 31, 2021, March 31, 2020 and March 31, 2019 were approved and authorized for issue in accordance with the resolution of the Holding Company's Board of Directors on January 20, 2022.

The subsidiaries and associates considered in these Restated Consolidated Financial Statements are as below: -

- (a) Organic India Private limited (OIPL), a subsidiary company incorporated in India, is engaged in the business of processing, manufacturing/ contract manufacturing and marketing of certified organic Tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices.
- (b) Organic India USA LLC, a wholly owned subsidiary company of OIPL, domiciled in United States of America which is engaged in the marketing and the trading of the organic products.

**Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)**

**Notes annexed to and forming part of to the Restated Consolidated Financial Statements**

- (c) The Clean Program Corp, a subsidiary company of Organic India USA, LLC, domiciled in United States of America. Organic India USA, LLC owns 50.01% of its voting power and is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.
- (d) Composite Interceptive Med-Science Laboratories Private Limited, a subsidiary company of OIPL, domiciled in India. OIPL owns 80% of its voting power. The subsidiary is engaged in scientific research and development activities. OIPL had entered into an agreement on March 12, 2020 for transfer of its entire holding in the subsidiary and the said sale was executed on April 04, 2020.
- (e) Godwar Farmers Collective Private Limited, subsidiary company of OIPL, domiciled in India. OIPL owns Nil % of its voting power (31st March 2019 - 84.21%). The subsidiary is engaged in the business of procurement and sale of various products. The OIPL had sold its entire shareholding held in the subsidiary on 31st August 2019.
- (f) Nutriwel Health (India) Private Limited, deemed associate of OIPL, domiciled in India. OIPL owns 11% of its voting power. The associate is engaged in the business of general medical consultancy aimed at weight loss, enhancement of health and fitness status, general wellbeing and improving the quality of life of individuals.
- (g) Fabcafe Foods Private Limited, a subsidiary company incorporated in India, is engaged in the business of running café/ restaurants under a single brand name “Fabcafe”.
- (h) Biome Life Sciences India Private Limited, a subsidiary company incorporated in India, is engaged in the business of contract manufacturing, consulting and selling of Drugs and Medicines, Health Supplements, Food, Cosmetics and Toilet Preparations, Ayurveda and Life Sciences products.
- (i) Fabindia International Pte. Limited (FIPL), a wholly owned subsidiary company incorporated and domiciled in the Republic of Singapore, is engaged in the business of investment holding.
- (j) Indigo Origins Pte. Limited, a wholly owned subsidiary of FIPL, incorporated and domiciled in the Republic of Singapore, is engaged in the business of retail trading of garments and related products.
- (k) Fabindia S.r.l, an associate of FIPL, domiciled in the Republic of Italy, is engaged in the business of retail trade of garments.
- (l) Weavers India General Trading LLC, an associate of FIPL, domiciled in Dubai, is engaged in the business of retail trade of garments.
- (m) Orissa Artisans and Weavers Limited, an associate company, incorporated in India, is engaged in the business of sale of readymade garments and made-up articles of textiles and home furnishing items.
- (n) Rangсутra Crafts India Limited, an associate company, incorporated in India, is engaged in the business of sale of readymade garments and made-up articles of textiles and home furnishing items.



## **2. Significant accounting policies**

### **a) Basis of preparation of Restated Consolidated Financial Statements and Statement of Compliance**

These Restated Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and presentation requirements of Division II of Schedule III to the Companies Act, 2013. These Restated Consolidated Financial Statements have been prepared for filing of an offer document for proposed issue of equity shares (the "Equity Shares") by the Holding Company with the Securities and Exchange Board of India ("SEBI") and the Registrar of Companies, New Delhi.

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

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

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

All amounts disclosed in the Restated Consolidated 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 Group have been reflected as "0" in the relevant notes to these Restated Consolidated Financial Statements.

### **b) Significant accounting estimations, judgements, and assumptions**

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

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

#### **(i) Employee benefits:**

Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in note no. 43.

**Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)**

**Notes annexed to and forming part of to the Restated Consolidated Financial Statements**

(ii) Income tax:

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

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

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

(iii) Assets retirement obligation (ARO):

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

(iv) Impairment of financial assets:

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

(v) Depreciation/ amortization, useful lives and residual value of property, plant and equipment/ intangible assets:

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

(vi) Right-of-use assets and lease liability:

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

(vii) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the

liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

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

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

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

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

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

**Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)**

**Notes annexed to and forming part of to the Restated Consolidated Financial Statements**

**d) Principles of consolidation**

The Restated Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) - 110 on “Consolidated Financial Statements” and Indian Accounting Standards (Ind AS) - 28 on “Investments in Associates and Joint Ventures”.

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

Name of the Company	Country of incorporation	Effective % of Holding			
		As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Fabindia International Pte. Ltd. (FIPL)	Singapore	100.00%	100.00%	100.00%	100.00%
Indigo Origins Pte. Limited (subsidiary through FIPL)	Singapore	100.00%	100.00%	100.00%	100.00%
East Limited (subsidiary through FIPL) (Dissolved on 3 <sup>rd</sup> December, 2019)	United Kingdom	-	-	-	100.00%
Organic India Private Limited (OIPL)	India	63.79%	51.39%	53.00%	53.00%
Fabcafe Foods Private Limited	India	68.46%	68.46%	69.14%	70.00%
Biome Life Sciences India Private Limited (w.e.f. August 01, 2020)	India	50.01%	50.01%	-	-
Organic India USA, LLC (subsidiary through OIPL i.e., 63.79%, 51.39%, 53.00%, 53.00% of 100.00% as at September 30, 2021, March 31, 2021, 2020 and 2019 respectively)	United States of America	63.79%	51.39%	53.00%	53.00%
Composite Interceptive Med-Science Laboratories Private Limited	India	Nil	Nil	42.40%	42.40%

**Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)**

**Notes annexed to and forming part of to the Restated Consolidated Financial Statements**

(subsidiary through OIPL i.e., 53.00% of 80.00% as at March 31, 2020 and 2019) *					
The Clean Program Corp. (w.e.f. April 25, 2018) (subsidiary through OIPL i.e., 63.79%, 51.39%, 53.00%, 53.00% of 50.01% of September 30, 2021, March 31, 2021, 2020 and 2019 respectively)	United States of America	31.90%	25.70%	26.51%	26.51%
Godwar Farmers Collective Private Limited (subsidiary Upto 31 <sup>st</sup> August, 2019 through OIPL i.e. 53.00% of 84.21%)	India	-	-	-	44.63%

\*Considered as a Discontinued operation as per Ind AS-105 as the said investment had been held for sale in pursuance of the agreement entered by OIPL on March 12, 2020 for sale of the entire shareholding held in the subsidiary and the said sale was executed on April 04, 2020.

And the following associates: -

Name of the Company	Country of incorporation	Effective % of Holding			
		As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
FABINDIA S.r.l. (associate through FIPL)	Italy	45.00%	45.00%	45.00%	45.00%
Weavers India General Trading, LLC (associate through FIPL)	Dubai (UAE)	49.00%	49.00%	49.00%	49.00%
Rangсутra Crafts India Limited	India	31.77%	31.77%	32.30%	32.30%
Orissa Artisans and Weavers Limited	India	33.55%	33.55%	33.55%	33.55%

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East Lifestyle Limited (associate through FIPL i.e., 100% of 20%)	United Kingdom	20.00%	20.00%	20.00%	20.00%
Nutriwel Health (India) Private Limited (w.e.f. 6th March 2019) (associate through OIPL i.e., 63.79%, 51.39%, 53.00%, 53.00% of 11.00% of September 30, 2021, March 31, 2021, 2020 and 2019 respectively) *	India	7.02%	5.65%	5.83%	5.83%

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

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

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

These Restated Consolidated Financial Statements have been prepared on the following basis:

- The Special Purpose Interim Standalone Financial Statements and Restated Standalone Financial Statements of the Holding Company, Special Purpose Interim Consolidated Financial Statements and Restated Consolidated Financial Statements of Organic India Private Limited, its Indian Subsidiary Company (consolidated with its subsidiaries and associate company), Special Purpose Interim Consolidated Financial Statements and Restated Standalone Financial Statements of Fabcafe Foods Private Limited, its Indian Subsidiary Company, Special Purpose Interim Consolidated Financial Statements and Restated Standalone Financial Statements of Biome Life Sciences India Private Limited, its Indian Subsidiary Company and Special Purpose Interim Consolidated Management Account and Restated Consolidated Management Accounts of Fabindia International Pte. Limited, its wholly-owned Overseas Subsidiary Company (consolidated with its subsidiary company and associate companies) have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra Group balances and intra Group transactions, if any.
- Further, East Limited, United Kingdom, an overseas subsidiary company and East Lifestyle, United Kingdom, an overseas associate company of the wholly owned Overseas Subsidiary Company had gone into administration (winding up process) been fully provided as diminution in the value of investment / impairment loss of assets and has not been considered as associate for consolidation. East Limited, United Kingdom was dissolved on December 03, 2019.

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- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the Restated Consolidated Financial Statements as Goodwill or Capital Reserve or as appropriate as the case may be.
- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.
- Associates are those enterprises over which the Group has significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognized at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.
- When the Group's share of losses exceeds the carrying value of the associate, the carrying value of its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to conform to the Group's accounting policies.

**e) Business combinations**

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

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

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

**f) Property, plant and equipment**

- (i) Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, construction and expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the restated consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.
- (ii) The Group has adopted component accounting, wherever applicable, and identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- (iii) Depreciation is recognized on a straight-line basis except in case of buildings where written down value method is used, over the useful life as specified under Schedule II of the Act, and given below:

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

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

- (iv) The residual value of all depreciable assets, except in case of building, being negligible, is estimated at Nil. The residual value of building is considered at 5% of cost.
- (v) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.
- (vi) Cost of property, plant and equipment not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".
- (vii) Leasehold land includes land acquired under finance lease from Delhi Development Authority on July 07, 1992 for a period of 99 years and land acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for a period of 90 years which have been reclassified as right-of-use assets as per Ind AS 116 "Leases". The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.



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

**g) Intangible assets**

- (i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Ind AS- 38 on "Intangible Assets".
- (ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).
- (iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.
- (iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

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

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

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or

declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

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

**i) Financial instruments**

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

**(i) Financial assets**

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

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

### **Financial assets at amortized cost (debt instruments)**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

### **Financial assets at fair value through profit or loss**

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

### **Derecognition**

A financial asset is primarily derecognized when:

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

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

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

### **Investment in subsidiaries and associates**

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

### **Other investments**

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

#### **Impairment of financial assets**

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

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

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

#### **(ii) Financial liabilities**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

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

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

##### **Financial liabilities at fair value through profit or loss**

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

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

**Financial liabilities at amortized cost (loans and borrowings)**

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

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

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

**Financial guarantee contracts**

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

**(iii) Treasury shares**

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

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

**j) Inventories**

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

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

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

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

In the Restated Consolidated Financial Statements unrealized profit on unsold stock at the period/year-end lying with the subsidiaries and associates have been adjusted.

**k) Foreign currency transactions**

The functional currency of the Holding Company is the Indian Rupee. These Restated Consolidated Financial Statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

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

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

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

**l) Revenue recognition**

Effective April 1, 2018, the Group had adopted Ind AS 115: Revenue from Contracts with Customers using the cumulative catch-up transition method, applied to contracts that were not

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completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities had not been retrospectively adjusted.

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

(i) Sales of goods:

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

(ii) Loyalty points programme:

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

Presently, in the absence of historical trend/ experience of 36 months, the Holding Company on conservative basis provides for 100% in respect of the accumulated loyalty points as on September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. 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/years.

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

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

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

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

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- (viii) Interest income is accounted for by using effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the EIR, the Group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- (ix) Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory and a corresponding adjustment is made in cost of sales. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.
- (x) A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities at the end of each reporting period.

**m) Employee benefits**

- (i) Short-term employee benefits`

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

- (ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Holding Company and its Indian Subsidiary Companies pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

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

Defined benefit plan

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

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

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



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Defined benefit costs are recognized as follows:

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

Compensated leave of absence

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

**n) Share-based payments**

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

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

**ii. 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).

**o) Tax expense**

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

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Current tax

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

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

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

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

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

Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated Consolidated Financial Statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

**p) Earnings per share**

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

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

**q) Provisions and contingent liabilities**

**Provisions**

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

Sales returns provision

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

Assets retirement obligation liability (ARO)

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

Gift voucher provision

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

**Contingent liabilities**

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

**r) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under short-term borrowings in the balance sheet but netted off against cash and cash equivalent in cash flow statement.

**s) Dividend distribution**

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

**t) Government grants**

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

Accordingly, government grants:

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

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

Export benefits arising from duty entitlement passbook (DEPB scheme), scrips and duty drawback scheme are recognized as and when the same are processed and admitted by the concerned authorities and are received during the period/year. Income on sale of import licenses is accounted for at the time of sale due to uncertainties involved. However, all losses on account of such sales affected before the finalization of accounts have been accounted for following the conservative accounting principle.

**u) Leases**

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

**As a lessee**

Effective April 01, 2019, the Group had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the Modified Retrospective Approach under which the Lease liabilities are recognized based on incremental borrowing rate on the initial application date i.e., April 01, 2019 and same amount is recognized for ROU assets. The Group had used a single discount rate to a portfolio of leases with similar characteristics. For the purpose of preparing Restated Consolidated Financial Statement, Ind AS 116 has been applied using the modified restrospective method w.e.f April 01, 2018.

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

The Group has applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or

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not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

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

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

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

**As a lessor**

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

Effective April 01, 2019, the Group has adopted Ind AS 116 “Leases” and applied the standard to all sub-lease contracts existing on April 01, 2019 using the Modified Retrospective Approach under which the Lease receivables are recognized based on incremental borrowing rate on the initial application date i.e., April 01, 2019 and ROU assets created on the original lease are derecognized proportionately on the carpet area basis. The Group has used a single discount rate to a portfolio of leases with similar characteristics. For the purpose of preparing Restated Consolidated Financial Statement, Ind AS 116 has been applied using the modified restrospective method w.e.f April 01, 2018.

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

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

**v) Fair value measurement**

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either -

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

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

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

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

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

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

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

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

**w) Derivative financial instruments**

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

**x) Borrowing costs**

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

**y) Research and development**

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

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

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

**z) Non-current assets held for sale**

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

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

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

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortized.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

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- i) Represents a separate major line of business or geographical area of operations, or
- ii) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, Or
- iii) Is a subsidiary acquired exclusively with a view to resale.

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

**Recent accounting pronouncements**

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



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

Particulars	Freehold land	Leasehold land	Building	Leasehold improvements	Furniture and fixtures	Office equipments	Air conditioner and cooling equipments	Electrical installation and equipments	Vehicles	Computers	Total tangible assets
<b>Gross carrying value</b>											
<b>As at April 01, 2018</b>	268.02	228.51	1,114.11	538.87	859.26	190.57	160.45	599.71	5.24	182.44	4,147.18
Reclassified on account of adoption of Ind AS 116 “Leases”	-	(228.51)	-	-	-	-	-	-	-	-	(228.51)
Add: Acquisition on Business Combination	-	-	-	-	0.06	0.01	-	-	-	0.01	0.08
Add: Additions made during the year	-	-	422.17	164.86	149.72	59.01	33.19	426.36	0.01	33.53	1,288.85
Add: Foreign Currency Translation Reserve	-	-	(16.93)	0.35	0.77	0.70	-	0.43	-	0.60	(14.08)
Less: Disposals / adjustments during the year	-	-	-	38.43	51.07	9.59	11.45	47.65	-	8.15	166.34
<b>As at March 31, 2019</b>	268.02	-	1,519.35	665.65	958.74	240.70	182.19	978.85	5.25	208.43	5,027.18
Add: Adjustment on account of restatement to Ind AS 116	-	228.51	-	-	-	-	-	-	-	-	228.51
<b>Restated Balance as at April 01, 2019</b>	268.02	228.51	1,519.35	665.65	958.74	240.70	182.19	978.85	5.25	208.43	5,255.69
Reclassified on account of adoption of Ind AS 116 “Leases”	-	(228.51)	-	-	-	-	-	-	-	-	(228.51)
Add: Additions made during the year	1.24	-	4.20	362.78	266.62	83.84	57.40	195.23	-	47.73	1,019.04
Add: Foreign currency translation reserve	-	-	0.58	0.30	0.78	0.60	-	0.42	-	0.57	3.25
Less: Re-classification to assets as held for sale	-	-	-	3.87	1.64	0.02	-	2.56	-	0.38	8.47
Less: Disposals / adjustments during the year	-	-	15.93	85.54	85.13	7.71	15.28	34.59	0.36	8.33	252.87
<b>As at March 31, 2020</b>	269.26	-	1,508.20	939.32	1,139.37	317.41	224.31	1,137.35	4.89	248.02	5,788.13
Reclassified on account of adoption of Ind AS 116 “Leases”	-	-	-	-	-	-	-	-	-	-	-
Add: Additions made during the year	0.20	-	3.49	60.63	54.79	22.47	8.76	43.06	-	16.83	210.23
Add: Foreign currency translation reserve	-	-	0.90	(0.05)	(0.04)	(0.13)	-	(0.10)	-	(0.17)	0.41
Less: Disposals / adjustments during the year	(276.63)	-	276.63	75.07	72.36	12.98	16.72	50.93	-	18.21	246.27
<b>As at March 31, 2021</b>	546.09	-	1,235.96	924.83	1,121.76	326.77	216.35	1,129.38	4.89	246.47	5,752.50
Reclassified on account of adoption of Ind AS 116 “Leases”	-	-	-	-	-	-	-	-	-	-	-
Add: Additions made during the period	-	-	1.04	65.30	22.46	8.18	13.44	27.96	-	11.22	149.60
Add: Foreign currency translation reserve	-	-	0.11	-	0.06	0.06	-	0.07	-	0.12	0.42
Less: Disposals / adjustments during the period	-	-	-	33.89	31.63	2.48	5.51	16.48	-	1.00	90.99
<b>As at September 30, 2021</b>	546.09	-	1,237.11	956.24	1,112.65	332.53	224.28	1,140.93	4.89	256.81	5,811.53
<b>Accumulated depreciation</b>											
<b>As at April 01, 2018</b>	-	5.30	247.95	252.50	278.33	101.89	60.45	176.93	4.51	144.95	1,272.81
Reclassified on account of adoption of Ind AS 116 “Leases”	-	(5.30)	-	-	-	-	-	-	-	-	(5.30)
Add: Depreciation charge for the year	-	-	63.28	75.29	87.73	31.91	15.60	61.54	0.27	23.14	358.76
Add: Foreign Currency Translation Reserve	-	-	(17.83)	0.14	0.45	0.29	-	0.21	-	0.44	(16.30)
Less: Disposals / adjustments during the year	-	-	-	27.11	31.31	6.54	7.01	21.75	-	8.22	101.94
<b>As at March 31, 2019</b>	-	-	293.40	300.82	335.20	127.55	69.04	216.93	4.78	160.31	1,508.03
Add: Adjustment on account of restatement to Ind AS 116	-	5.30	-	-	-	-	-	-	-	-	5.30
<b>Restated Balance as at April 01, 2019</b>	-	5.30	293.40	300.82	335.20	127.55	69.04	216.93	4.78	160.31	1,513.33
Reclassified on account of adoption of Ind AS 116 “Leases”	-	(5.30)	-	-	-	-	-	-	-	-	(5.30)
Add: Depreciation charge for the year	-	-	75.60	97.05	100.37	44.16	20.07	112.66	0.23	31.24	481.38
Add: foreign currency translation reserve	-	-	0.55	0.16	0.57	0.39	-	0.19	-	0.39	2.25
Less: Re-classification to assets as held for sale	-	-	-	0.65	0.24	0.01	-	0.38	-	0.18	1.46
Less: Disposals / adjustments during the year	-	-	-	59.18	40.43	7.01	7.28	17.88	0.25	8.08	140.11
<b>As at March 31, 2020</b>	-	-	369.55	338.20	395.47	165.08	81.83	311.52	4.76	183.68	1,850.09
Reclassified on account of adoption of Ind AS 116 “Leases”	-	-	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	-	-	32.42	175.64	109.35	48.70	20.89	118.81	0.07	29.94	535.82
Add: Impairment losses for the year*	-	-	-	15.46	-	-	-	3.36	-	-	18.82
Add: Foreign currency translation reserve	-	-	0.90	(0.02)	0.02	(0.09)	-	(0.04)	-	(0.12)	0.65
Less: Disposals / adjustments during the year**	-	-	67.00	43.67	44.99	11.62	11.86	25.70	-	17.85	222.69
<b>As at March 31, 2021</b>	-	-	335.87	485.61	459.85	202.07	90.86	407.95	4.83	195.65	2,182.69
Reclassified on account of adoption of Ind AS 116 “Leases”	-	-	-	-	-	-	-	-	-	-	-
Add: Acquisition on Business Combination	-	-	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the period	-	-	22.35	68.32	53.32	23.24	10.05	58.46	0.02	14.43	250.19
Add: Impairment losses for the period*	-	-	-	1.55	0.89	0.12	0.51	0.53	-	-	3.60
Add: Foreign currency translation reserve	-	-	0.11	-	0.02	0.05	-	0.04	-	0.08	0.30
Less: Disposals / adjustments during the period**	-	-	-	23.31	17.16	2.30	3.10	8.94	-	0.78	55.59
<b>As at September 30, 2021</b>	-	-	358.33	532.17	496.92	223.18	98.32	458.04	4.85	209.38	2,381.19
<b>Net carrying value</b>											
<b>As at September 30, 2021</b>	546.09	-	878.78	424.07	615.73	109.35	125.96	682.89	0.04	47.43	3,430.34
As at March 31, 2021	546.09	-	900.09	439.22	661.91	124.70	125.49	721.43	0.06	50.82	3,569.81
As at March 31, 2020	269.26	-	1,138.65	601.12	743.90	152.33	142.48	825.83	0.13	64.34	3,938.04
As at March 31, 2019	268.02	-	1,225.95	364.83	623.54	113.15	113.15	761.92	0.47	48.12	3,519.15

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

Notes:

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

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

2. Capital work-in-progress includes:

Particulars	Development of visual merchandising and display prototype in progress				Construction/ development of stores				Building/ factory under construction			
	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
As at the beginning of the period/year	0.70	-	-	-	301.44	291.15	406.80	294.61	-	1.07	0.51	148.08
Add: additions made during the period/year	1.11	0.70	-	-	-	20.03	67.47	138.83	-	-	1.78	242.87
Less: capitalisation/ disposals/ adjustments during the period/year	-	-	-	-	20.29	9.74	183.12	26.64	-	1.07	1.22	390.44
As at the end of the period/year	1.81	0.70	-	-	281.15	301.44	291.15	406.80	-	-	1.07	0.51

Particulars	Plant and machinery under erection and other incidental expenses pending capitalisation				Depreciation not charged to statement of profit and loss				Total			
	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
As at the beginning of the period/year	0.07	4.05	43.87	179.47	0.01	0.16	0.01	1.04	302.22	296.43	451.19	623.20
Add: additions made during the period/year	0.03	1.02	57.14	272.54	-	-	2.36	0.12	1.14	21.75	128.75	654.37
Less: capitalisation/ disposals/ adjustments during the period/year	0.03	5.00	96.96	408.14	-	0.15	2.21	1.16	20.32	15.96	283.51	826.38
As at the end of the period/year	0.07	0.07	4.05	43.87	0.01	0.01	0.16	-	283.04	302.22	296.43	451.19

For Capital-work-in progress, the ageing schedule is as given below: (as per amended schedule III)

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Projects in progress:</b>				
Less than 1 year	1.87	20.92	15.29	167.74
1-2 years	0.01	0.16	-	2.31
2-3 years	0.02	-	-	-
More than 3 years	281.14	281.14	281.14	281.14
<b>Total</b>	<b>283.04</b>	<b>302.22</b>	<b>296.43</b>	<b>451.19</b>

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

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Projects in progress:</b>				
Less than 1 year	281.14	281.14	-	-
1-2 years	-	-	281.14	-
2-3 years	-	-	-	281.14
More than 3 years	-	-	-	-
<b>Total</b>	<b>281.14</b>	<b>281.14</b>	<b>281.14</b>	<b>281.14</b>

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

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

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

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

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

### 3B. Right-of-use Asset

Particulars	Leasehold land	Leasehold vehicles	Leasehold stores	Total rights-of-use assets
<b>Gross carrying value</b>				
<b>As at April 01, 2018</b>	-	-	-	-
Reclassified on account of adoption of Ind AS 116 "Leases"	223.21	-	-	223.21
Recognised pursuant to adoption of Ind AS 116 as at April 01, 2018 (Restated)	-	-	4,461.17	4,461.17
Add: Adjustment/Additions on Consolidation	-	-	1,310.35	1,310.35
<b>As at March 31, 2019</b>	223.21	-	5,771.52	5,994.73
Add: Adjustment on account of transition to Ind AS 116	-	-	(5,771.52)	(5,771.52)
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	-	-
Addition on account of transition to Ind AS 116 - April 01, 2019	-	-	2,849.04	2,849.04
Add: additions made during the year	-	-	3,947.45	3,947.45
Add: foreign currency translation reserve	-	-	6.70	6.70
Less: re-classification to assets as held for sale	-	-	8.76	8.76
Less: disposals/ adjustments during the year	-	-	0.31	0.31
<b>As at March 31, 2020</b>	223.21	-	6,794.12	7,017.33
Add: additions made during the year	1.78	-	925.64	927.42
Add: foreign currency translation reserve	-	-	(0.96)	(0.96)
Less: disposals/ adjustments during the year	-	-	964.91	964.91
<b>As at March 31, 2021</b>	224.99	-	6,753.89	6,978.88
Add: additions made during the period	-	2.65	1,258.37	1,261.02
Add: foreign currency translation reserve	-	-	0.48	0.48
Less: disposals/ adjustments during the period	-	-	556.57	556.57
<b>As at September 30, 2021</b>	224.99	2.65	7,456.17	7,683.81
<b>Accumulated depreciation</b>				
<b>As at April 01, 2018</b>	-	-	-	-
Recognised pursuant to adoption of Ind AS 116	-	-	866.85	866.85
Add: depreciation charge for the year	2.87	-	143.01	145.88
<b>As at March 31, 2019</b>	2.87	-	1,009.86	1,012.73
Add: Adjustment/Additions on Consolidation	-	-	-	-
<b>Ind AS 116 transition adjustment</b>	-	-	(1,009.86)	(1,009.86)
Add: depreciation charge for the year	2.87	-	1,173.59	1,176.46
Add: foreign currency translation reserve	-	-	2.04	2.04
Less: re-classification to assets as held for sale	-	-	1.50	1.50
Less: disposals/ adjustments during the year	-	-	0.01	0.01
<b>As at March 31, 2020</b>	5.74	-	1,174.12	1,179.86
Add: Adjustment/Additions on Consolidation	-	-	-	-
Add: depreciation charge for the year	2.86	-	1,268.18	1,271.04
Add: foreign currency translation reserve	-	-	(0.39)	(0.39)
Less: disposals/ adjustments during the year	-	-	447.35	447.35
<b>As at March 31, 2021</b>	8.60	-	1,994.56	2,003.16
Add: Adjustment/Additions on Consolidation	-	-	-	-
Add: depreciation charge for the period	1.44	0.22	616.36	618.02
Add: foreign currency translation reserve	-	-	0.07	0.07
Less: disposals/ adjustments during the period	-	-	374.49	374.49
<b>As at September 30, 2021</b>	10.04	0.22	2,236.50	2,246.76
<b>Net carrying value</b>				
<b>As at September 30, 2021</b>	214.95	2.43	5,219.67	5,437.05
As at March 31, 2021	216.39	-	4,759.33	4,975.72
As at March 31, 2020	217.47	-	5,620.00	5,837.47
As at March 31, 2019	220.34	-	4,761.66	4,982.00

#### Notes:

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

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

#### 3. Ind AS 116 Leases:

(i) The Group's lease asset primarily consist of leases for land and buildings for retail outlets, offices and warehouses having the different lease terms. Effective April 01, 2019, the Group had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right-of-use assets at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised. This had resulted in recognising right of use assets of ₹ 2,849.04 million and lease liability of ₹ 2,714.98 million as on transition date i.e. April 01, 2019.

For the purpose of preparing Restated Consolidated Financial Statement, Ind AS 116 has been applied using the modified restrospective method w.e.f April 01, 2018. This had resulted in recognising right of use assets of ₹ 4,351.11 million and lease liability of ₹ 4,233.30 million as on transition date i.e. April 01, 2018.

(ii) Similarly, effective April 01, 2019, the Group had adopted Ind AS 116 Leases and applied the standard to its sub leases, which were considered as finance lease, using modified retrospective approach under which the lease receivables were recognized based on incremental borrowing rate on the initial application date i.e. April 01, 2019 and right-of-use assets created on original lease were reversed proportionately on the carpet area basis and the difference between the lease receivable created and right-of-use assets reversed was recognised as loss on sale of right-of-use assets in the statement of profit and loss. This had resulted in derecognition of right-of-use assets and recognition of lease receivables of ₹ 99.74 million as on transition date i.e. April 01, 2019.

For the purpose of preparing Restated Consolidated Financial Statement, Ind AS 116 has been applied using the modified restrospective method w.e.f April 01, 2018. This had resulted in derecognition of right-of-use assets and recognition of lease receivables of ₹ 5.55 million as on transition date i.e. April 01, 2018.

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

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

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

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

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

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

(f) Applied the practical expedient by not considering rent concessions occurring as a direct consequence of the Covid-19 pandemic that meets the conditions in paragraph 46B of Ind AS - 116 as lease modifications. The amount of ₹ 183.23 million (net of rent concessions given for sub lease) (March 31, 2021: ₹ 560.56 million, March 31, 2020: ₹ 3.02 million, March 31, 2019: Nil) has been recognised in the Statement of Profit and Loss to reflect the change in lease payments for the reporting period that arise for the said rent concessions.

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

**3B. Right-of-use Asset**

(iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the period ended September 30, 2021 and year ended March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 "Leases"	4,355.99
Additions during the year	1,252.90
Finance cost accrued during the year	359.50
Deletions	-
Foreign currency translation reserve	0.16
Payment of lease liabilities	(1,079.30)
<b>Balance as at March 31, 2019</b>	<b>4,889.25</b>
<b>Add: Adjustment on account of restatement of Ind AS 116</b>	<b>(4,889.25)</b>
<b>Restated Balance as at April 01, 2019</b>	<b>-</b>
Transition impact on account of adoption of Ind AS 116 "Leases"	2,547.74
Additions during the year	4,104.68
Finance cost accrued during the year	436.29
Deletions	-
Foreign currency translation reserve	4.71
Payment of lease liabilities	(1,253.94)
Less: re-classified on Liabilities held for sale	(7.44)
<b>Balance as at March 31, 2020</b>	<b>5,832.04</b>
<b>Add: Adjustment on account of restatement of Ind AS 116</b>	<b>-</b>
<b>Restated Balance as at April 01, 2020</b>	<b>5,832.04</b>
Additions during the year	883.26
Finance cost accrued during the year	441.01
Deletions	(525.54)
Foreign currency translation reserve	(0.58)
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(573.38)
Payment of lease liabilities	(872.04)
<b>Balance as at March 31, 2021</b>	<b>5,184.77</b>
<b>Add: Adjustment on account of restatement of Ind AS 116</b>	<b>-</b>
<b>Restated Balance as at April 01, 2021</b>	<b>5,184.77</b>
Additions during the period	1,222.99
Finance cost accrued during the period	223.58
Deletions	(219.64)
Foreign currency translation reserve	0.32
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(185.76)
Payment of lease liabilities	(501.73)
<b>Balance as at September 30, 2021</b>	<b>5,724.54</b>

(v) The following is the carrying value of lease receivables on the date of transition and movement thereof during the period ended September 30, 2021 and year ended March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 "Leases"	-
Additions during the year	5.55
Interest income accrued during the year	0.14
(Loss) on right-of-use assets (net)	(2.03)
Receipts of lease rentals	(0.04)
<b>Balance as at March 31, 2019</b>	<b>3.62</b>
<b>Add: Adjustment on account of restatement of Ind AS 116</b>	<b>(3.62)</b>
<b>Restated Balance as at April 01, 2019</b>	<b>-</b>
Transition impact on account of adoption of Ind AS 116 "Leases"	99.74
Additions during the year	(35.52)
Interest income accrued during the year	2.17
Deletions	(24.86)
Receipts of lease rentals	(4.04)
<b>Balance as at March 31, 2020</b>	<b>37.50</b>
<b>Add: Adjustment on account of restatement of Ind AS 116</b>	<b>-</b>
<b>Restated Balance as at April 01, 2020</b>	<b>37.50</b>
Additions during the year	13.52
Interest income accrued during the year	3.47
Gain on right-of-use assets (net)	7.50
Deletions	(3.51)
Reversal of lease receivables on sub-leases (on account of rent concessions due to COVID-19)	(4.97)
Receipts of lease rentals	(3.18)
<b>Balance as at March 31, 2021</b>	<b>50.33</b>
<b>Add: Adjustment on account of restatement of Ind AS 116</b>	<b>-</b>
<b>Restated Balance as at April 01, 2021</b>	<b>50.33</b>
Additions during the period/year	6.39
Interest income accrued during the period/year	2.02
Gain on right-of-use Assets (net)	0.39
Deletions	(2.49)
Reversal of lease receivables on sub-leases (on account of rent concessions due to COVID-19)	(2.54)
Receipts of lease rentals	(1.99)
<b>Balance as at September 30, 2021</b>	<b>52.11</b>

**3B. Right-of-use Asset**

(vi) (a) The adoption of the new standard had also resulted in the following impact on the profit and the cash flows of the Group during the financial year 2019-20:

Particulars	Continuing operations	Discontinued operations	Total
<b>Impact on the profit before tax</b>			
Increase in depreciation	1,172.09	1.50	1,173.59
Increase in finance cost	432.84	0.64	433.48
Decrease in other expenses	(1,230.69)	1.72	(1,228.97)
<b>Net decrease in profit before tax</b>	<b>374.24</b>	<b>3.86</b>	<b>378.10</b>
<b>Impact on cash flows on account of lease payments</b>			
Increase in cash inflows from operating activities	1,248.22	1.68	1,249.90
Increase in cash outflows from financing activities	1,252.26	1.68	1,253.94
Increase in cash inflows from investing activities	4.04	-	4.04
<b>Impact on deferred tax</b>			
Decrease in deferred tax liability	94.19	0.97	95.16
Decrease in deferred tax expense	94.19	0.97	95.16

(b) The adoption of the new standard for the purpose of restated consolidated financial statements w.e.f April 01, 2018 has also resulted in the following impact on the profit and the cash flows of the Group during the financial year 2018-19:

Particulars	Continuing operations	Discontinued operations	Total
<b>Impact on the profit before tax</b>			
Increase in depreciation	1,008.36	1.50	1,009.86
Increase in finance cost	358.86	0.64	359.50
Decrease in other expenses	(1,113.30)	1.72	(1,111.58)
<b>Net decrease in profit before tax</b>	<b>253.92</b>	<b>3.86</b>	<b>257.78</b>
<b>Impact on cash flows on account of lease payments</b>			
Increase in cash inflows from operating activities	1,077.58	1.68	1,079.26
Increase in cash outflows from financing activities	1,077.62	1.68	1,079.30
Increase in cash inflows from investing activities	0.04	-	0.04
<b>Impact on deferred tax</b>			
Decrease in deferred tax liability	87.66	1.12	88.78
Decrease in deferred tax expense	87.66	1.12	88.78

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

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	(₹ In million) For the year ended March 31, 2019
(viii) Rental expense recognised under note no. 37 is as follows:				
Short-term leases	97.27	151.75	342.46	250.46
Leases with variable rent	16.02	31.91	50.81	80.54

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

3C. Intangible assets and intangible assets under development

(₹ In million)									
Particulars	Goodwill on consolidation	Brand value, formulas and other intangible rights/ information	Product formulations	Computer software	Brand name/ trade marks	Total intangible assets (other than goodwill on consolidation)	Development of modules for business operation softwares	Expenses of application for registrations of brand name/ trademarks/ patents	Total intangible assets under development
<b>Gross carrying value</b>									
<b>As at April 01, 2018</b>	323.56	5,250.00	-	319.58	59.23	5,628.81	7.92	11.56	19.48
Add: adjustment/additions on consolidation	-	-	-	5.98	120.83	126.81	-	-	-
Add: additions made during the year	247.19	-	12.11	21.05	1.43	34.59	5.53	4.19	9.72
Add: foreign currency translation reserve	(1.06)	-	-	0.69	(0.42)	0.27	-	-	-
Less: disposals/ adjustments during the year	1.79	-	-	5.14	-	5.14	8.60	9.84	18.44
<b>As at March 31, 2019</b>	567.90	5,250.00	12.11	342.16	181.07	5,785.34	4.85	5.91	10.76
Add: additions made during the year	-	-	-	21.82	0.06	21.88	1.94	1.09	3.03
Add: foreign currency translation reserve	38.71	-	-	1.25	9.47	10.72	(0.05)	-	(0.05)
Less: re-classification to assets as held for sale	-	-	-	0.02	-	0.02	-	-	-
Less: disposals/ adjustments during the year	1.14	-	-	6.63	-	6.63	4.95	-	4.95
<b>As at March 31, 2020</b>	605.47	5,250.00	12.11	358.58	190.60	5,811.29	1.79	7.00	8.79
Add: additions made during the year	0.28	-	-	10.07	0.24	10.31	2.44	0.81	3.25
Add: foreign currency translation reserve	(10.78)	-	-	(0.37)	(2.69)	(3.06)	(0.04)	-	(0.04)
Less: re-classification to assets as held for sale	-	-	-	-	-	-	-	-	-
Less: disposals/ adjustments during the year	-	-	-	1.76	-	1.76	1.01	0.89	1.90
<b>As at March 31, 2021</b>	594.97	5,250.00	12.11	366.52	188.15	5,816.78	3.18	6.92	10.10
Add: additions made during the period	-	-	-	19.24	-	19.24	40.48	1.33	41.81
Add: foreign currency translation reserve	6.66	-	-	0.24	1.63	1.87	0.06	-	0.06
Less: disposals/ adjustments during the period	-	-	-	0.23	-	0.23	-	-	-
<b>As at September 30, 2021</b>	601.63	5,250.00	12.11	385.77	189.78	5,837.66	43.72	8.25	51.97
<b>Accumulated amortization</b>									
<b>As at April 01, 2018</b>	-	306.25	-	250.69	57.21	614.15	-	-	-
Add: amortization charge for the year	-	175.00	-	22.37	11.78	209.15	-	-	-
Add: foreign currency translation reserve	-	-	-	0.59	0.19	0.78	-	-	-
Less: disposals/ adjustments during the year	-	-	-	4.42	-	4.42	-	-	-
<b>As at March 31, 2019</b>	-	481.25	-	269.23	69.18	819.66	-	-	-
Add: amortization charge for the year	-	175.00	-	23.12	12.97	211.09	-	-	-
Add: foreign currency translation reserve	-	-	-	0.59	1.82	2.41	-	-	-
Less: re-classification to assets as held for sale	-	-	-	0.01	-	0.01	-	-	-
Less: disposals/ adjustments during the year	-	-	-	6.55	-	6.55	-	-	-
<b>As at March 31, 2020</b>	-	656.25	-	286.38	83.97	1,026.60	-	-	-
Add: amortization charge for the year	-	175.00	-	26.94	13.29	215.23	-	-	-
Add: foreign currency translation reserve	-	-	-	(0.21)	(0.71)	(0.92)	-	-	-
Less: re-classification to assets as held for sale	-	-	-	-	-	-	-	-	-
Less: disposals/ adjustments during the year	-	-	-	1.52	-	1.52	-	-	-
<b>As at March 31, 2021</b>	-	831.25	-	311.59	96.55	1,239.39	-	-	-
Add: amortization charge for the period	-	87.50	-	13.64	6.53	107.67	-	-	-
Add: foreign currency translation reserve	-	-	-	0.17	0.54	0.71	-	-	-
Less: disposals/ adjustments during the period	-	-	-	0.23	-	0.23	-	-	-
<b>As at September 30, 2021</b>	-	918.75	-	325.17	103.62	1,347.54	-	-	-
<b>Net carrying value</b>									
<b>As at September 30, 2021</b>	601.63	4,331.25	12.11	60.60	86.16	4,490.12	43.72	8.25	51.97
As at March 31, 2021	594.97	4,418.75	12.11	54.93	91.60	4,577.39	3.18	6.92	10.10
As at March 31, 2020	605.47	4,593.75	12.11	72.20	106.63	4,784.69	1.79	7.00	8.79
As at March 31, 2019	567.90	4,768.75	12.11	72.93	111.89	4,965.68	4.85	5.91	10.76

### 3C. Intangible assets and intangible assets under development

#### Notes:

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

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

#### 2. For Intangible assets under development, the ageing schedule is as given below: (as per amended schedule III)

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Projects in progress:</b>				
Less than 1 year	44.28	2.28	2.05	8.27
1-2 years	-	1.09	4.24	1.35
2-3 years	1.01	4.24	1.35	0.50
More than 3 years	6.68	2.49	1.15	0.64
<b>Total</b>	<b>51.97</b>	<b>10.10</b>	<b>8.79</b>	<b>10.76</b>

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

#### 3. Goodwill on consolidation represents:

- on acquisition of 50.01% shares of Biome Life Sciences India Private Limited by Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)
- on acquisition of 100% shares of Organic India USA LLC by Organic India Private Limited
- on acquisition of 50.01% shares of Clean Program Corp. by Organic India USA LLC.
- on acquisition of 84.21% shares of Godwar Farmers Collective Private Limited
- on acquisition of 100% shares of Indigo Origins Pte. Limited by Fabindia International Pte. Limited, Singapore
- on acquisition of additional shares of Organic India Private Limited
- Deletion on the disposal of Godwar Farmers Collective Private Limited

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	0.28	0.28	-	-
	333.43	329.76	335.85	314.55
	241.47	238.49	243.42	226.17
	-	-	1.14	1.14
	6.71	6.70	6.46	6.30
	19.74	19.74	19.74	19.74
	-	-	(1.14)	-
	<b>601.63</b>	<b>594.97</b>	<b>605.47</b>	<b>567.90</b>

4 Non-current investments

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Investments measured at cost (except otherwise stated)				
Investment in equity instruments (fully paid up)				
Unquoted				
<u>Investment in Overseas Subsidiary</u>				
Nil (March 31, 2021: Nil, March 31, 2020: Nil, March 31, 2019: 197,003) Ordinary shares of GBP 1 each of East Limited, United Kingdom*	-	-	-	652.20
<u>Investment in Associate Companies</u>				
201,135 Equity Shares (March 31, 2021: 201,135, March 31, 2020: 204,500, March 31, 2019: 204,500) of ₹ 10/- each of Rangсутra Crafts India Limited	6.76	6.76	6.86	6.86
20,130 Equity Shares (March 31, 2021: 20,130, March 31, 2020: 20,130, March 31, 2019: 20,130) of ₹ 100/- each of Orissa Artisans and Weavers Limited	2.01	2.01	2.01	2.01
1,529,546 Equity Shares (March 31, 2021: 1,529,546, March 31, 2020: 1,529,546, March 31, 2019: 1,529,546) of GBP 1 each of East Lifestyle Limited, United Kingdom**	142.52	142.52	142.52	142.52
45 Equity Shares (March 31, 2021: 45, March 31, 2020: 45, March 31, 2019: 45) of Euro 313.50 each of Fabindia S.r.l, Italy	0.62	0.62	0.62	0.62
147 Equity Shares (March 31, 2021: 147, March 31, 2020: 147, March 31, 2019: 147) of Dirham 1,000/- each of Weavers India General Trading, LLC, Dubai#	1.82	1.82	1.82	1.82
2,328 Equity shares (March 31, 2021: 2,328, March 31, 2020: 2,328, March 31, 2019: 2,328) of ₹ 10/- each fully paid up of Nutriwel Health (India) Private Limited	1.39	1.39	1.39	1.39
<b>Total investments measured at Cost</b>	<b>155.12</b>	<b>155.12</b>	<b>155.22</b>	<b>807.42</b>
Less: share of accumulated (Loss) of associate companies	(116.42)	(121.27)	(126.33)	(129.58)
Add: share of accumulated other comprehensive (loss)/income of associate companies	(0.13)	0.11	0.04	0.06
Less: dividend received from associate companies	(4.09)	(2.08)	(2.08)	(0.55)
<b>Total investments measured at Cost</b>	<b>34.48</b>	<b>31.88</b>	<b>26.85</b>	<b>677.35</b>
Investments measured at fair value through profit or loss				
Investment in equity instruments (fully paid up)				
Unquoted				
2,500 Shares (March 31, 2021: 2,500, March 31, 2020: 2,500, March 31, 2019: 2,500) of ₹ 10/- each of the Saraswat Cooperative Bank Limited	0.03	0.03	0.03	0.03
20 Shares (March 31, 2021: 20, March 31, 2020: 20, March 31, 2019: 20) of ₹ 50/- each of the Noble House Co-operative Housing Society Limited	-	-	-	-
Investment in debentures				
<u>Investment in associate companies</u>				
9% 11,908,623 (March 31, 2021: 11,908,623, March 31, 2020: 11,908,623, March 31, 2019: 11,908,623) Optional Convertible Debentures of ₹ 10/- each of Nutriwel Health (India) Private Limited	200.42	235.42	218.88	134.37
<u>Investment in Others</u>				
450,000 (March 31, 2021: 450,000, March 31, 2020: 450,000, March 31, 2019: Nil) Optionally Cumulative Convertible Debentures (OCCD) of ₹ 100/- each of Tugbug Creative Private Limited	-	-	43.54	-
<b>Total investments measured at fair value through profit or loss</b>	<b>200.45</b>	<b>235.45</b>	<b>262.45</b>	<b>134.40</b>
Add: share of accumulated (Loss) of associate companies	(10.09)	(7.81)	(3.61)	-
Add: share of other comprehensive (loss) of associate companies	(0.02)	(0.03)	-	-
<b>Total investments measured at fair value through profit or loss</b>	<b>190.34</b>	<b>227.61</b>	<b>258.84</b>	<b>134.40</b>
Investments measured at amortised Cost				
<u>Investment in others</u>				
6% 5,687,538 (March 31, 2021: 5,687,538, March 31, 2020: Nil, March 31, 2019: Nil) Optionally Convertible Debentures of Rs 10 each of Composite Interceptive Med-Science Laboratories Private Limited	45.42	43.88	-	-
<b>Total investments measured at amortised Cost</b>	<b>45.42</b>	<b>43.88</b>	<b>-</b>	<b>-</b>
Less: impairment in value of investments	(50.76)	(49.22)	(5.34)	(657.54)
<b>Total non-current investments</b>	<b>219.48</b>	<b>254.15</b>	<b>280.35</b>	<b>154.21</b>
Aggregate amount of unquoted investments	224.82	259.49	285.69	811.75
Aggregate amount of impairment in the value of investments	50.76	49.22	5.34	657.54

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Category-wise non-current investments (excluding impairment)				
Financial assets carried at amortized cost	45.42	43.88	-	-
Financial assets measured at cost	34.48	31.88	26.85	677.35
Financial assets measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at fair value through profit or loss	190.34	227.61	258.84	134.40
<b>Total non-current investment</b>	<b>270.24</b>	<b>303.37</b>	<b>285.69</b>	<b>811.75</b>

\*East Limited, United Kingdom which was under winding up process through administration has been dissolved on 3rd December, 2019.

\*\*East Lifestyle is under winding up process through administration and have not been consolidated and have been fully impaired.

# held in the name of a nominee

5 Non-current loans

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(Secured, considered good unless otherwise stated)				
Loans*	8.67	4.00	-	-
(Unsecured, considered good unless otherwise stated) Carried at amortized cost				
Loan to employees	78.59	77.64	-	-
Other loans*	-	-	1.00	-
<b>Total non-current loans</b>	<b>87.26</b>	<b>81.64</b>	<b>1.00</b>	<b>-</b>

\*Includes due from Related Parties (refer note no. 42):

- Sunil Chauhan (The loan is pledged against 25,000 equity shares (12,500 equity shares in March 2021))



6 Other non-current financial assets	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)				
Security deposits	493.59	481.11	515.84	491.28
Deposits with original maturity of more than twelve months*	14.23	4.98	4.69	83.08
Interest accrued on loans and deposits	0.05	-	0.90	4.03
Options recoverable	0.77	2.22	6.74	-
Lease receivables	45.78	45.08	33.28	3.53
	554.42	533.39	561.45	581.92
* under lien against bank guarantees and forward contracts with banks	14.23	4.98	4.54	82.90
Refer Note No. 39 for detailed disclosure on fair value of financial assets carried at Amortized cost.				
7 Income tax assets (net)	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	311.30	301.47	79.93	16.73
Less: current tax payable for the period/year	(26.30)	(44.71)	(322.06)	(775.77)
Add: taxes paid (net of refund received)	65.47	(15.04)	543.60	841.99
Add: earlier years taxes	-	69.58	-	(3.02)
Advance income tax (net of provision of tax)	350.47	311.30	301.47	79.93
8 Other non-current assets	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)				
Capital advances	90.52	4.63	8.50	43.81
Prepaid Lease Rentals	-	-	-	13.25
Lease equalization asset	3.23	2.89	1.75	1.65
ESPS deferred payments	127.35	144.14	-	-
Other prepaid expenses	16.70	1.87	7.69	2.36
Others	-	1.15	0.13	1.19
	237.80	154.68	18.07	62.26
9 Inventories	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Finished goods (at lower of cost or net realisable value)				
Manufactured*	3,228.86	2,238.66	3,056.08	1,018.56
Traded*	186.03	144.45	9.90	1,709.24
Raw material (at cost)	668.45	634.23	772.72	915.93
Packing material	91.42	86.00	80.53	113.51
Work-in-progress	112.12	134.12	78.86	48.49
Consumables and promotional items	14.59	10.99	18.93	14.18
Provisions and beverages	10.45	14.32	17.43	6.87
Crockery and cutlery	7.15	6.06	6.14	0.66
Stock-in-transit				
Finished goods - manufactured (at lower of cost or net realisable value)	405.47	266.59	268.51	183.27
Raw material and packaging (at cost)	-	-	12.12	8.17
	4,724.54	3,535.42	4,321.22	4,018.88
Less: provision for slow and non-moving inventory	(404.98)	(311.05)	(21.25)	(26.44)
Total inventories	4,319.56	3,224.37	4,299.97	3,992.44
*During the previous year 19-20, the Holding Company had shifted solely to Contract Manufacturing from Trading . Further, Organic India Private Limited (OIPL), one of its Indian Subsidiary Company, had also shifted to Contract Manufacturing from Trading in respect of certain Finished Goods and all the Finished Goods inventory with them as on March 31, 2020 had been grouped as finished goods - manufactured as it was not practically feasible to bifurcate any old finished goods - traded, if any, lying unsold as on March 31, 2020. The finished goods - traded represents inventory lying with foreign subsidiaries of the OIPL.				
- As per inventory taken, valued and certified by the Management.				
10 Trade receivables	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Unsecured				
Considered good	880.68	728.32	1,031.76	960.93
Having significant increase in credit risk	56.34	54.28	42.84	18.79
Trade receivables - credit impaired	-	-	10.70	8.41
	937.02	782.60	1,085.30	988.13
Less: allowance for credit losses	(56.34)	(54.28)	(53.54)	(27.20)
	880.68	728.32	1,031.76	960.93
Includes due from related parties (refer note no. 42):				
Weavers India General Trading LLC, Dubai - an associate company	4.06	2.44	2.09	6.17
M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	1.20	2.14	0.06	0.68
M/s LEV True Wellness Private Limited	25.65	0.01	-	-
M/s Organic India Farmers Producer Co.Limited	0.01	0.01	-	-
M/s Organic India Foundation	-	0.03	-	-
Nutriwel Health India Private Limited	5.16	7.66	7.65	3.64
East Limited, United Kingdom - an Overseas Subsidiary*	-	-	-	2.07
East Lifestyle Limited, United Kingdom - an Associate Company*	-	-	-	4.51
Total trade receivables from related parties	36.08	12.29	9.80	17.07
*Less: allowance for credit losses	-	-	-	(6.58)
Net trade receivables from related parties	36.08	12.29	9.80	10.49

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Group's trade receivables have been assessed for indications of impairment. Certain trade receivables were found to be impaired and an allowance of credit losses of ₹ 56.34 million (March 31, 2021: ₹ 54.28 million, March 31, 2020: ₹ 53.54 million, March 31, 2019: ₹ 27.20 million) has been recorded.

For trade receivables outstanding, the ageing schedule is as given below: (as per amended schedule III)  
As at September 30, 2021

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

As at March 31, 2019		Outstanding for following periods from due date of payment/date of transaction					
Particulars	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	691.89	148.97	103.67	6.22	10.18	960.93	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	5.69	3.91	6.70	0.08	2.41	18.79	
(iii) Undisputed Trade Receivables - credit impaired	-	-	8.41	-	-	8.41	
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	

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\*Includes due from associate companies (refer note no. 42):

Rangсутra Crafts India Limited	0.01	-	-	2.60
Orissa Artisans And Weavers Limited	0.45	4.20	4.05	6.00

**Includes GST unavailed balances	67.16	98.31	87.49	5.03
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16 Equity share capital

	As at September 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>								
Equity shares of ₹ 1/- each (till March 31, 2021: ₹ 10/- each)*	150,000,000	150.00	15,000,000	150.00	15,000,000	150.00	15,000,000	150.00
	<b>150,000,000</b>	<b>150.00</b>	<b>15,000,000</b>	<b>150.00</b>	<b>15,000,000</b>	<b>150.00</b>	<b>15,000,000</b>	<b>150.00</b>
<b>Issued, subscribed and paid up</b>								
Equity shares of ₹ 1/- each (till March 31, 2021: ₹ 10/- each)*	147,779,475	147.78	14,736,378	147.36	14,466,090	144.66	2,389,716	23.90
	<b>147,779,475</b>	<b>147.78</b>	<b>14,736,378</b>	<b>147.36</b>	<b>14,466,090</b>	<b>144.66</b>	<b>2,389,716</b>	<b>23.90</b>

\* Out of the above, 12,055,075 Bonus Shares had been issued during the year ended March 31, 2020 by way of capitalisation of reserves.

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

a) Terms/ rights attached to Equity Shares

The Holding Company has only one class of equity shares having a par value of ₹ 1/- per share (₹ 10/- upto March 2021). Each holder of equity shares is entitled to one vote per share. Each holder of equity shares is entitled to dividends as and when the Holding Company declares and pays dividend after obtaining shareholders approval. The Holding Company declares and pays dividend in Indian Rupees.

The Board, in its meeting on 7th August, 2018, recommended a final dividend of ₹ 100/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on 18th September, 2018. This resulted in a cash outflow of ₹ 287.30 million including corporate dividend tax.

The Board, in its meeting on July 18, 2019, recommended a final dividend of ₹ 150/- per equity share for the year ended March 31, 2019 and the same was approved by the shareholders at the Annual General Meeting held on August 30, 2019. This resulted in a cash outflow of ₹ 434.90 million including dividend distribution tax in the financial year 2019-2020.

During the year ended March 31, 2020, the Holding Company had paid interim dividend of ₹ 22.50/- per equity share for financial year 2019-2020 on 14,466,090 Equity Shares of ₹ 10/- each aggregating to ₹ 325.50 million (subject to Dividend Distribution Tax of ₹ 66.90 million).

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

b) (i) The details of shareholders holding more than 5% shares as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 is set out below:

Name of shareholder	As at September 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Shares held (nos.)	Shares held (%)	Shares held (nos.)	Shares held (%)	Shares held (nos.)	Shares held (%)	Shares held (nos.)	Shares held (%)
<b>Equity shares of ₹ 1/- each fully paid up (till March 31, 2021: ₹ 10/- each fully paid up)</b>								
William Nanda Bissell	23,001,400	15.56%	2,300,140	15.61%	3,280,140	22.67%	546,690	22.88%
JLB Partners Holding Inc., USA	32,438,160	21.95%	3,243,816	22.01%	3,243,816	22.42%	540,636	22.62%
PI Opportunities Fund - I	30,106,560	20.37%	3,010,656	20.43%	3,010,656	20.81%	617,993	25.86%
Madhukar Khara	8,875,080	6.01%	887,508	6.02%	887,508	6.14%	147,918	6.19%
Bimla Nanda Bissell	12,215,420	8.27%	1,221,542	8.29%	241,542	1.67%	25,257	1.06%

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

(ii) The details of shareholding of promoters as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 is set out below: (as per amended schedule III)

Name of promoter shareholder	As at September 30, 2021			As at March 31, 2021		
	Shares held (nos.)	Shares held (%)	% change during the period	Shares held (nos.)	Shares held (%)	% change during the year*
<b>Equity shares of ₹ 1/- each fully paid up (till March 31, 2021: ₹ 10/- each fully paid up)</b>						
JLB Partners Holding Inc.	32,438,160	21.95%	0.00%	3,243,816	22.01%	0.00%
William Nanda Bissell	23,001,400	15.56%	0.00%	2,300,140	15.61%	-29.88%
Monsoon Latane Bissell	2,733,000	1.85%	0.00%	273,300	1.85%	0.00%
Bimla Nanda Bissell	12,215,420	8.27%	0.00%	1,221,542	8.29%	405.73%
Anjali Kapoor Bissell	1,377,420	0.93%	0.00%	137,742	0.93%	0.00%
Sara Kamla Bissell N/G William Nanda Bissell	130,200	0.09%	0.00%	13,020	0.09%	0.00%
Master John Varun Bissell N/G William Nanda Bissell	19,200	0.01%	0.00%	1,920	0.01%	0.00%
Vijai Kumar Kapoor	61,260	0.04%	0.00%	6,126	0.04%	0.00%
Mini Kapoor	144,000	0.10%	0.00%	14,400	0.10%	0.00%
Nikhil Khara	336,360	0.23%	0.00%			
Madhukar Khara	8,875,080	6.01%	0.00%			

Name of promoter shareholder	As at March 31, 2020			As at March 31, 2019		
	Shares held (nos.)	Shares held (%)	% change during the year**	Shares held (nos.)	Shares held (%)	% change during the year***
<b>Equity shares of ₹ 1/- each fully paid up (till March 31, 2021: ₹ 10/- each fully paid up)</b>						
JLB Partners Holding Inc.	3,243,816	22.42%	0.00%	540,636	22.62%	0.00%
William Nanda Bissell	3,280,140	22.67%	0.00%	546,690	22.88%	0.00%
Monsoon Latane Bissell	273,300	1.89%	0.00%	45,550	1.91%	5.81%
Bimla Nanda Bissell	241,542	1.67%	356.34%	25,257	1.06%	0.00%
Anjali Kapoor Bissell	137,742	0.95%	0.00%	22,957	0.96%	0.00%
Sara Kamla Bissell N/G William Nanda Bissell	13,020	0.09%	0.00%	2,170	0.09%	0.00%
Master John Varun Bissell N/G William Nanda Bissell	1,920	0.01%	0.00%	320	0.01%	0.00%
Vijai Kumar Kapoor	6,126	0.04%	0.00%	1,021	0.04%	-22.71%
Mini Kapoor	14,400	0.10%	0.00%	2,400	0.10%	-11.11%

\* Share Transfer by way of gift deed by William Bissell 980000 on 5th Oct 2020 to Bimla Nanda Bissell through Demat forms

\*\* 1. Private Placement Primary allotment of 15000 shares in FY 2019 -20 to Bimla Nanda Bissell and 2. Bonus Share issued on 12th Oct. 2019 in Ratio 5:1

\*\*\* Secondary sale of 300 shares by Mini Kapoor and secondary purchase of 2500 shares by Vijai Kumar Kapoor in FY 2018-19

c) The reconciliation of the number of shares outstanding and amount as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 is set out below:

Particulars	As at September 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 1/- each fully paid up (till March 31, 2021: ₹ 10/- each fully paid up)								
Number of shares in the beginning	14,736,378	147.36	14,466,090	144.66	2,389,716	23.90	2,386,765	23.87
Add: Equity Shares arising on share split from ₹ 10 to ₹ 1 per share***	132,627,402	-						
Add: shares issued during the period/year*	415,695	0.42	270,288	2.70	21,299	0.21	2,951	0.03
Add: bonus shares issued during the period/year**	-	-	-	-	12,055,075	120.55	-	-
Number of shares at the end	147,779,475	147.78	14,736,378	147.36	14,466,090	144.66	2,389,716	23.90

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

\* During the half year ended September 30, 2021, the Holding Company had issued and allotted 415,695 equity shares of nominal value of ₹ 1/- each at a premium of ₹ 81.28/- per equity share to employees through FOPL Employees Benefit Trust pursuant to FABINDIA LIMITED ESPS. Out of the said allotted equity shares, 36,000 equity shares held by FOPL Employees Benefit Trust as on September 30, 2021 for issuance to employees of the Holding Company under FABINDIA LIMITED ESPS have been treated as treasury shares and shown under other equity (Refer Note 48(a)).

- During the year ended March 31, 2021, the Holding Company has issued and allotted 191,634 equity shares of nominal value of ₹ 10/- each at a premium of ₹ 723.36/- per share to employees through FOPL Employees Benefit Trust pursuant to FOPL Employee Share Purchase Scheme (ESPS) 2021.

- During the year ended March 31, 2021, the Holding Company has issued and allotted 78,654 equity shares to the eligible employees against 84,000 stock options granted during the year ended 31st March, 2020.

- During the previous year ended 31st March 2020, the Holding Company had issued and allotted 15,000 equity shares of nominal value of ₹ 10/- each at a premium of ₹ 8,485/- per share on private placement / preferential allotment basis to Ms. Bimla Nanda Bissell, relative of executive vice-chairman and director.

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

- During the previous year ended 31st March 2019, the Holding Company had issued and allotted 2,951 equity shares to the eligible employees against 11,600 stock options granted during the year ended 31st March, 2018.

\*\*During the previous year ended March 31, 2020, the Holding Company had issued and allotted 12,055,075 Equity Shares of ₹ 10/- each as bonus shares.

d). Shares reserved for issue under FABINDIA LIMITED Employee Share Purchase Scheme (ESPS) 2021 (FABINDIA LIMITED ESPS) (March 31, 2021: Fabindia Overseas Private Limited Employee Share Purchase Scheme 2021 (FOPL ESPS), March 31, 2020: Employee Stock Options Plan (ESOP)).

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

17 Other equity	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Summary of other equity balance				
Reserves and surplus				
Capital reserve	(1,823.91)	81.37	139.94	139.25
General reserve	3,071.00	3,071.00	3,071.00	3,132.17
Securities premium	2,190.57	2,159.00	1,936.54	1,759.51
Treasury Shares	(0.04)	-	-	-
Export profits reserve	6.72	6.72	6.72	6.72
Capital Redemption Reserve	-	-	-	1.74
Stock Option outstanding account	37.89	26.24	59.68	68.08
Retained earnings	1,576.84	2,033.31	3,112.24	3,461.97
Other comprehensive income				
Foreign currency translation reserve	42.14	45.20	30.79	38.59
Remeasurements of the net defined benefit plans (net of tax)	(45.81)	2.06	1.31	(6.13)
Non-controlling interest	2,174.28	2,959.31	2,897.99	2,981.92
	7,229.68	10,384.21	11,256.21	11,583.82

**Nature and purpose of reserves:**

**a) Capital reserve**

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

**b) General reserve**

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

**c) Securities premium**

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

**d) Treasury Shares**

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

**e) Exports profit reserve**

This represents the reserve created as per the requirements of Income Tax Act, 1961.

**f) Capital redemption reserve**

The Group has recognized capital redemption reserve on buyback of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

**g) Stock option outstanding account**

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

**h) Retained earnings**

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

**i) Foreign currency translation reserve**

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

**j) 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 period/year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

18 Non-current financial liabilities - borrowings	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Term loan*				
Secured				
From banks:				
Citi Bank NA	777.53	874.59	551.45	574.20
Standard Chartered Bank	422.46	482.35	129.41	176.47
HDFC Bank	445.24	523.81	-	-
Unsecured				
Loans from related parties:				
Ol (US) Holdings LLC	126.04	124.49	145.75	135.42
Less: adjustment for processing and other charges	(6.83)	(9.41)	-	-
	1,764.44	1,995.83	826.61	886.09
Less: current maturity of long-term debt (refer note no. 24)	(722.99)	(598.00)	(246.30)	(196.26)
	1,041.45	1,397.83	580.31	689.83

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

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

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

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

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

Particulars	Purpose and terms of repayment	Securities provided	Rate of interest	Maturity amount (net of processing charges)		
				Upto 1 year	1-5 years	Total
CITI Bank N.A	(a) Purpose: for financing Capital Expansion Requirement of the Company for a period of 5 years including moratorium of 15 months commencing from March 2019. (b) The loan is repayable in 45 equal monthly principal instalments commencing from 16th month i.e July 2020.	(a) Exclusive charges on present and future current assets and movable fixed assets (property, plant and equipment) of the Borrower (b) Corporate guarantees of Fabindia Limited (formerly known as Fabindia Overseas Private Limited) (c) Demand promissory note and letter of continuity	6.30% p.a. to 8.90% p.a. (previous year 8.75% p.a. to 8.90% p.a.) which shall be subject to the changes by the Bank based on changes in interest rates made by the RBI from time to time.	40.72	57.51	98.23

19 Non-current financial liabilities - lease liabilities

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Lease liabilities	4,701.17	4,295.34	4,816.31	4,019.76
	4,701.17	4,295.34	4,816.31	4,019.76

20 Other non-current financial liabilities

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)				
Security deposits received	44.05	43.13	25.29	22.65
Forward contracts/ options and swap payables	9.07	8.42	13.81	-
	53.12	51.55	39.10	22.65

21 Non-current provisions

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
- Gratuity	15.57	12.40	13.94	5.42
- Leave encashment	21.09	17.76	15.54	11.13
Provision for Rent Equalization	(0.01)	-	-	-
Provision for asset retirement obligation	48.88	46.93	51.78	32.75
Loyalty programme obligation*	122.56	166.93	94.73	13.56
	208.09	244.02	175.99	62.86

Provision for asset retirement obligation:

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

Movement in provision asset retirement obligation during the year/period:

Balance at the beginning	46.93	51.78	32.75	23.83
Provision during the period/year	5.01	3.03	22.68	9.00
Amounts utilized/ written back during the period/year	(3.06)	(7.88)	(3.54)	(0.08)
Amounts reclassified as liabilities directly related with discontinued operations	-	-	(0.11)	-
Balance at the end	48.88	46.93	51.78	32.75

\*Movement of loyalty programme obligation

Balance at the beginning	166.93	94.73	13.56	-
Addition during the period/year	-	72.20	81.17	13.56
Amounts utilized/ written back during the period/year	(44.37)	-	-	-
Balance at the end	122.56	166.93	94.73	13.56

Movement in Provision for Rent Equalisation during the year:

Balance at the beginning	-	-	-	-
Addition during the period/year	(0.01)	-	-	-
Amounts utilized/ written back during the period/year	-	-	-	-
Balance at the end	(0.01)	-	-	-

22 Deferred tax liabilities (net)

	Increase/ (decrease)	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
The balance comprises temporary differences attributable to:					
Deferred tax liabilities					
Property, plant and equipment, ROU and intangible assets	68.96	2,541.26	2,472.30	2,779.43	1,502.15
Lease receivables as per Ind AS 116	(52.68)	29.42	82.10	83.05	-
Exchange difference on translation of foreign operations*	(18.06)	-	18.06	9.64	-
Deferred tax assets					
Provision for employee benefits*	(15.51)	(37.64)	(22.13)	(18.08)	(22.54)
Provision for doubtful debts/ advances	(0.21)	(21.54)	(21.33)	(16.34)	(19.97)
Lease Liabilities as per Ind AS 116	(84.58)	(1,453.19)	(1,368.61)	(1,541.06)	-
Carried forward business losses and depreciation	(86.36)	(328.06)	(241.70)	(77.82)	(40.07)
Impairment loss in value of investment	12.42	(397.41)	(409.83)	(409.83)	(409.83)
Provision for slow and non-moving inventory	(23.73)	(101.85)	(78.12)	(2.14)	-
Fair value change in derivative instruments	3.14	0.17	(2.97)	(9.48)	-
Stock reserve on inter-group sales	(20.72)	(54.31)	(33.59)	(60.11)	(68.77)
Provision for Rent Equalization	(0.01)	(0.01)	-	-	-
Impact of restatement of Ind AS 116	-	-	-	-	(88.78)
Other timing differences	(25.74)	(122.02)	(96.28)	(53.09)	(17.11)
	(243.08)	54.82	297.90	684.17	835.08
Less: liabilities directly associated with discontinued operations	-	-	-	0.36	-
Less: asset disposed on sale of subsidiary	(0.36)	-	0.36	0.50	-
Total deferred tax assets associated with continuing operations	(243.44)	54.82	298.26	685.03	835.08

\* Impact has been taken to other comprehensive income.

Also refer note no. 38

23 Other non-current liabilities

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Rent received in advance	1.23	1.78	1.94	0.07
Deferred interest	-	-	0.32	2.52
Other Accruals	-	-	-	1.79
	1.23	1.78	2.26	4.38

24 Short-term borrowings

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured				
Current maturity of long-term debt (refer note no. 18)	722.99	598.00	246.30	196.26
Working capital demand loan (WC DL) from:				
Kotak Mahindra Bank	590.00	-	655.00	-
Hong Kong and Shanghai Banking Corporation Limited	150.00	-	500.00	400.00
Axis Bank	285.03	200.00	297.00	180.03
Citibank, N.A.	399.50	322.09	783.55	40.35
Standard Chartered Bank	150.00	-	400.00	-
HDFC Bank	882.94	128.83	143.39	-
9.25 % 25,000 Non Convertible Debentures of ₹ 100,000 each ^	2,500.00	-	-	-
Unsecured				
Bank overdraft from:				
Hong Kong and Shanghai Banking Corporation Limited	-	-	199.64	172.81
Standard Chartered Bank	83.17	77.56	74.73	122.82
Citibank, N.A.	-	-	-	0.82
Post Shipment Credit				
Axis Bank	-	-	-	20.83
Packing credit foreign currency (PCFC)				
Citibank	84.83	25.00	52.32	-
Packing credit				
Citibank	-	-	22.42	76.04
Cash credit				
Citibank	185.36	142.80	127.06	166.67
Unsecured				
Short-term loan (STL) - working capital from:				
HDFC Bank	-	-	250.00	-
	6,033.82	1,494.28	3,751.41	1,376.63

The Holding Company has the following credit facilities taken from various banks :

a) Maximum borrowing sanctioned limits in respect of all facilities from Banks:

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying Interest rate range	4.90% to 13.95% p.a.	5.85% to 13.95% p.a.	7.75% to 9.95% p.a.	7.75% to 9.95% p.a.
Standard Chartered Bank	500.00	500.00	500.00	500.00
Kotak Mahindra Bank	700.00	700.00	700.00	700.00
Hong Kong and Shanghai Banking Corporation Limited	750.00	750.00	750.00	750.00
Citibank, N.A	1,100.00	1,100.00	700.00	700.00
HDFC Bank	830.00	830.00	250.00	-

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 Holding Company.



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

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

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

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

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

The details of credit facilities taken by Organic India Private Limited (OIPL), Indian Subsidiary Company and Organic India USA, LLC, Step Down Subsidiary Company are as follows:

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

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

Organic India USA LLC has been sanctioned secured Line of credit from Citibank N.A. for financing short term working capital requirements amounting to USD 3.00 million. The said credit carries an interest rate of 2% above the base rate as defined in the agreement (effective rate of 3% as on March 31, 2021 and of 2.41% as on March 31, 2020) payable quarterly and is secured against the inventory of the said Step down Subsidiary Company.  
c) HDFC Bank:  
OIPL has been sanctioned secured cash credit, working capital demand loan and export credit limits from HDFC Bank Limited to ₹ 150 million during the previous years for financing short term working capital requirements. The said facilities carry interest rate between 7.30% to 8.00% p.a. and are secured against first pari-passu charge on current assets present and future of the OIPL and second pari-passu charge on fixed assets (movable and immovable) of the OIPL.  
The OIPL has been regular in payment of principal and interest as stipulated.

d) Standard Chartered Bank:  
OIPL has been sanctioned secured cash credit, bank overdraft, working capital demand loan and export credit limits amounting to ₹ 50 million from Standard Chartered Bank which has been further increased to ₹ 100 million during the previous years for financing short term working capital requirements. The said facilities carry interest rate based on 1-6 Month MCLR as on the date of avallment of the facility and are secured against first pari-passu charge on present and future stocks and book debts of the OIPL.  
The OIPL has been regular in payment of principal and interest as stipulated.  
OIPL and Organic India USA LLC have not defaulted on repayment of above loans/credit facilities and interest during the period/year.

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

25 Current financial liabilities - lease liabilities	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	1,023.38	889.44	1,015.73	869.49
	1,023.38	889.44	1,015.73	869.49
26 Trade payables	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
For Goods and Services				
Total outstanding dues of micro enterprises and small enterprises (refer note no. 52)	614.11	320.92	99.26	77.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,305.69	772.47	1,326.70	977.35
	1,919.80	1,093.39	1,425.96	1,054.83

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

As at September 30, 2021		Outstanding for following periods from due date of payment/date of transaction					
Particulars	Unbilled due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) MSME	408.03	206.08	-	-	-	614.11	
(ii) OTHERS	184.40	1,098.17	21.54	0.29	1.29	1,305.69	
(iii) DISPUTED DUES - MSME	-	-	-	-	-	-	
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-	-	
As at March 31, 2021							
Particulars	Unbilled due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) MSME	-	320.91	0.01	-	-	320.92	
(ii) OTHERS	59.47	686.85	15.28	10.28	0.59	772.47	
(iii) DISPUTED DUES - MSME	-	-	-	-	-	-	
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-	-	
As at March 31, 2020							
Particulars	Unbilled due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) MSME	-	98.72	0.54	-	-	99.26	
(ii) OTHERS	102.89	1,206.21	16.21	0.34	1.04	1,326.70	
(iii) DISPUTED DUES - MSME	-	-	-	-	-	-	
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-	-	

As at March 31, 2019

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Unbilled due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	77.48	-	-	-	77.48
(ii) Others	29.58	940.91	4.35	1.10	1.40	977.35
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - OTHERS	-	-	-	-	-	-

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

27 Other current financial liabilities

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Security deposits received	56.28	50.71	52.65	46.82
Payables for capital goods*	43.18	78.35	98.51	178.49
Commission payable to Directors	3.76	1.84	25.16	78.09
Interest accrued but not due	15.88	11.35	8.48	4.79
Unpaid/ unclaimed dividend	0.06	0.06	0.06	0.05
Forwards contracts/ options and swap payables	2.61	11.92	30.98	1.36
Employee related payable	168.40	168.37	177.59	140.46
Other liabilities	2.14	-	-	-
	<b>292.31</b>	<b>322.60</b>	<b>393.43</b>	<b>450.06</b>
* includes amount payable to micro and small enterprises (refer note no. 52)	0.81	0.12	0.28	4.49

28 Other current liabilities

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Advance from customers	187.41	132.10	139.63	89.11
Statutory liabilities	109.19	140.17	76.95	87.33
Refund liabilities*	19.81	17.37	15.53	8.10
Rent received in advance	0.89	0.56	0.57	0.04
Other liabilities	51.82	50.42	56.33	84.11
	<b>369.12</b>	<b>340.62</b>	<b>289.01</b>	<b>268.69</b>
* Movement of refund liabilities				
Balance at the beginning	17.37	15.53	8.10	7.03
Add: additions during the period/year	11.12	17.37	15.53	8.68
Less: utilised during the period/year	8.69	15.53	8.10	7.60
Balance at the end	<b>19.80</b>	<b>17.37</b>	<b>15.53</b>	<b>8.11</b>

29 Current provisions

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Gratuity*	62.08	20.53	6.54	17.92
Leave encashment*	3.53	23.71	9.57	15.18
Provision for sales returns	43.42	3.85	4.59	3.87
Provision for asset retirement obligations	4.56	5.79	1.99	2.78
Loyalty programme obligation	56.41	15.46	47.37	6.78
	<b>170.00</b>	<b>69.34</b>	<b>70.06</b>	<b>46.53</b>

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

Provision for sales returns

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

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Movement in provisions during the period/year:				
Provision for sales returns				
Balance at the beginning	3.85	4.59	3.87	3.75
Provision during the period/year	39.57	-	0.72	0.12
Amounts utilized/ written back during the period/year	-	(0.74)	-	-
Balance at the end	<b>43.42</b>	<b>3.85</b>	<b>4.59</b>	<b>3.87</b>
Provision for asset retirement obligations				
Balance at the beginning	5.79	1.99	2.78	2.89
Provision during the period/year	2.79	6.09	3.69	0.11
Amounts utilized/ written back during the period/year	(4.02)	(2.29)	(4.48)	(0.22)
Balance at the end	<b>4.56</b>	<b>5.79</b>	<b>1.99</b>	<b>2.78</b>
Loyalty programme obligation				
Balance at the beginning	15.46	47.37	6.78	-
Addition during the period/year	40.95	-	40.59	6.78
Amounts utilized/ written back during the period/year	-	(31.90)	-	-
Balance at the end	<b>56.41</b>	<b>15.47</b>	<b>47.37</b>	<b>6.78</b>

### 30 Revenue from operations

#### Revenue from contract with customers:

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	5,219.00	9,641.72	14,602.24	14,492.21
Sale of food and beverages	88.68	164.80	243.15	75.25
	5,307.68	9,806.52	14,845.39	14,567.46
<b>Other operating revenue</b>				
Business support service fee	-	2.67	2.67	-
Allowance for credit losses/ doubtful advances written back	-	-	19.78	0.02
Provisions/ liabilities no longer required written back**	199.38	628.69	74.74	65.03
Government grants*	18.75	80.45	25.05	35.23
Rental income relating to operations	25.33	20.70	29.65	11.47
Royalty income	0.07	-	0.22	0.96
Miscellaneous operating income	9.19	57.40	82.97	62.90
	252.72	789.91	235.08	175.61
	5,560.40	10,596.43	15,080.47	14,743.07

#### Disaggregation of revenue based on products:

Bed linen	185.81	323.94	436.21	442.42
Bath linen	29.30	42.22	49.36	50.19
Table linen	151.50	266.50	325.84	305.55
Garments	2,466.86	4,074.31	8,867.83	8,521.92
Body care	69.58	169.21	247.42	271.36
Floor coverings	27.30	47.17	73.20	74.17
Curtain	63.05	122.16	147.53	161.99
Furniture	211.31	395.97	443.55	436.20
Organic foods	55.54	134.46	253.26	279.50
Upholstery	24.66	40.06	59.18	45.49
Herbal infusions	684.65	1,600.09	1,117.54	1,164.96
Ayurvedic medicines (Formulations)	537.16	1,044.56	1,174.79	1,048.13
Psyllium	103.76	255.15	173.97	285.16
Dehydrated fruits and vegetables	77.46	12.24	92.21	150.79
Personal care products	83.16	75.43	-	-
Food and beverages	88.68	164.80	243.15	75.25
Miscellaneous	447.90	1,038.25	1,140.35	1,254.38
	5,307.68	9,806.52	14,845.39	14,567.46

#### Reconciliation of revenue with contract price:

Revenue as per contracted price	5,878.75	10,837.75	16,152.54	15,455.78
Adjustments:				
Discounts and sales return	524.38	867.08	1,011.25	858.02
Rebate for expiry	11.12	164.15	28.59	8.10
Customer loyalty programme	35.57	-	267.31	22.20
	571.07	1,031.23	1,307.15	888.32

#### Total revenue from contract with customers

	5,307.68	9,806.52	14,845.39	14,567.46
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\*Refer note no. 46 for disclosure on government grants.

\*\* Includes lease liabilities written back on account of rent concession on lease arrangements (Refer note no. 3B)

### 31 Other income

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income				
Bank deposits	19.04	28.46	8.68	7.32
Loan	0.45	0.52	0.01	-
Debentures	10.10	15.95	10.72	-
Leased Deposits measured at amortized cost	19.85	38.68	38.43	32.30
Lease receivables	1.72	3.47	2.17	0.14
Others	2.17	0.37	6.38	6.19
Gain on sale of investment (net)	-	0.10	-	-
Gain on right-of-use assets (net)	27.30	47.40	-	-
Provision for asset retirement obligation written back	5.07	4.53	7.91	4.03
Provision for non-moving inventory written back	-	18.99	8.84	-
Gain arising on investments measured at FVTPL	10.23	33.78	74.87	12.05
Net gain on foreign currency transactions and translations	0.03	18.45	0.21	9.84
Income from forward contracts	-	-	1.25	-
Corporate dividend distribution tax written back	-	-	4.26	-
Loyalty Points Obligation Written Back	3.41	-	-	-
Other miscellaneous income	0.91	67.00	-	-
	100.28	277.70	163.73	71.87

### 32 Cost of materials consumed

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials consumed:				
Opening stock	745.54	889.61	1,050.50	735.74
Add: purchases	1,154.57	1,379.35	2,186.96	2,349.43
Add: Job work charges	434.96	298.30	812.04	882.78
	2,335.07	2,567.26	4,049.50	3,967.95
Less: closing stock	784.92	745.54	889.61	1,050.50
	1,550.15	1,821.72	3,159.89	2,917.45

### 33 Cost of contract manufactured goods

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of finished goods - contract manufactured*	1,571.99	1,328.17	2,921.83	2,801.89
Freight inwards	14.92	24.46	65.32	133.60
	1,586.91	1,352.63	2,987.15	2,935.49

\* Includes inventory write off amounting to ₹ 28.98 million ( March 31, 2021 : ₹ 105.29 million, March 31, 2020 : ₹ 52.88 million, March 31, 2019 : ₹ 57.27 million)

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

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening inventory</b>				
Finished goods-manufactured	2,238.66	3,056.08	1,039.33	801.84
Finished goods-traded	144.45	9.90	1,709.24	1,590.14
Work-in-progress	134.12	78.86	48.49	43.48
Stock-in-transit	266.59	267.32	161.76	88.70
	<u>2,783.82</u>	<u>3,412.16</u>	<u>2,958.82</u>	<u>2,524.16</u>
Stock acquired on acquisition of subsidiary	-	-	-	32.41
<b>Closing inventory</b>				
Finished goods-manufactured	3,228.86	2,238.66	3,056.08	1,039.33
Finished goods-traded	186.03	144.45	9.90	1,709.24
Work-in-progress	112.12	134.12	78.86	48.49
Stock-in-transit	405.43	266.59	267.32	161.76
	<u>3,932.44</u>	<u>2,783.82</u>	<u>3,412.16</u>	<u>2,958.82</u>
(Increase) / Decrease in Inventories	-	-	-	-
<b>Total decrease/ (increase) in inventories of finished goods and stock-in-trade</b>	<b>(1,148.62)</b>	<b>628.34</b>	<b>(453.34)</b>	<b>(402.25)</b>

**35 Employee benefits expense**

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	970.48	1,686.12	2,007.45	1,839.71
Contribution to provident and other funds	53.58	95.96	118.99	100.42
Defined benefit plan expense (refer note no. 43)	10.60	26.49	28.14	25.09
Employee stock options compensation expense (refer note no. 48(b))	11.64	58.45	60.31	67.83
Employee share purchase scheme expense (refer note no. 48(a))	42.57	0.23	-	-
Employee stock options compensation expense (cash settled)	-	31.33	21.81	6.52
Staff welfare expense	40.47	64.57	94.17	80.17
	<u>1,129.34</u>	<u>1,963.15</u>	<u>2,330.87</u>	<u>2,119.74</u>

**36 Finance Costs**

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense				
Foreign currency term loan	-	25.34	42.02	18.69
Term loan	13.45	9.84	10.07	0.25
Loan processing charges	2.83	1.53	1.93	1.39
Banking facilities	130.80	243.95	125.49	70.35
Bills discounting	-	-	0.05	2.21
Micro, small and medium enterprises	7.22	2.35	3.00	1.21
Financial liabilities measured at amortized cost	14.53	1.12	0.99	0.35
Unwinding of discount on asset retirement obligation	2.16	4.08	3.75	2.46
Unwinding of lease liabilities	223.30	441.01	432.84	359.50
Others	2.03	3.86	9.41	10.73
	<u>396.32</u>	<u>733.08</u>	<u>629.55</u>	<u>467.14</u>

**37 Other expenses**

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent	113.29	183.66	393.27	331.00
Advertisement and publicity	104.93	84.49	257.58	258.43
Legal and professional charges	217.69	369.98	420.86	393.05
Payment to auditors*	11.50	22.94	22.38	19.83
Postage, telex and telephones	13.44	33.07	35.81	44.80
Traveling and conveyance	40.79	66.60	161.85	201.17
Consumption of crockery and cutlery	0.07	0.74	2.07	5.56
Consumption of linen	-	-	0.07	0.13
Consumable office supplies	19.18	43.50	83.71	56.40
IT support service charges	92.04	133.82	169.23	128.06
Rates and taxes	23.26	42.73	49.23	34.82
Insurance (net of recovery)	30.62	60.89	55.56	46.18
Processing expenses	2.76	2.07	4.63	6.01
Power and fuel	91.07	170.26	245.20	192.71
Repair and maintenance				-
Building	4.45	12.23	8.81	7.88
Common area maintenance charges	49.77	99.40	127.34	111.89
Computers, air conditioners, machinery and other equipments	30.23	53.25	57.93	50.37
Others	24.74	68.39	64.08	89.68
Directors' sitting fee	0.17	0.36	0.23	0.14
Security and housekeeping charges	155.46	288.53	427.93	329.22
Packing, freight, clearing and forwarding	187.16	368.44	311.98	190.74
Sales promotion	312.45	669.37	693.29	593.90
Samples	33.95	75.43	82.37	75.87
Commission on sales	75.59	157.56	145.30	138.84
Loss on sale/ discard of property, plant and equipment (net)	28.54	58.45	93.48	56.55
Loss on Right-of-use assets (net)	-	-	24.86	2.03
Loss arising on derivatives measured at FVTPL	39.83	-	14.60	-
Loss arising on cross currency swaps measured at FVTPL	-	-	22.38	-
Corporate social responsibility (CSR) expenditure	1.90	32.92	42.75	41.00
Charity and donation	-	-	1.70	4.95
Allowance for credit losses/ doubtful advances	2.06	10.10	33.12	3.81
Provision for non-moving inventory	93.94	308.80	3.65	21.04
Obsolete stock written off	1.85	51.08	13.05	5.99
Bad debts written off	0.42	31.88	15.09	7.01
Debit balances written off	2.82	13.65	1.94	4.14
Loss on fair value of investment in OCPs and OCCDs	-	43.54	3.84	-
Provision for impairment of investment	2.77	43.88	-	-
Testing and certification charges	18.91	24.35	19.25	16.92
Product liability	2.97	7.34	6.20	7.83
Community development expenses	0.03	0.25	0.75	0.30
Research and development expenses	0.14	0.39	3.05	0.49
Royalty paid	0.14	1.64	11.29	0.05

Fines and penalties	0.04	-	2.11	7.52
Loss on sale of government incentive scrips	0.11	-	0.25	0.20
Net loss on foreign currency transactions and translations	2.98	1.08	2.43	-
Bank charges	35.26	83.90	131.79	129.54
Settlement Claims	-	22.94	-	-
Miscellaneous expenses	23.28	63.35	64.19	55.47
	<b>1,892.60</b>	<b>3,807.25</b>	<b>4,332.48</b>	<b>3,671.52</b>

**\*Payments to auditors**

**Statutory auditors#**

As audit fee	10.83	15.86	14.33	14.32
Goods and services tax audit fee	0.52	-	-	-
As tax audit fee	-	2.43	3.75	3.85
For other services	-	-	-	-
Taxation Matters	-	-	-	-
Certification and consultancy services	0.15	4.56	3.96	1.54
Reimbursement of out of pocket expenses	-	0.10	0.34	0.16
<b>Total</b>	<b>11.50</b>	<b>22.95</b>	<b>22.38</b>	<b>19.87</b>

# previous years also includes payment to branch auditors

**38 Tax expense**

**(a) Tax expense recognized in statement of profit and loss**

	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current tax</b>				
In respect of the current period/previous years	26.30	44.91	321.09	775.85
Adjustments/ (credits) related to previous years (net)	-	36.26	(0.92)	3.02
<b>Total (A)</b>	<b>26.30</b>	<b>81.17</b>	<b>320.17</b>	<b>778.87</b>

**Deferred tax**

Origination and reversal of temporary differences (refer note no. 22)	(229.97)	(386.78)	(239.68)	(109.91)
Less: impact taken in other comprehensive income	-	(9.06)	(12.35)	(0.78)
Less: Impact of Additions on business combinations	-	-	-	(30.94)
Less: Impact on adoption of new Ind AS 115 (taken to Retained Earnings)	-	-	-	2.05
<b>Total (B)</b>	<b>(229.97)</b>	<b>(395.84)</b>	<b>(252.03)</b>	<b>(139.58)</b>

**Total (A+B)\***

	<b>(203.67)</b>	<b>(314.67)</b>	<b>68.14</b>	<b>639.29</b>
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**\*includes**

<b>Tax expense attributable to continuing operations</b>	(203.67)	(314.66)	52.45	655.58
<b>Tax expense attributable to discontinued operations</b>	-	-	15.71	(16.30)

**(b) Amounts recognized in other comprehensive income**

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

**On items that will not be reclassified to Statement of Profit and Loss**

Exchange difference on translation of foreign operations	0.50	8.42	(9.64)	-
Remeasurements gain/ (loss) of the defined benefit plans	(13.97)	0.64	(2.66)	(0.78)
<b>Total</b>	<b>(13.47)</b>	<b>9.06</b>	<b>(12.30)</b>	<b>(0.78)</b>

**(c) Reconciliation of effective tax rate**

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

<b>Profit before exceptional items and tax</b>	<b>(720.92)</b>	<b>(1,486.03)</b>	<b>375.06</b>	<b>1,482.92</b>
Tax using the Holding Company's domestic tax rate @ 25.168% (March 31, 2021: 25.168%, March 31, 2020: 25.168%, March 31, 2019: 34.944%)	(185.22)	(378.59)	92.20	519.85

**Tax effect of:**

Tax related to previous years	-	-	-	3.02
Unrecognized tax losses of associates	(0.96)	(2.62)	(12.44)	57.47
Effect of tax related to previous years (net of deferred tax)	-	17.37	(0.92)	-
Effect of tax related to expenses not deductible for income tax	9.89	20.61	(39.55)	(16.82)
Effect of tax due to change in tax rate from 34.944% to 25.168%	-	-	(43.70)	-
Effect of tax due to different tax rate on certain items	(0.59)	10.55	(5.91)	61.83
Effect of tax due to indexation	(7.46)	(6.07)	(10.53)	1.23
Effect of tax on reversal to ESOP Options (general reserve)	-	-	3.21	7.99
Effect of tax on elimination of stock reserve	(8.70)	7.54	(12.59)	11.96
Effect of deferred tax asset created/ not created on balances brought forward from earlier years on first time	3.24	-	89.15	(2.97)
Others (including interest)	(13.87)	16.55	9.23	(4.27)
<b>Income tax recognized in Profit or Loss</b>	<b>(203.67)</b>	<b>(314.66)</b>	<b>68.15</b>	<b>639.29</b>

39 Financial instruments - fair value measurement

Financial instruments by category

Particulars	As at September 30, 2021			As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial assets</b>												
Investments (non-current)	190.34	-	29.14	227.61	-	26.54	258.84	-	21.51	134.40	-	19.81
Loans (non-current)	-	-	87.26	-	-	81.64	-	-	1.00	-	-	-
Other financial assets (non-current)	0.77	-	553.65	2.22	-	531.17	-	-	561.45	-	-	581.92
Trade receivables (current)	-	-	880.68	-	-	728.32	-	-	1,031.76	-	-	960.93
Cash and cash equivalents (current)	-	-	1,072.44	-	-	572.64	-	-	1,987.49	-	-	387.63
Bank balances other than cash and cash equivalents (current)	-	-	101.89	-	-	132.52	-	-	36.08	-	-	51.52
Loans (current)	-	-	33.14	-	-	26.61	-	-	-	-	-	-
Other financial assets (current)	11.60	-	142.56	6.34	-	175.02	-	-	77.52	-	-	30.56
<b>Total</b>	<b>202.71</b>	<b>-</b>	<b>2,900.76</b>	<b>236.17</b>	<b>-</b>	<b>2,274.46</b>	<b>258.84</b>	<b>-</b>	<b>3,716.81</b>	<b>134.40</b>	<b>-</b>	<b>2,032.37</b>
<b>Financial liabilities</b>												
Lease liabilities (non-current)	-	-	4,701.17	-	-	4,295.34	-	-	4,816.31	-	-	4,019.76
Lease liabilities (current)	-	-	1,023.38	-	-	889.44	-	-	1,015.73	-	-	869.49
Borrowings (non-current)	-	-	1,041.45	-	-	1,397.83	-	-	580.31	-	-	689.83
Borrowings (current)	-	-	6,033.82	-	-	1,494.28	-	-	3,751.41	-	-	1,376.63
Trade payables (current)	-	-	1,919.80	-	-	1,093.39	-	-	1,425.96	-	-	1,054.83
Provision for reinstatement cost	-	-	1.91	-	-	-	-	-	-	-	-	-
Other financial liabilities (non-current)	20.78	-	32.34	19.46	-	32.09	14.21	-	24.89	-	-	22.65
Other financial liabilities (current)	3.42	-	288.89	15.03	-	307.57	3.11	-	390.32	1.36	-	448.70
<b>Total</b>	<b>24.20</b>	<b>-</b>	<b>15,042.76</b>	<b>34.49</b>	<b>-</b>	<b>9,509.94</b>	<b>17.32</b>	<b>-</b>	<b>12,004.93</b>	<b>1.36</b>	<b>-</b>	<b>8,481.89</b>

Financial instruments by category

Particulars	Total carrying value			
	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Financial assets</b>				
Investments (non-current)	219.48	254.15	280.35	154.21
Loans (non-current)	87.26	81.64	1.00	-
Other financial assets (non-current)	554.42	533.39	561.45	581.92
Trade receivables (current)	880.68	728.32	1,031.76	960.93
Cash and cash equivalents (current)	1,072.44	572.64	1,987.49	387.63
Bank balances other than cash and cash equivalents (current)	101.89	-	-	-
Loans (current)	33.14	26.61	-	-
Other financial assets (current)	154.16	181.36	77.52	30.56
<b>Total</b>	<b>3,103.47</b>	<b>2,510.63</b>	<b>3,975.65</b>	<b>2,166.77</b>

Particulars	Total carrying value			
	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Financial liabilities</b>				
Lease liabilities (non-current)	4,701.17	4,295.34	4,816.31	4,019.76
Lease liabilities (current)	1,023.38	889.44	1,015.73	869.49
Borrowings (non-current)	1,041.45	1,397.83	580.31	689.83
Borrowings (current)	6,033.82	1,494.28	3,751.41	1,376.63
Trade payables (current)	1,919.80	1,093.39	1,425.96	1,054.83
Provision for reinstatement cost	1.91	-	-	-
Other financial liabilities (non-current)	53.12	51.55	39.10	22.65
Other financial liabilities (current)	292.31	322.60	393.43	450.06
<b>Total</b>	<b>15,066.96</b>	<b>9,544.43</b>	<b>12,022.25</b>	<b>8,483.25</b>

(i) Fair value hierarchy:

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

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

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

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

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial liabilities:</b>				
Lease liabilities	-	-	5,724.55	5,724.55
Borrowings	-	-	7,075.27	7,075.27
Trade payables	-	-	1,919.80	1,919.80
Other financial liabilities	-	24.20	323.14	347.34
<b>Total</b>	<b>-</b>	<b>24.20</b>	<b>15,042.76</b>	<b>15,066.96</b>

Financial assets and liabilities measured at fair value as at March 31, 2021:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investments	-	-	254.15	254.15
<b>Total</b>	-	-	254.15	254.15

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2021:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Loans	-	-	108.25	108.25
Trade receivables	-	-	728.32	728.32
Cash and cash equivalents	-	-	572.64	572.64
Bank balances other than above	-	-	132.52	132.52
Other financial assets	-	8.56	706.09	714.65
<b>Total</b>	-	8.56	2,247.82	2,256.38

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial liabilities:</b>				
Lease liabilities	-	-	5,184.78	5,184.78
Borrowings	-	-	2,892.11	2,892.11
Trade payables	-	-	1,093.39	1,093.39
Other financial liabilities	-	20.35	353.80	374.15
<b>Total</b>	-	20.35	9,524.08	9,544.43

Financial assets and liabilities measured at fair value as at March 31, 2020:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investments	-	-	280.35	280.35
<b>Total</b>	-	-	280.35	280.35

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2020:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Loans	-	-	1.00	1.00
Trade receivables	-	-	1,031.76	1,031.76
Cash and cash equivalents	-	-	1,987.49	1,987.49
Bank balances other than above	-	-	36.08	36.08
Other financial assets	-	7.13	631.84	638.97
<b>Total</b>	-	7.13	3,688.17	3,695.30

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial liabilities:</b>				
Lease liabilities	-	-	5,832.04	5,832.04
Borrowings	-	-	4,331.72	4,331.72
Trade payables	-	-	1,425.96	1,425.96
Other financial liabilities	-	44.80	387.73	432.53
<b>Total</b>	-	44.80	11,977.45	12,022.25

Financial assets and liabilities measured at fair value as at March 31, 2019:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investments	-	-	154.21	154.21
<b>Total</b>	-	-	154.21	154.21

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2019:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Loans	-	-	-	-
Trade receivables	-	-	960.93	960.93
Cash and cash equivalents	-	-	387.63	387.63
Bank balances other than above	-	-	51.52	51.52
Other financial assets	-	-	612.48	612.48
<b>Total</b>	-	-	2,012.56	2,012.56

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
<b>Financial liabilities:</b>				
Lease liabilities	-	-	4,889.25	4,889.25
Borrowings	-	-	2,066.46	2,066.46
Trade payables	-	-	1,054.83	1,054.83
Other financial liabilities	-	1.36	471.35	472.71
<b>Total</b>	-	1.36	8,481.89	8,483.25

**(ii) Measurement of fair values**

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

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

# All investments and financial guarantee obligation fair valued through profit and loss and all amortized cost financial assets and liabilities are classified as level 3 inputs.

**(iii) Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments include:

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

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

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

**(iv) Significant unobservable Inputs:**

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

**Notes:**

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

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

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

4. Borrowings comprises of loan from banks and convertible debentures issued and the fair value is considered to be same as the carrying value being at market rates.

5. Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

6. Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.

7. Borrowings comprises of loan from banks and non-convertible debentures issued and the fair value is considered to be same as the carrying value being at market rates.

8. Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.



#### 40 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- (a) Credit Risk;
- (b) Liquidity Risk; and
- (c) Market Risk

##### Risk management framework

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

##### (a) Credit Risk

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

##### Trade and other receivables

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

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

##### Exposure to credit risk

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

Trade and other receivable  
Less: allowance for expected credit loss

September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1,057.42	890.84	1,086.30	988.13
(56.34)	(54.28)	(53.54)	(27.20)
<b>1,001.08</b>	<b>836.56</b>	<b>1,032.76</b>	<b>960.93</b>

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

Movement in the allowance for impairment in respect of trade receivables

Opening Balance  
Add: allowance created during the period/year  
Less: allowance written back during the period/year  
Closing Balance

September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
596.79	596.05	569.71	532.19
2.06	10.10	33.12	37.52
-	9.36	6.78	-
<b>598.85</b>	<b>596.79</b>	<b>596.05</b>	<b>569.71</b>

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks.

##### (b) Liquidity Risk:

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

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

##### Maturities of financial liabilities

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

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

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

The details of the contractual maturities of financial liabilities as of March 31, 2021 are as follows:

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Long-term borrowings	557.28	1,397.83	-	1,955.11
Short-term borrowings	937.00	-	-	937.00
Trade payables	1,093.39	-	-	1,093.39
Security deposits received	50.71	43.13	-	93.84
Forwards contracts/ options and swap payables	11.92	8.42	-	20.34
Payables for capital goods	78.35	-	-	78.35
Commission payable to Directors	1.84	-	-	1.84
Interest accrued but not due	11.35	-	-	11.35
Dividend provided on 9% cumulative optionally convertible	-	-	-	-
Financial Guarantee Obligation	-	-	-	-
Lease liabilities	889.44	3,414.72	880.63	5,184.79
Unpaid/ unclaimed dividend	0.06	-	-	0.06
Employee related payable	168.37	-	-	168.37
<b>Total</b>	<b>3,799.71</b>	<b>4,864.10</b>	<b>880.63</b>	<b>9,544.44</b>

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

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Long-term borrowings	214.90	580.31	-	795.21
Short-term borrowings	3,536.52	-	-	3,536.52
Trade payables	1,425.96	-	-	1,425.96
Security deposits received	52.65	25.29	-	77.94
Forwards contracts/ options and swap payables	30.98	13.81	-	44.79
Payables for capital goods	98.51	-	-	98.51
Commission payable to Directors	25.16	-	-	25.16
Interest accrued but not due	8.48	-	-	8.48
Dividend provided on 9% cumulative optionally convertible	-	-	-	-
Financial Guarantee Obligation	-	-	-	-
Lease liabilities	1,015.73	3,755.14	1,061.17	5,832.04
Unpaid/ unclaimed dividend	0.06	-	-	0.06
Employee related payable	177.59	-	-	177.59
<b>Total</b>	<b>6,586.54</b>	<b>4,374.55</b>	<b>1,061.17</b>	<b>12,022.26</b>

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

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Long Term Borrowings	196.26	689.83	-	886.09
Short Term Borrowings	1,180.38	-	-	1,180.38
Trade Payables	1,054.83	-	-	1,054.83
Security Deposits Received	46.82	22.65	-	69.47
Forwards contracts/ options and swap payables	1.36	-	-	1.36
Payables for Capital Goods	178.49	-	-	178.49
Commission payable to Directors	78.09	-	-	78.09
Interest accrued but not due	4.79	-	-	4.79
Dividend provided on 9% cumulative optionally convertible	-	-	-	-
Financial Guarantee Obligation	-	-	-	-
Lease liabilities	869.49	3,290.66	729.10	4,889.25
Unpaid/Unclaimed Dividend	0.05	-	-	0.05
Other Accruals	140.46	-	-	140.46
	<b>3,751.02</b>	<b>4,003.14</b>	<b>729.10</b>	<b>8,483.26</b>

**(c) Market Risk:**

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

**(d) Currency Risk**

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

#### Exposure to Currency Risk

The amount of foreign currency exposure of financial assets and financial liabilities as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 that are not hedged by a derivative instrument or otherwise is as under:

Particulars	As at September 30, 2021 (₹ In million)	As at September 30, 2021 USD	As at September 30, 2021 GBP	As at September 30, 2021 EURO	As at September 30, 2021 AUD	As at September 30, 2021 NZD	As at September 30, 2021 SGD	As at September 30, 2021 AED	As at March 31, 2021 MYR	As at September 30, 2021 HKD
<b>Financial assets</b>										
Trade receivables	211.92	1.92	-	0.58	0.31	0.06	-	-	-	-
Cash and cash equivalents	84.70	0.76	-	0.04	-	-	0.46	-	-	-
Other receivables	11.05	0.15	-	-	-	-	-	-	-	-
Other financial assets	6.90	-	-	-	-	-	0.13	-	-	-
<b>Total</b>	<b>314.57</b>	<b>2.83</b>	<b>-</b>	<b>0.62</b>	<b>0.31</b>	<b>0.06</b>	<b>0.59</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>										
Trade payables	23.69	0.03	-	0.06	0.19	-	0.09	0.04	-	-
Other Accruals	1.90	-	-	-	-	-	0.03	-	-	-
Short-term borrowings	-	-	-	-	-	-	-	-	-	-
Long-term borrowings	259.38	3.50	-	-	-	-	-	-	-	-
Lease Liabilities	42.17	-	-	-	-	-	0.77	-	-	-
Provision for Reinstatement	1.91	-	-	-	-	-	0.04	-	-	-
Credit balance of trade receivables	1.90	0.03	-	-	-	-	-	-	-	-
<b>Total</b>	<b>330.95</b>	<b>3.56</b>	<b>-</b>	<b>0.06</b>	<b>0.19</b>	<b>-</b>	<b>0.93</b>	<b>0.04</b>	<b>-</b>	<b>-</b>
<b>Net receivable/ (payable)</b>	<b>(16.38)</b>	<b>(0.73)</b>	<b>-</b>	<b>0.56</b>	<b>0.12</b>	<b>0.06</b>	<b>(0.34)</b>	<b>(0.04)</b>	<b>-</b>	<b>-</b>
Particulars	As at March 31, 2021 (₹ In million)	As at March 31, 2021 USD	As at March 31, 2021 GBP	As at March 31, 2021 EURO	As at March 31, 2021 AUD	As at March 31, 2021 NZD	As at March 31, 2021 SGD	As at March 31, 2021 AED	As at March 31, 2021 MYR	As at March 31, 2021 HKD
<b>Financial assets</b>										
Trade receivables	125.79	0.83	-	0.51	0.32	0.07	-	-	-	-
Cash and cash equivalents	3.20	0.04	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other financial assets	0.09	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>129.08</b>	<b>0.87</b>	<b>-</b>	<b>0.51</b>	<b>0.32</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>										
Trade payables	16.28	0.09	0.01	-	0.14	-	-	0.04	-	0.04
Other Accruals	-	-	-	-	-	-	-	-	-	-
Short-term borrowings	172.09	2.35	-	-	-	-	-	-	-	-
Long-term borrowings	235.99	3.22	-	-	-	-	-	-	-	-
Credit balance of trade receivables	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>424.36</b>	<b>5.66</b>	<b>0.01</b>	<b>-</b>	<b>0.14</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>0.04</b>
<b>Net receivable/ (payable)</b>	<b>(295.28)</b>	<b>(4.79)</b>	<b>(0.01)</b>	<b>0.51</b>	<b>0.18</b>	<b>0.07</b>	<b>-</b>	<b>(0.04)</b>	<b>-</b>	<b>(0.04)</b>
Particulars	As at March 31, 2020 (₹ In million)	As at March 31, 2020 USD	As at March 31, 2020 GBP	As at March 31, 2020 EURO	As at March 31, 2020 AUD	As at March 31, 2020 NZD	As at March 31, 2020 SGD	As at March 31, 2020 AED	As at March 31, 2020 MYR	As at March 31, 2020 HKD
<b>Financial assets</b>										
Trade receivables	342.91	3.70	0.08	0.48	0.37	0.05	-	-	-	-
Cash and cash equivalents	0.78	0.01	-	-	-	-	-	-	-	-
Other receivables	0.89	-	0.01	-	-	-	-	-	-	-
<b>Total</b>	<b>344.58</b>	<b>3.71</b>	<b>0.09</b>	<b>0.48</b>	<b>0.37</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>										
Trade payables	36.98	0.43	-	0.05	0.01	-	-	-	-	0.04
Short-term borrowings	74.74	1.00	-	-	-	-	-	-	-	-
Long-term borrowings	401.45	5.37	-	-	-	-	-	-	-	-
Credit balance of trade receivables	0.76	0.01	-	-	-	-	-	-	-	-
<b>Total</b>	<b>513.93</b>	<b>6.81</b>	<b>-</b>	<b>0.05</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.04</b>
<b>Net receivable/ (payable)</b>	<b>(169.35)</b>	<b>(3.10)</b>	<b>0.09</b>	<b>0.43</b>	<b>0.36</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.04)</b>

Particulars	As at March 31, 2019 (₹ In million)	As at March 31, 2019 USD	As at March 31, 2019 GBP	As at March 31, 2019 EURO	As at March 31, 2019 AUD	As at March 31, 2019 NZD	As at March 31, 2019 SGD	As at March 31, 2019 AED	As at March 31, 2019 MYR	As at March 31, 2019 HKD
<b>Financial assets</b>										
Trade receivables	177.94	1.79	0.24	0.38	0.04	-	-	-	-	-
Cash and cash equivalents	0.46	-	-	0.01	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>178.40</b>	<b>1.79</b>	<b>0.24</b>	<b>0.39</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>										
Trade payables	8.58	0.11	0.01	-	0.01	-	-	-	-	-
Short-term borrowings	137.22	1.98	-	-	-	-	-	-	-	-
Long-term borrowings	522.20	7.52	-	-	-	-	-	-	-	-
Credit balance of trade receivables	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>668.00</b>	<b>9.61</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net receivable/ (payable)</b>	<b>(489.60)</b>	<b>(7.82)</b>	<b>0.23</b>	<b>0.39</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following exchange rates have been applied during the period/year:

Currency	Period/Year-end Spot Rate			
	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
USD	74.14	73.23	74.74	69.45
GBP	99.78	100.81	92.48	90.50
EURO	85.92	85.88	82.21	77.91
AUD	53.50	55.70	46.19	49.30
NZD	51.24	51.18	45.16	45.23
HKD	9.52	9.42	9.64	8.85
SGD	54.52	54.42	52.48	51.23
MYR	17.71	17.64	17.46	16.97
AED	20.18	19.93	20.34	-

#### Sensitivity Analysis

A reasonably possible strengthening/ weakening of the Indian Rupee (INR) against US Dollars (USD), Great British Pound (GBP), EURO, United Arab Emirates Dirham (AED), Hong Kong Dollars (HKD), Australian Dollars (AUD), New Zealand (NZD), Singapore Dollar (SGD) and Malaysian Ringgit (MYR) at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

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

Effect in INR	(₹ In million)			
	Profit or Loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2021</b>				
<b>5% movement</b>				
USD	17.52	(17.52)	13.11	(13.11)
GBP	0.05	(0.05)	0.04	(0.04)
EURO	(2.19)	2.19	(1.64)	1.64
AUD	(0.49)	0.49	(0.36)	0.36
NZD	(0.18)	0.18	(0.13)	0.13
HKD	0.02	(0.02)	0.01	(0.01)
SGD	-	-	-	-
AED	0.04	(0.04)	0.03	(0.03)
	<b>14.77</b>	<b>(14.77)</b>	<b>11.06</b>	<b>(11.06)</b>

Effect in INR	Profit or Loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2020</b>				
<b>5% movement</b>				
USD	11.64	(11.64)	8.71	(8.71)
GBP	(0.42)	0.42	(0.32)	0.32
EURO	(1.80)	1.80	(1.35)	1.35
AUD	(0.85)	0.85	(0.63)	0.63
NZD	(0.12)	0.12	(0.09)	0.09
HKD	0.02	(0.02)	0.01	(0.01)
SGD	-	-	-	-
AED	-	-	-	-
	<b>8.47</b>	<b>(8.47)</b>	<b>6.33</b>	<b>(6.33)</b>

Effect in INR	Profit or Loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2019</b>				
<b>5% movement</b>				
USD	27.11	(27.11)	17.63	(17.63)
GBP	(1.05)	1.05	(0.69)	0.69
EURO	(1.48)	1.48	(0.97)	0.97
AUD	(0.09)	0.09	(0.06)	0.06
NZD	-	-	-	-
HKD	-	-	-	-
SGD	-	-	-	-
MYR	-	-	-	-
	<b>24.49</b>	<b>(24.49)</b>	<b>15.91</b>	<b>(15.91)</b>

#### Derivative financial instruments

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

The details of outstanding cross currency swaps and foreign currency forward and options contracts as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 are as follows:

Type of Derivative	As at September 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount in foreign currency	Amount	Amount in foreign currency	Amount	Amount in foreign currency	Amount	Amount in foreign currency	Amount
<b>Cross currency swap</b>								
- in USD	0.91	67.47	1.27	93.50	2.00	150.69	-	-
	<b>0.91</b>	<b>67.47</b>	<b>1.27</b>	<b>93.50</b>	<b>2.00</b>	<b>150.69</b>	<b>-</b>	<b>-</b>
<b>Forward contracts</b>								
<b>To sell</b>								
- in USD	12.26	949.56	7.46	572.79	1.00	72.84	1.25	88.63
- in Euros	-	-	0.15	13.44	0.20	16.30	-	-
	<b>12.26</b>	<b>949.56</b>	<b>7.61</b>	<b>586.23</b>	<b>1.20</b>	<b>89.14</b>	<b>1.25</b>	<b>88.63</b>
<b>To buy</b>								
- in USD	-	-	0.34	25.02	-	-	-	-
	<b>-</b>	<b>-</b>	<b>0.34</b>	<b>25.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Forward option contracts</b>								
<b>To buy</b>								
- in USD	2.15	159.53	5.57	409.62	5.37	404.90	-	-
	<b>2.15</b>	<b>159.53</b>	<b>5.57</b>	<b>409.62</b>	<b>5.37</b>	<b>404.90</b>	<b>-</b>	<b>-</b>
<b>To sell</b>								
- in USD	0.40	29.70	1.90	139.66	5.90	444.78	-	-
	<b>0.40</b>	<b>29.70</b>	<b>1.90</b>	<b>139.66</b>	<b>5.90</b>	<b>444.78</b>	<b>-</b>	<b>-</b>

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 :

**September 30, 2021**

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

**March 31, 2021**

Particulars	Cross currency swaps		Option contracts to buy		Option contracts to sell	
	In USD	Amount	In USD	Amount	In USD	Amount
Not later than one year	0.73	53.43	4.50	330.66	1.90	139.66
Later than one year but not later than two year	0.55	40.07	1.07	78.96	-	-
Later than two year but not later than three year	-	-	-	-	-	-
<b>Total</b>	<b>1.28</b>	<b>93.50</b>	<b>5.57</b>	<b>409.62</b>	<b>1.90</b>	<b>139.66</b>

**March 31, 2020**

Particulars	Cross currency swaps		Option contracts to buy		Option contracts to sell	
	In USD	Amount	In USD	Amount	In USD	Amount
Not later than one year	0.73	54.80	2.15	161.96	3.50	263.85
Later than one year but not later than two year	0.73	54.80	2.15	161.96	2.40	180.93
Later than two year but not later than three year	0.55	41.10	1.07	80.98	-	-
<b>Total</b>	<b>2.01</b>	<b>150.70</b>	<b>5.37</b>	<b>404.90</b>	<b>5.90</b>	<b>444.78</b>

The table below analyses the relevant maturity groupings of the forward exchange contracts based on the remaining period as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars	September 30, 2021			March 31, 2021		
	In USD	In Euro	Amount	In USD	In Euro	Amount
<b>To sell</b>						
Not later than one year	9.56	-	735.98	3.86	0.15	306.64
Later than one year but not later than two year	2.70	-	213.57	3.60	-	279.60
Later than two year but not later than three year	-	-	-	-	-	-
<b>Total</b>	<b>12.26</b>	<b>-</b>	<b>949.55</b>	<b>7.46</b>	<b>0.15</b>	<b>586.24</b>

Particulars	March 31, 2020			March 31, 2019		
	In USD	In Euro	Amount	In USD	In Euro	Amount
<b>To sell</b>						
Not later than one year	1.00	0.20	89.14	1.25	-	88.63
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
<b>Total</b>	<b>1.00</b>	<b>0.20</b>	<b>89.14</b>	<b>1.25</b>	<b>-</b>	<b>88.63</b>

Particulars	September 30, 2021			March 31, 2021		
	In USD	In Euro	Amount	In USD	In Euro	Amount
<b>To buy</b>						
Not later than one year	-	-	-	0.34	-	25.02
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.34</b>	<b>-</b>	<b>25.02</b>

Particulars	March 31, 2020			March 31, 2019		
	In USD	In Euro	Amount	In USD	In Euro	Amount
<b>To buy</b>						
Not later than one year	-	-	-	-	-	-
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 41 Capital Management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder's value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. No changes were made in the objectives, policies or processes for managing capital for the period ended September 30, 2021 and during the year ended March 31, 2021 and March 31, 2020 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19.

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. Capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder's value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seek to maintain a balance of higher returns by sound capital composition. The Group has availed long term borrowings and short term credit facilities from banks during the period/year ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 .

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

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

Capital	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Long-term borrowings	1,041.46	1,397.83	580.31	689.83
Short-term borrowings	6,033.82	1,494.28	3,751.42	1,376.64
<b>Total debt*</b>	<b>7,075.28</b>	<b>2,892.11</b>	<b>4,331.73</b>	<b>2,066.47</b>
Equity share capital	147.78	147.36	144.66	23.90
Other equity	5,055.42	7,424.90	8,358.22	8,601.90
Non-controlling interest	2,174.28	2,959.31	2,897.99	2,981.92
<b>Total equity</b>	<b>7,377.48</b>	<b>10,531.57</b>	<b>11,400.87</b>	<b>11,607.72</b>
<b>Debt-equity ratio</b>	<b>0.96</b>	<b>0.27</b>	<b>0.38</b>	<b>0.18</b>

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

## 42 Related party disclosures

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

### A. List of related parties where control exists:

#### (i) List of related parties who have control over the Group (either individually or with others)

- JLB Partners Holding Inc., USA
- William Nanda Bissell, Executive Vice-Chairman and Director (Executive Chairman and Director w.e.f. July 24, 2020 upto November 23, 2021)
- Monsoon Latane Bissell (Director and relative of Executive Vice-Chairman and Director)

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

#### (i) Associates

- Rangсутra Crafts India Limited
- Orissa Artisans and Weavers Limited
- East Lifestyle Limited, United Kingdom - (went into administration w.e.f. 29th January, 2018)
- Weavers India General Trading LLC, Dubai
- Fabindia S.r.l., Italy
- Nutriwel Health (India) Private Limited (w.e.f. March 06, 2019)

#### (ii) Key Management Personnel (KMP)

- |                                |  |
|--------------------------------|--|
| - William Nanda Bissell        | - Executive Vice-Chairman and Director (Executive Chairman and Director w.e.f. July 24, 2020 upto November 23, 2021)                                 |
| - Viney Singh                  | - Managing Director  |
| - Charu Sharma                 | - Director (Wholetime director upto 31st March, 2019)  |
| - Monsoon Latane Bissell       | - Director and relative of Executive Vice-Chairman and Director  |
| - Madhukar Khara               | - Erstwhile Director (ceased to be director w.e.f September 2, 2011)   |
| - Vijai Kumar Kapoor           | - Director   |
| - William Sean Sovak           | - Erstwhile Director (ceased to be director w.e.f May 11, 2011)  |
| - Prakash Parthasarathy        | - Director   |
| - Rahul Garg                   | - Director   |
| - Tekkethalakkal Kurien Kurien | - Director   |
| - Mukesh Kumar Chauhan         | - Director (w.e.f September 30, 2021) (Additional Director w.e.f. August 20, 2021 and upto September 29, 2021)                                       |
| - Nikhil Khara                 | - Director w.e.f September 30, 2021 (Additional Director w.e.f September 1, 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)  |
| - Vinita Bali                  | - Erstwhile Director (Director w.e.f. 18th September 2018 upto June 1, 2021 and Additional Director w.e.f. 1st April, 2018 upto 17th September 2018) |
| - Yoav Lev                     | - Director w.e.f. 18th September 2018 (Additional Director w.e.f. 10th August, 2018 upto 17th September, 2018)                                       |
| - Andrew Charles Mayfield      | - Director (ceased to be a Director w.e.f 31st August, 2018)   |
| - Sunil Chainani               | - Director (ceased to be a Director w.e.f 14th May, 2018)  |
| - Aditya Ghosh                 | - Director (w.e.f. September 30, 2020) (Additional Director w.e.f. June 30, 2020 upto September 29, 2020)  |
| - Sunil Chauhan                | - Managing Director of Indian Subsidiary w.e.f. March 01, 2020 (Director upto February 29, 2020)   |
| - Sunil Kumar Rautela          | - Director (upto 4th October 2018) of Indian Subsidiary  |
| - Ajay Kapoor                  | - Director (w.e.f. September 24, 2018) of Indian Subsidiary  |
| - Dinesh Kumar                 | - Director of Indian Subsidiary  |
| - Vikram Singh                 | - Director of Indian Subsidiary  |
| - Elizabeth Nanda              | - Director of Indian Subsidiary  |
| - Subrata Dutta                | - Managing Director of Indian Subsidiary w.e.f. January 04, 2021 (Director upto January 03, 2021)  |
| - Pankaj Pachauri              | - Director of Indian Subsidiary  |
| - Laurent Chappuis             | - Director of Indian Subsidiary  |
| - Holly B Lev                  | - Director of Indian Subsidiary (w.e.f. 10th August 2018)  |
| - Alejandro Junger             | - Director of Indian Subsidiary  |
| - Dipali Patwa                 | - Director of Indian Subsidiary w.e.f. August 01, 2020   |
| - Paul C. Salins               | - Director of Indian Subsidiary upto April 04, 2020  |
| - Sania Arora Jain             | - Managing Director of Indian Subsidiary w.e.f. March 11, 2021   |
| - Shantanu Jain                | - Director of Indian Subsidiary  |
| - Richard Baskin               | - Director of Indian Subsidiary  |

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

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

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

- Ganga Yamuna Agro Technologies and Plantation Private Limited
- LEV True Wellness Private Limited
- Organic India Farmers Producer Company Limited
- Organic India Foundation
- OI (US) Holdings, LLC
- OI (India) Holding, LLC
- Mazumdar Shaw Medical Foundation (upto April 04, 2020)
- Homage Advisers LLP



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

(₹ In million)

[illegible]

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

Interim dividend Paid	-	-	72.99	-	-	-	-	-	-	-	118.07	-	-	-	-	-	-	191.06	-
Advance given	-	-	-	-	-	1.50	1.00	24.30	-	-	-	-	-	-	-	-	1.50	1.00	24.30
Advance given received back/ adjusted	-	-	-	-	-	1.50	7.10	29.90	-	-	-	-	-	-	-	-	1.50	7.10	29.90
Loan given	-	-	-	-	-	-	-	-	5.00	30.93	3.82	-	-	-	-	5.00	30.93	3.82	-
Interest on loan given	-	-	-	-	2.55	-	-	-	0.21	0.24	-	-	-	-	-	2.76	0.24	-	-
Loan taken	-	-	-	-	-	-	-	20.95	-	0.60	4.68	-	-	-	-	-	0.60	4.68	20.95
Loan repayment during the period/year	-	-	-	-	-	18.51	-	83.81	-	0.60	-	-	-	-	-	-	19.11	-	83.81

Outstanding Balances	Enterprises where control exists				Associates and Others				Key management personnel and their relatives				Entities controlled by Directors or their relatives				Total			
	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Outstanding Payables	-	-	-	-	141.43	132.04	173.10	170.26	17.85	44.19	60.20	118.00	3.24	3.32	-	-	162.52	179.55	233.30	288.26
Outstanding Receivables	-	-	-	-	181.17	156.28	143.73	145.91	55.03	34.85	4.04	-	-	-	-	-	236.20	191.13	147.77	145.91

Terms and conditions:

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

Compensation of Key Management Personnel:

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

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Short-term benefits	72.22	68.91	169.00	182.68
Post-employment benefits	71.74	1.13	1.60	0.83
Other Long-Term Benefits	-	-	-	-
Dividend	-	-	0.06	0.03
Share-based payments	3.88	2.06	11.69	17.10
Termination Benefits	-	-	-	-
<b>Total compensation paid to key management personnel</b>	<b>147.84</b>	<b>72.10</b>	<b>182.35</b>	<b>200.64</b>

Share-Based Payments for FY 2018-19 includes ₹ 5.82 million transferred to General Reserve from Stock Option Outstanding Account due to Stock Options lapsed during the year under Employee Stock Option Plan.

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

D. Disclosure in respect of all related party transactions:

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Issue and allotment of equity shares</b>				
Ol (India) Holdings, LLC	-	-	-	78.88
Shantanu Jain jointly with Sania Arora Jain	-	4.99	-	-
<b>Investment in Debentures</b>				
Nutriwel Health (India) Private Limited	-	-	-	90.00
<b>Purchase of Equity shares of Godwar Farmers Collective Private Limited</b>				
William Nanda Bissell	-	-	-	1.60
<b>Sale of Equity shares of Lev True Wellness Private Limited</b>				
Holly B Lev	-	-	-	0.21
<b>Issue and allotment of equity share (preferential allotment)</b>				
Bimla Nanda Bissell	-	-	127.43	-
Sunil Chauhan	-	-	0.88	-
<b>Issue and allotment of equity shares (ESOP)</b>				
Dinesh Kumar	0.03	-	0.07	0.18
Charu Sharma	-	-	0.01	-
Viney Singh	-	0.12	0.01	0.01
<b>Sale of goods/ samples</b>				
Nutriwel Health (India) Private Limited	8.74	27.89	27.25	1.90
M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	0.05	0.51	0.12	-
Organic India Foundation	0.02	0.02	0.02	0.01
M/s LEV True Wellness Private Limited	0.04	0.01	-	-
M/s Organic India Farmers Producer Co. Limited	-	0.01	-	-
FABINDIA S.r.l., Italy	-	-	-	0.23
Weavers India General Trading LLC, Dubai	10.23	13.46	16.15	20.04
Orissa Artisans and Weavers Limited	-	0.01	-	-
Rangautra Crafts India Limited	0.21	0.21	0.22	-
Crome Yellow (Proprietor: Bindu Jain)	-	0.88	0.50	-
Sunil Chauhan	-	-	-	0.03
<b>Purchase of finished goods - contract manufactured</b>				
Orissa Artisans and Weavers Limited	16.95	10.75	35.35	68.14
Rangautra Crafts India Limited	10.58	8.09	39.79	30.36
Crome Yellow (Proprietor: Bindu Jain)	-	2.87	17.62	16.36
<b>Purchase of raw material</b>				
Ganga Yamuna Agro Technologies and Plantation Private Limited	2.21	4.26	3.77	3.70
Organic India Farmers Producer Co. Limited	1.13	6.67	3.36	5.77
LEV True Wellness Private Limited	52.38	9.92	75.63	71.01
<b>Staff Welfare Expenses</b>				
Sania Arora Jain	0.01	-	-	-
Shantanu Jain	0.01	-	-	-
<b>Reimbursement of Staff Welfare Expense</b>				
Sania Arora Jain	0.01	-	-	-
Shantanu Jain	0.01	-	-	-
<b>Tax paid on behalf of Director</b>				
Shantanu Jain	0.45	-	-	-
<b>Reimbursement of Tax paid on behalf of Director</b>				
Shantanu Jain	0.45	-	-	-
<b>Remuneration (included under salary,wages and bonus)</b>				
William Nanda Bissell	30.50	4.10	17.50	7.20
Charu Sharma	-	-	-	7.84
Viney Singh	12.55	10.39	25.10	23.20
Mukesh Kumar Chauhan	2.65	0.03	-	-
Dinesh Kumar	1.13	1.86	2.13	1.84
Subrata Dutta	13.13	6.11	-	-
Dr Alejandro Junger	8.67	-	-	-
Elizabeth Nanda	-	0.01	-	-
Sunil Chauhan	3.42	4.75	0.60	-
Sania Arora Jain	1.91	2.54	-	-
<b>Professional charges</b>				
Nutriwel Health (India) Private Limited	0.20	0.53	0.82	0.11
Homage Advisers LLP	18.00	27.00	-	-
Sunil Chauhan	-	-	5.50	3.60
Elizabeth Nanda	-	1.15	0.98	-
Vikram Singh	0.60	1.20	1.20	1.20
Pankaj Pachauri	0.60	1.20	1.20	1.20
Paul C. Salins	-	-	1.00	12.00
Charu Sharma	-	4.68	9.60	-
Dipali Patwa	1.06	-	-	-
<b>Commission to Directors (included under salary,wages and bonus)</b>				
William Nanda Bissell	-	10.91	58.90	27.47
Charu Sharma	-	-	1.61	15.41
Viney Singh	-	-	20.15	29.64
Monsoon Latane Bissell	-	-	1.61	2.77
Madhukar Khara	-	-	1.61	3.56
Vijai Kumar Kapoor	-	-	1.61	3.56
William Sean Sovak	-	-	1.61	3.56
Prakash Parthasarathy	-	-	1.61	3.56
Vinita Bali	-	-	1.61	4.55
Yoav Lev	-	7.27	7.41	13.09
Holly B Lev	-	7.27	5.80	10.72
Subrata Dutta	-	3.64	-	-
Mukesh Kumar Chauhan	-	6.18	3.63	3.75
Elizabeth Nanda	-	2.55	2.03	3.75
Paul C. Salins	-	-	-	1.14
Sania Arora Jain	3.76	2.92	-	-
Laurent Chappuis	-	1.27	2.03	1.88

D. Disclosure in respect of all related party transactions:

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Director's sitting fees</b>				
Madhukar Khera	0.03	0.05	0.04	0.03
Monsoon Latane Bissell	0.03	0.05	0.04	0.02
Vijai Kumar Kapoor	0.03	0.06	0.05	0.03
Sunil Chainani	-	-	-	0.01
Prakash Parthasarathy	0.03	0.06	0.02	0.02
William Sean Sovak	-	0.06	0.03	0.02
Andrew Charles Mayfield	-	-	-	0.01
Vinita Bali	0.01	0.05	0.02	0.02
Yoav Lev	0.03	0.05	0.04	0.01
Nikhil Khera	0.01	-	-	-
Gyanendra Nath Gupta	0.01	-	-	-
Richard Frank Celeste	1.41	-	-	-
Ms. Dipali Patwa	0.78	-	-	-
<b>Corporate social responsibility expenses</b>				
Organic India Foundation	1.90	5.86	9.65	8.00
<b>Interest income</b>				
Viney Singh	0.15	-	-	-
Mukesh Kumar Chauhan	0.68	-	-	-
Nutriwel Health (India) Private Limited	5.37	10.72	10.72	0.76
Rangutra Crafts India Limited	-	-	0.04	0.37
Dr Alejandro Junger	0.23	-	-	-
<b>Dividend income</b>				
Rangutra Crafts India Limited	2.01	-	1.02	-
Orissa Artisans and Weavers Limited	-	-	0.50	-
(* adjusted with Loss on Fair Value of Investment in OCPs)				
<b>Reimbursement of expenses receipts</b>				
Rangutra Crafts India Limited	-	-	0.02	0.03
Orissa Artisans and Weavers Limited	-	-	0.03	0.01
Organic India Farmers Producer Company Limited	-	0.18	0.08	-
FABINDIA S.r.l., Italy	-	-	-	0.05
Weavers India General Trading LLC, Dubai	0.62	0.90	0.62	1.72
Crome Yellow (Proprietor: Bindu Jain)	-	-	-	0.06
<b>Reimbursement of expenses paid</b>				
M/s LEV True Wellness Private Limited	0.82	-	-	-
Rangutra Crafts India Limited	0.02	-	-	-
Organic India Farmers Producer Company Limited	-	-	0.02	-
Sania Arora Jain	0.16	0.51	-	-
Shantanu Jain	0.12	0.18	-	-
Sunil Chauhan	-	0.02	-	0.06
<b>Reimbursement of fixed assets purchased</b>				
Shantanu Jain	0.05	0.25	-	-
<b>Rent received</b>				
M/s Nutriwel Health (India) Private Limited	-	-	0.03	-
<b>Rent paid</b>				
Mazumdar Shaw Medical Foundation	-	-	0.60	0.60
<b>Royalty paid</b>				
Alejandro Junger	0.08	0.40	-	-
<b>Royalty income</b>				
M/s Nutriwel Health (India) Private Limited	-	0.06	0.02	-
<b>Freight outward</b>				
Nutriwel Health (India) Private Limited	0.41	1.24	1.47	0.36
<b>Interest paid</b>				
OI (US) Holdings, LLC	-	5.87	13.22	16.99
Paul C. Salins	-	-	0.10	-
<b>Final dividend paid</b>				
JLB Partners Holding Inc., USA	-	-	81.10	54.06
M/s OI (India) Holding, LLC	-	-	36.65	-
William Nanda Bissell	-	-	82.00	54.67
Charu Sharma	-	-	4.84	3.23
Viney Singh	-	-	0.33	0.22
Monsoon Latane Bissell	-	-	6.83	4.31
Madhukar Khera	-	-	22.19	14.79
Vijai Kumar Kapoor	-	-	0.15	0.13
William Sean Sovak	-	-	0.15	0.10
SR Parthasarathy	-	-	0.62	0.41
Rahul Garg	-	-	0.39	0.23
Tekkethalakkal Kurien Kurien	-	-	0.21	0.14
Yoav Lev	-	-	1.13	0.75
Holly B Lev	-	-	1.13	0.75
Anjali Kapoor Bissell	-	-	3.44	2.30
Bimla Nanda Bissell	-	-	6.04	2.53
Master John Varun Bissell	-	-	0.05	0.03
Sara Kamla Bissell	-	-	0.33	0.22
Nikhil Khera	-	-	0.84	0.56
Mini Kapoor	-	-	0.36	0.27
Dinesh Kumar	-	-	0.06	0.03
<b>Interim dividend paid</b>				
Fabindia Overseas Private Limited				
JLB Partners Holding Inc., USA	-	-	72.99	-
William Nanda Bissell	-	-	73.80	-

D. Disclosure in respect of all related party transactions:

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Charu Sharma	-	-	4.52	-
Viney Singh	-	-	0.38	-
Monsoon Latane Bissell	-	-	6.15	-
Madhukar Khera	-	-	19.97	-
Vijai Kumar Kapoor	-	-	0.14	-
William Sean Sovak	-	-	0.14	-
SR Parthasarathy	-	-	0.47	-
Rahul Garg	-	-	0.35	-
Tekkethalakkal Kurien Kurien	-	-	0.19	-
Yoav Lev	-	-	1.01	-
Holly B Lev	-	-	1.01	-
Anjali Kapoor Bissell	-	-	3.10	-
Bimla Nanda Bissell	-	-	5.43	-
Master John Varun Bissell	-	-	0.04	-
Sara Kamla Bissell	-	-	0.29	-
Nikhil Khera	-	-	0.76	-
Mini Kapoor	-	-	0.32	-
<b>Advance given</b>				
Rangutra Crafts India Limited	-	1.50	1.00	6.10
Orissa Artisans and Weavers Limited	-	-	-	18.20
<b>Advance given received back/ adjusted</b>				
Rangutra Crafts India Limited	-	1.50	7.10	13.35
Orissa Artisans and Weavers Limited	-	-	-	16.55
<b>Loan given</b>				
Dinesh Kumar	-	0.51	-	-
Subrata Dutta	-	26.42	-	-
Sunil Chauhan	5.00	4.00	-	-
Alejandro Junger	-	-	3.82	-
<b>Interest on loan given</b>				
Sunil Chauhan	0.21	0.24	-	-
M/s OI (US) Holdings, LLC	2.55	-	-	-
<b>Loan taken</b>				
OI (US) Holdings, LLC	-	-	-	20.95
Paul C. Salins	-	-	4.68	-
Shantanu Jain	-	0.60	-	-
<b>Loan repayment during the period/year</b>				
OI (US) Holdings, LLC	-	18.51	-	83.81
Shantanu Jain	-	0.60	-	-
<b>Outstanding payables</b>				
Mazumdar Shaw Medical Foundation	-	-	0.05	0.06
Orissa Artisans and Weavers Limited	5.13	0.96	-	0.75
Rangutra Crafts India Limited	8.85	1.85	6.83	7.84
Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	0.25	-
LEV True Wellness Private Limited	-	3.16	18.18	24.95
Organic India Farmers Producer Co. Limited	-	-	0.04	0.04
OI (US) Holdings, LLC	127.33	125.92	147.32	136.10
Nutriwel Health (India) Private Limited	0.12	0.15	0.43	0.52
Homage Advisers LLP	3.24	3.32	-	-
Crome Yellow (Proprietor: Bindu Jain)	-	1.44	0.94	0.20
William Nanda Bissell	11.30	10.91	8.82	17.47
Charu Sharma	-	0.49	1.61	15.41
Gyanendra Nath Gupta	-	-	-	-
Richard Frank Celeste	0.01	-	-	-
Nikhil Khera	-	-	-	-
Viney Singh	1.02	-	12.15	29.64
Monsoon Latane Bissell	-	-	1.61	2.42
Madhukar Khera	-	-	1.61	3.56
Vijai Kumar Kapoor	-	-	1.61	3.56
William Sean Sovak	-	-	1.61	3.56
Prakash Parthasarathy	-	-	1.61	3.56
Vinita Bali	-	-	1.61	4.55
Yoav Lev	0.02	7.28	7.41	13.09
Holly B Lev	-	7.27	5.80	10.72
Sunil Chauhan	0.32	0.32	0.57	0.34
Mukesh Kumar Chauhan	0.52	6.18	3.63	3.75
Subrata Dutta	-	3.73	-	-
Elizabeth Nanda	-	2.66	2.35	3.75
Paul C. Salins	-	-	4.78	-
Laurent Chappuis	-	1.27	2.03	1.88
Vikram Singh	0.09	0.28	0.18	0.27
Pankaj Pachauri	0.27	0.28	0.27	0.27
Alejandro Junger	-	0.06	-	-
Sania Arora Jain	4.13	1.92	-	-
Shantanu Jain	0.17	0.10	-	-
<b>Outstanding receivables</b>				
Nutriwel Health (India) Private Limited	149.79	147.45	137.53	123.88
Ganga Yamuna Agro Technologies and Plantation Private Limited	1.20	2.14	0.06	0.68
East Lifestyle Limited, United Kingdom	-	-	-	4.51
Weavers India General Trading LLC, Dubai	4.06	2.44	2.09	6.17
Orissa Artisans and Weavers Limited	0.45	4.20	4.05	6.00
Rangutra Crafts India Limited	0.01	-	-	2.60
M/s Organic India Foundation	-	0.03	-	-
M/s Organic India Farmers Producer Co.Limited	0.01	0.01	-	-
LEV True Wellness Private Limited	25.65	0.01	-	-
East Limited, United Kingdom	-	-	-	2.07
Dinesh Kumar	0.24	0.24	-	-
Sunil Chauhan	9.15	4.24	-	-
Viney Singh	3.54	-	-	-
Mukesh Kumar Chauhan	15.68	-	-	-
Subrata Dutta	26.42	26.42	-	-
Alejandro Junger	-	3.95	4.04	-
<b>Financial Guarantee Given on behalf of Fabcafe Foods Private Limited</b>				
	150.00	-	-	-

E. Transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the period/ year ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019:

(a) Transactions by the Holding Company with other group companies:

Name of the Entity	Description of Relationship
Organic India Private Limited	Subsidiary
Fabcafe Foods Private Limited	Subsidiary
Biome Life Sciences India Private Limited	Subsidiary (w.e.f. August 01, 2020)
Fabindia International Pte. Ltd, Singapore	Overseas wholly-owned subsidiary
Indigo Origins Pte. Ltd., Singapore	Step-down subsidiary
East Limited, United Kingdom	Step-down subsidiary (Dissolved w.e.f. December 03, 2019)

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Investment in Equity Shares</b>				
Fabindia International Pte. Ltd.	-	-	-	-
Organic India Private Limited	-	-	-	91.12
Biome Life Sciences India Private Limited	-	5.00	-	-
<b>Investment in Optionally Convertible Preference Shares</b>				
Fabcafe Foods Private Limited	55.00	160.00	110.00	147.00
<b>Sale of goods/ samples</b>				
Fabcafe Foods Private Limited	-	0.01	5.45	3.25
Indigo Origins Pte. Ltd., Singapore	9.92	17.54	18.85	24.36
Biome Life Sciences India Private Limited	-	0.22	-	-
<b>Sale of fixed asset</b>				
Organic India Private Limited	-	0.43	1.63	7.02
Fabcafe Foods Private Limited	0.03	0.05	-	-
<b>Purchase of finished goods (traded and manufactured)</b>				
Organic India Private Limited	59.77	112.11	250.94	124.70
Fabcafe Foods Private Limited	0.09	3.10	-	-
Biome Life Sciences India Private Limited	77.58	75.43	-	-
<b>Miscellaneous income</b>				
Organic India Private Limited	-	1.05	24.26	5.79
Biome Life Sciences India Private Limited	-	0.02	-	-
Fabcafe Foods Private Limited	0.05	6.15	6.05	5.85
<b>Interest income</b>				
Organic India Private Limited	-	-	0.48	-
<b>Dividend income</b>				
Organic India Private Limited	-	-	42.35	41.50
Fabcafe Foods Private Limited*	-	-	-	9.29
(* adjusted with Loss on Fair Value of Investment in OCPs)				
<b>Reimbursement of expenses</b>				
Indigo Origins Pte. Ltd., Singapore	1.44	1.67	0.77	1.26
Organic India Private Limited	1.53	-	-	-
Fabcafe Foods Private Limited	5.23	-	-	-
Biome Life Sciences India Private Limited	0.17	-	-	-
<b>Staff Welfare expenses paid</b>				
Organic India Private Limited	-	0.20	-	-
<b>Power, Fuel and water charges</b>				
Organic India Private Limited	-	2.22	-	-
Fabcafe Foods Private Limited	-	8.42	15.20	-
<b>Miscellaneous expenses paid</b>				
Organic India Private Limited	-	0.87	1.90	0.26
Fabcafe Foods Private Limited	-	-	0.92	-
<b>Rental income</b>				
Organic India Private Limited	8.69	12.90	16.47	5.31
Biome Life Sciences India Private Limited	0.07	0.08	-	-
Fabcafe Foods Private Limited	5.10	28.61	37.55	12.98
<b>CAM Charges</b>				
Fabcafe Foods Private Limited	-	1.31	-	-
<b>Royalty income</b>				
Organic India Private Limited	4.29	11.14	-	-
Fabcafe Foods Private Limited	0.89	1.68	-	-
<b>Business support service fees</b>				
Organic India Private Limited	32.02	68.71	68.35	11.59
<b>Advance Given</b>				
Fabcafe Foods Private Limited	-	1.50	-	-
Organic India Private Limited	-	-	42.70	-
<b>Advance Given Received Back / Adjusted</b>				
Fabcafe Foods Private Limited	-	1.50	-	-
Organic India Private Limited	-	-	38.44	4.26

<b>Advance rent received</b>				
Fabcafe Foods Private Limited	-	0.13	0.21	0.06
Organic India Private Limited				
<b>Security deposit received</b>				
Fabcafe Foods Private Limited	-	-	0.34	0.12
Organic India Private Limited				
<b>Interest Expense on leased deposits</b>				
Organic India Private Limited	-	-	-	0.06
<b>Outstanding payable</b>				
Organic India Private Limited	22.38	34.05	51.75	-
Biome Life Sciences India Private Limited	3.08	23.98	-	-
<b>Advances recoverable</b>				
Organic India Private Limited	-	62.28	140.31	25.39
Fabcafe Foods Private Limited	135.74	123.89	68.71	7.09
Biome Life Sciences India Private Limited	0.36	0.09	-	-
<b>Outstanding receivable</b>				
Organic India Private Limited	77.05	-	1.63	4.52
East Limited, United Kingdom	-	-	-	2.07
Indigo Origins Pte. Ltd., Singapore	5.10	3.01	7.24	10.93
Fabcafe Foods Private Limited	-	-	5.45	5.74

(b) Transactions by Organic India Private Limited with Holding Company:

Name of the Entity	Description of Relationship
Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	Holding Company
Fabcafe Foods Private Limited	Fellow subsidiary

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Issue and Allotment of Equity Shares</b>				
Fabindia Overseas Private Limited	-	-	-	91.12
<b>Purchase of Fixed Asset-Furniture</b>				
Fabindia Overseas Private Limited	-	0.43	1.63	7.02
<b>Sale of Goods Traded-Traded</b>				
Fabindia Overseas Private Limited	59.77	112.32	-	51.23
<b>Sale of Goods Traded-Manufactured</b>				
Fabindia Overseas Private Limited	-	-	245.89	72.54
<b>Sale of Products</b>				
Fabcafe Foods Private Limited	-	0.02	-	-
<b>Interest Income on leased deposits</b>				
Fabindia Overseas Private Limited	-	-	-	0.06
<b>Rent paid</b>				
Fabindia Overseas Private Limited	10.96	18.55	16.47	5.31
<b>Prepaid rent</b>				
Fabindia Overseas Private Limited	-	3.18	2.62	0.67
<b>Royalty Fees paid</b>				
Fabindia Overseas Private Limited	4.29	10.15	15.09	2.93
<b>Business Support Charges</b>				
Fabindia Overseas Private Limited	28.58	60.71	68.35	11.59
<b>Miscellaneous expenses paid</b>				
Fabindia Overseas Private Limited	-	3.71	0.02	1.07
Fabcafe Foods Private Limited	-	0.08	-	-
<b>Miscellaneous income</b>				
Fabindia Overseas Private Limited	-	0.87	1.90	0.26
<b>Power, Fuel and water charges</b>				
Fabindia Overseas Private Limited	1.49	2.87	4.10	0.86
<b>Interest Expense paid</b>				
Fabindia Overseas Private Limited	-	-	0.48	-
<b>Staff Welfare Expense paid</b>				
Fabindia Overseas Private Limited	0.04	0.04	-	-
<b>Dividend paid</b>				
Fabindia Overseas Private Limited	-	-	42.35	41.50
<b>Security Deposits paid</b>				
Fabindia Overseas Private Limited	0.40	-	8.42	1.92
<b>Outstanding receivable</b>				
Fabindia Overseas Private Limited	19.37	34.05	51.75	-
<b>Outstanding payable</b>				
Fabindia Overseas Private Limited	74.04	62.28	141.93	29.91
Fabcafe Foods Private Limited	-	0.08	74.15	-

**Advance from customer**

Fabindia Overseas Private Limited	-	-	-	4.26
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(c) Transactions by Fabcafe Foods Private Limited with Holding Company:

Name of the Entity	Description of Relationship
Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	Holding Company
Organic India Private Limited	Fellow subsidiary

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Issue and Allotment of Optionally Convertible Preference Shares</b>				
Fabindia Overseas Private Limited	55.00	160.00	110.00	147.00
<b>Purchase of Raw Materials</b>				
Organic India Private Limited	-	0.02	-	-
<b>Sale of Food and Other Beverages</b>				
Fabindia Overseas Private Limited	0.09	3.10	1.04	-
<b>Sale Return of Food and Other Beverages</b>				
Fabindia Overseas Private Limited	0.18	-	-	-
<b>Rent paid</b>				
Fabindia Overseas Private Limited	4.10	28.31	37.61	13.00
<b>Prepaid Rent</b>				
Fabindia Overseas Private Limited	-	0.13	0.21	0.06
<b>Power, Fuel and water charges</b>				
Fabindia Overseas Private Limited	4.86	12.82	16.26	1.96
<b>Purchase of Finished Goods-Traded / Captive Production at Ancillaries</b>				
Fabindia Overseas Private Limited	0.02	0.17	-	0.07
<b>Sales Promotion &amp; Marketing</b>				
Fabindia Overseas Private Limited	0.05	0.17	-	-
<b>Staff Welfare Expenses</b>				
Fabindia Overseas Private Limited	-	-	-	0.04
<b>CAM Charges</b>				
Fabindia Overseas Private Limited	-	3.02	2.44	0.94
<b>Royalty Fees paid</b>				
Fabindia Overseas Private Limited	0.89	1.68	2.44	0.75
<b>Purchase of Fixed Asset-Office Equipment</b>				
Fabindia Overseas Private Limited	0.03	0.05	-	-
<b>Consumption of Linen, crockery and cutlery</b>				
Fabindia Overseas Private Limited	-	0.01	5.45	3.25
<b>Miscellaneous Expenses paid</b>				
Fabindia Overseas Private Limited	-	-	0.16	1.76
<b>Security Deposits paid</b>				
Fabindia Overseas Private Limited	-	-	0.34	0.42
<b>Outstanding payable</b>				
Fabindia Overseas Private Limited	135.74	123.89	74.15	12.82
Organic India Private Limited	-	0.08	-	-
<b>Outstanding receivable</b>				
Organic India Private Limited	-	0.08	-	-

(d) Transactions by Biome Life Sciences India Private Limited with Holding Company:

Name of the Entity	Description of Relationship
Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	Holding Company

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Issue and Allotment of Equity Shares</b>				
Fabindia Overseas Private Limited	-	5.00	-	-
<b>Sale of Goods / Samples</b>				
Fabindia Overseas Private Limited	77.58	75.43	-	-
<b>Purchase of Finished Goods - Contract Manufactured</b>				
Fabindia Overseas Private Limited	-	0.24	-	-
<b>Employees' Medical Insurance</b>				
Fabindia Overseas Private Limited	0.20	-	-	-
<b>Rent Paid</b>				
Fabindia Overseas Private Limited	0.06	0.08	-	-
<b>Outstanding Payable</b>				
Fabindia Overseas Private Limited	0.36	0.09	-	-
<b>Outstanding Receivable</b>				
Fabindia Overseas Private Limited	3.08	23.98	-	-



(e) Transactions by Indigo Origins Pte. Ltd., Singapore with Holding Company:

Name of the Entity	Description of Relationship
Fabindia Overseas Private Limited	Ultimate Holding Company
Fabindia International Pte. Ltd, Singapore	Holding Company

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Purchase of Finished Goods - Contract Manufactured</b>				
Fabindia Overseas Private Limited	9.92	17.54	18.85	24.36
<b>Miscellaneous Expenses paid</b>				
Fabindia Overseas Private Limited	1.44	1.67	0.77	1.26
<b>Outstanding payable</b>				
Fabindia Overseas Private Limited	5.10	3.01	7.24	10.93

(f) Transactions by East Limited, United Kingdom with Holding Company:

Name of the Entity	Description of Relationship
Fabindia Overseas Private Limited	Ultimate Holding Company
Fabindia International Pte. Ltd, Singapore	Holding Company

Particulars	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>Outstanding payable</b>				
Fabindia Overseas Private Limited	-	-	-	2.07

43 Employee benefits

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

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

An amount of ₹ 38.71 million (March 31, 2021: ₹ 68.06 million, March 31, 2020: ₹ 90.83 million, March 31, 2019: ₹ 69.12 million ) has been recognized as an expense in respect of the Group's contribution to Provident Fund/ Pension Scheme deposited with the relevant authorities and has been shown under personnel expenses in the Statement of Profit and Loss. Out of the said amount, an amount of Nil (March 31, 2021: Nil, March 31, 2020: ₹ 0.18 million, March 31, 2019: Nil ) has been recognised with respect to the discontinued operations.

M/s Organic India USA LLC, the step down subsidiary company, sponsors a 401(k) profit-sharing plan available to defined eligible employees in which eligible participants are allowed to make contributions up to statutory limits. The step down subsidiary company makes a matching contributions equal to the participant's contribution up to 5 percent of the participant's compensation. Such amounts vest immediately. The step down subsidiary company has made matching contributions of ₹ 2.59 million, ₹ 3.91 million and ₹ 3.59 million for the period/years ended September 30, 2021, March 31, 2021 and March 31, 2020 respectively.

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

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at September 30, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(c) Compensated leave of absence plan (Other long-term benefit plan)

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

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

Economic assumptions

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

Discount rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate of 6.93 % p.a. (March 31, 2021: 6.76 % p.a., March 31, 2020: 6.80 % p.a., March 31, 2019: 7.66 % p.a.) compound, has been used in consultation with the employer.

Salary growth rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation.

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

Particulars	Gratuity (funded)				Compensated absences earned leave (funded)			
	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Discount rate (per annum)	6.93%	6.76%	6.80%	7.66%	6.93%	6.80%	6.80%	7.80%
Future salary increase (per annum)	FY 2021-22: Nil thereafter 5%	FY 2021-22: Nil thereafter 5%	FY 2020-21: Nil thereafter 5%	5.50%	FY 2021-22: Nil thereafter 5%	FY 2021-22: Nil thereafter 5%	FY 2020-21: Nil thereafter 5%	5.50%
Expected rate of return on plan assets	0.00%							
In service mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)
Retirement age	58 years	58 years	58 years	58 years	58 years	58 years	58 years	58 years
Withdrawal rates : ages/ withdrawal rate					0.00%			
- upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
- upto 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
- above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Particulars	Organic India Private Limited							
	Gratuity (funded)				Compensated absences earned leave (funded)			
	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Discount rate (per annum)	6.60%	6.60%	6.50%	7.35%	6.60%	6.60%	6.50%	7.35%
Future salary increase (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	6.60%	6.60%	6.50%	7.35%	0	0	6.50%	0.00%
In service mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)
Retirement age	60 years	60 years	60 years	60 years	60 years	60 years	60 years	60 years
Withdrawal rates : ages/ withdrawal rate	10.00%	10.00%	10%	10%	10.00%	10.00%	10%	10%
- upto 30 years								
- upto 44 years								
- above 44 years			342					

Particulars	Fabcafe Foods Private Limited							
	Gratuity (unfunded)				Compensated absences earned leave (unfunded)			
	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Discount rate (per annum)	6.93%	6.76%	6.76%	7.66%	6.93%	6.76%	6.76%	7.66%
Future salary increase (per annum)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Expected rate of return on plan assets				-			-	-
In service mortality	IALM (2012-14)	100% of IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	100% of IALM (2012-14)	IALM (2012-14)	IALM (2006-08)
Retirement age	58 years	58 years	58 years	58 years	58 years	58 years	58 years	58 years
Withdrawal rates : ages/ withdrawal rate								
- upto 30 years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
- upto 44 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
- above 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Particulars	Biome Life Sciences India Private Limited							
	Gratuity (unfunded)				Compensated absences earned leaves (unfunded)			
	April 01, 2021 to September 30, 2021	August 01, 2020 to March 31, 2021	2019-20	2018-19	April 01, 2021 to September 30, 2021	August 01, 2020 to March 31, 2021	2019-20	2018-19
Discount rate (per annum)	6.93%	6.76%	-	-	6.93%	6.76%	-	-
Future salary increase (per annum)	3.50%	3.50%	-	-	3.50%	3.50%	-	-
Expected rate of return on plan assets		-	-	-		-	-	-
In service mortality	IALM (2012-14)	IALM (2012-14)	-	-	IALM (2012-14)	IALM (2012-14)	-	-
Retirement age	58 years	58 years	-	-	58 years	58 years	-	-
Withdrawal rates : ages/ withdrawal rate								
- upto 30 years	3.00%	3.00%	-	-	3.00%	3.00%	-	-
- upto 44 years	2.00%	2.00%	-	-	2.00%	2.00%	-	-
- above 44 years	1.00%	1.00%	-	-	1.00%	1.00%	-	-

Particulars	Gratuity (funded)				Gratuity (unfunded)			
	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>1. Reconciliation of opening and closing balances of Defined Benefit Obligation</b>								
Defined Benefit Obligation at the beginning of the period/year	168.65	161.79	161.84	141.30	2.69	2.73	0.63	-
Interest cost	5.57	10.77	12.21	10.89	0.09	0.19	0.05	-
Current service cost	12.55	23.73	24.31	24.44	0.79	1.51	2.23	0.60
Past service cost	-	-	-	-	-	-	-	-
Curtailement of benefit	-	-	-	-	-	-	-	0.03
Benefits paid	(9.08)	(27.27)	(26.50)	(14.16)	-	-	-	-
Actuarial (gain)/ loss on obligation	60.43	(0.37)	(10.08)	(0.63)	(0.63)	(1.85)	(0.08)	-
<b>Defined Benefit Obligation at the end of the period/year</b>	<b>238.12</b>	<b>168.65</b>	<b>161.78</b>	<b>161.84</b>	<b>2.94</b>	<b>2.58</b>	<b>2.83</b>	<b>0.63</b>
<b>2. Reconciliation of opening and closing balances of fair value of Plan Assets</b>								
Fair value of Plan Assets at the beginning of the period/year	138.17	143.90	139.13	119.89	-	-	-	-
Expected return on Plan Assets	5.62	9.71	10.59	9.31	-	-	-	-
Employer contribution	24.18	11.79	18.61	20.44	-	-	-	-
Benefits paid	(1.86)	(27.50)	(25.13)	(12.16)	-	-	-	-
Actuarial gain/ (loss) on plan assets	(2.93)	0.26	0.70	1.65	-	-	-	-
<b>Fair value of plan assets at the end of the period/year</b>	<b>163.18</b>	<b>138.16</b>	<b>143.90</b>	<b>139.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Reconciliation of fair value of Assets and Obligations</b>								
Fair value of Plan Assets	163.18	138.16	143.90	139.13	-	-	-	-
Present value of Obligation	238.12	168.65	161.78	161.84	2.94	2.58	2.83	0.63
<b>Amount recognized in balance sheet (surplus/ (deficit))</b>	<b>(74.94)</b>	<b>(30.49)</b>	<b>(17.88)</b>	<b>(22.71)</b>	<b>(2.94)</b>	<b>(2.58)</b>	<b>(2.83)</b>	<b>(0.63)</b>
Less Liabilities classified as Held for sale for discontinued operations	-	(0.24)	(0.24)	-	-	-	-	-
<b>Amount recognized in balance sheet for continuing operations (surplus/ (deficit))</b>	<b>(74.94)</b>	<b>(30.25)</b>	<b>(17.64)</b>	<b>(22.71)</b>	<b>(2.94)</b>	<b>(2.58)</b>	<b>(2.83)</b>	<b>(0.63)</b>
<b>4. Expenses recognized in Statement of Profit and Loss</b>								
Current service cost	12.55	23.73	24.31	24.44	0.79	1.51	2.23	0.60
Net interest cost	(0.05)	1.06	1.62	1.58	0.09	0.19	0.05	-
Curtailement of benefit	-	-	-	-	-	-	-	0.03
Past service cost	-	-	-	-	-	-	-	-
Net actuarial (gain) /loss recognized in the period	-	-	-	-	-	-	(0.08)	-
<b>Net cost</b>	<b>12.50</b>	<b>24.79</b>	<b>25.93</b>	<b>26.02</b>	<b>0.88</b>	<b>1.70</b>	<b>2.20</b>	<b>0.63</b>
<b>Net expense attributable to discontinued operations</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net expense attributable to continuing operations</b>	<b>12.50</b>	<b>24.79</b>	<b>26.24</b>	<b>26.02</b>	<b>0.88</b>	<b>1.70</b>	<b>2.20</b>	<b>0.63</b>
<b>5. Expenses recognized in Other Comprehensive Income</b>								
Actuarial loss/(gain) for the period/year on Obligation	60.43	(0.37)	(10.08)	(0.63)	(0.63)	(1.85)	(0.08)	-
Actuarial loss/(gain) for the period/year on Plan Assets	2.93	(0.26)	(0.70)	(1.65)	-	-	-	-
<b>Net (income) in OCI</b>	<b>63.36</b>	<b>(0.63)</b>	<b>(10.78)</b>	<b>(2.28)</b>	<b>(0.63)</b>	<b>(1.85)</b>	<b>(0.08)</b>	<b>-</b>

Particulars	Compensated absences earned leave (funded)				Compensated absences earned leave (unfunded)			
	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
<b>1. Reconciliation of opening and closing balances of Defined Benefit Obligation</b>								
Defined Benefit Obligation at the beginning of the period/year	34.59	33.63	31.81	30.52	20.00	17.32	12.38	8.79
Interest cost	1.17	2.29	2.44	2.38	0.65	1.00	0.83	0.64
Current service cost	3.03	7.72	8.80	8.30	2.83	6.13	4.78	2.75
Past service cost	-	-	-	-	-	-	-	-
Curtailement of benefit	-	-	-	-	-	-	1.60	0.02
Benefits paid	(4.50)	(12.27)	(15.37)	(14.99)	(1.58)	(5.32)	(2.32)	(0.85)
Actuarial (gain)/ loss on obligation	1.38	3.23	5.95	5.60	2.25	0.86	0.05	1.03
<b>Defined Benefit Obligation at the end of the period/year</b>	<b>35.67</b>	<b>34.60</b>	<b>33.63</b>	<b>31.81</b>	<b>24.15</b>	<b>19.99</b>	<b>17.32</b>	<b>12.38</b>
<b>2. Reconciliation of opening and closing balances of fair value of Plan Assets</b>								
Fair value of Plan Assets at the beginning of the period/year	13.12	25.84	17.88	16.59	-	-	-	-
Expected return on Plan Assets	0.44	1.76	1.37	1.29	-	-	-	-
Employer contribution	21.47	7.79	13.93	13.94	-	-	-	-
Benefits paid	-	34.4	(7.90)	(14.45)	-	-	-	-
Actuarial gain/ (loss) on plan assets	0.16	(0.49)	0.55	0.51	-	-	-	-

Fair value of plan assets at the end of the period/year	35.19	13.12	25.83	17.88	-	-	-	-
<b>3. Reconciliation of fair value of Assets and Obligations</b>								
Fair value of Plan Assets	35.19	13.12	25.83	17.88	-	-	-	-
Present value of Obligation	35.67	34.60	33.63	31.81	24.15	19.99	17.32	12.38
Amount recognized in balance sheet (surplus/ (deficit))	(0.48)	(21.48)	(7.80)	(13.93)	(24.15)	(19.99)	(17.32)	(12.38)
Less Liabilities classified as Held for sale for discontinued operations	-	-	-	-	-	-	-	-
Amount recognized in balance sheet for continuing operations (surplus/ (deficit))	(0.48)	(21.48)	(7.80)	(13.93)	(24.15)	(19.99)	(17.32)	(12.38)
<b>4. Expenses recognized in Statement of Profit and Loss</b>								
Current service cost	3.03	7.72	8.80	8.30	2.83	6.13	4.78	2.75
Net interest cost	0.73	0.53	1.07	1.09	0.65	1.00	0.83	0.64
Curtailement of benefit	-	-	-	-	-	-	1.60	0.02
Past service cost	-	-	-	-	-	-	-	-
Net actuarial (gain) /loss recognized in the period/year	1.22	3.71	5.40	5.09	2.25	0.86	0.05	1.03
Net cost	4.98	11.96	15.27	14.48	5.73	7.99	7.26	4.44
Net expense attributable to discontinued operations	-	-	-	-	-	-	-	-
Net expense attributable to continuing operations	4.98	11.96	15.27	14.48	5.73	7.99	7.26	4.44
<b>5. Expenses recognized in Other Comprehensive Income</b>								
Actuarial (gain) for the period/year on Obligation	-	-	-	-	-	-	-	-
Actuarial (gain) for the period/year on Plan Assets	-	-	-	-	-	-	-	-
Net (income) in OCI	-	-	-	-	-	-	-	-

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

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

	April 01, 2021 to September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Government securities	47.90%	43.13%	42.25%	40.91%
Corporate bonds	47.96%	54.07%	55.89%	51.36%
Money market	4.14%	2.80%	1.86%	7.73%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

	April 01, 2021 to September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%	0.00%	0.00%
Equity Shares of Listed Companies	0.00%	0.00%	0.00%	0.00%
Real estate/ property	0.00%	0.00%	0.00%	0.00%
Cash (including special deposit)	0.00%	0.00%	0.00%	0.00%
Others (including assets under schemes of insurance)	100.00%	100.00%	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**7. Sensitivity analysis of the Defined Benefit Obligation:**

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

Particulars	April 01, 2021 to September 30, 2021		March 31, 2021		March 31, 2020		March 31, 2019	
	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%
Impact of the change in discount rate (0.50% movement)	(49.05)	52.69	(44.55)	43.66	(40.47)	43.64	(33.56)	36.20
Impact of the change in salary increase rate (0.50% movement)	52.68	34.40	47.84	(40.89)	43.65	(40.87)	36.48	(33.82)

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

**8. Description of risk exposures:**

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

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

#### 44 Contingent liabilities and commitments

##### A Contingent Liabilities:

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Claims against the Group not acknowledged as debts:				
- Income Tax demands under appeal ^	108.42	86.80	111.04	61.62
- Value Added Tax demands under appeal#	17.78	18.24	18.12	4.81
- Employees' Provident Fund demands under appeal	0.12	0.12	0.12	0.12
- FSSAI Demands not provided for*	3.00	3.00	3.00	3.00
- Excise demands under appeals	-	-	-	-
- Labour laws demands under appeal**	6.17	6.03	3.12	4.83
- Central Excise/ Service Tax demand under appeal	1.31	1.31	1.41	-
- Others***	7.40	7.35	0.91	0.42

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

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

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

# Value Added Tax demands under appeals not provided for:

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

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

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

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

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

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

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

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

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

##### B Commitments:

(a) The Group has outstanding capital commitments of ₹ 251.38 million as at as at September 30, 2021 (March 31, 2021: ₹ 148.73 million, March 31, 2020: ₹ 55.01 million, March 31, 2019: ₹ 279.30 million) on account of setting up of new stores, offices and factory.

(b) Lease Commitments:

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a. Not later than one year	-	0.03	-	-
b. Later than one year but not later than five years	-	-	-	-
c. Later than five years	-	-	-	-

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

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>(i) Finance sub-leases</b>				
Minimum lease payment				
a. Not later than one year	10.10	9.08	7.06	0.09
b. Later than one year but not later than five years	34.82	41.76	31.04	1.44
c. Later than five years	24.90	17.24	12.62	2.07
Present value of minimum lease payments				
a. Not later than one year	6.17	5.25	4.22	0.38
b. Later than one year but not later than five years	24.16	29.68	22.24	2.35
c. Later than five years	21.80	15.40	11.03	2.39
<b>(ii) Operating sub-leases</b>				
Minimum lease payment				
a. Not later than one year	20.44	29.46	26.10	5.77
b. Later than one year but not later than five years	52.28	78.31	88.39	20.39
c. Later than five years	4.13	1.97	5.81	13.51

Effective December 1, 2018, the step down foreign Subsidiary Company began subleasing certain office space through March 30, 2020 for USD 8,850 per month. The sublease income of the Company is as below:

	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a. Not later than one year	-	-	-	7.38
b. Later than one year but not later than five years	-	-	-	-
c. Later than five years	-	-	-	-

(c) Revenue commitment:

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

Financial Period/Year	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
2018-19	-	-	-	164.24
2019-20	-	-	37.10	164.24
2020-21	-	40.46	-	-
From October 21 to September 22	89.52	-	-	-
From October 22 to September 23	39.25	-	-	-
From October 23 to September 24	23.36	-	-	-
From October 24 to September 25	0.97	-	-	-

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

#### 45 Earnings per equity share (EPS)

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

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

Particulars	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
(Loss)/ Profit after tax from continuing operations attributable to equity holders of the company	(456.46)	(1,072.77)	431.65	845.62
(Loss)/ Profit after tax from discontinued operations attributable to equity holders of the company	-	(6.18)	(14.58)	(12.33)
(Loss)/ Profit after tax from continuing and discontinued operations attributable to equity holders of the company	(456.46)	(1,078.95)	417.07	833.29
Weighted average number of equity shares (Nos.)*	147,370,708	144,833,177	144,602,441	144,436,297
Nominal value of equity shares (in ₹)	1.00	1.00	1.00	1.00
Earnings per equity share for continuing operations				
- basic	(3.10)	(7.41)	2.99	5.85
- diluted	(3.10)	(7.41)	2.97	5.82
Earnings per equity share for discontinued operations				
- basic	-	(0.04)	(0.10)	(0.09)
- diluted	-	(0.04)	(0.10)	(0.09)
Earnings per equity share for continuing and discontinued operations				
- basic	(3.10)	(7.45)	2.88	5.77
- diluted	(3.10)	(7.45)	2.87	5.74
<b>Weighted average number of equity shares for Diluted EPS</b>				
Number of shares considered as weighted average shares outstanding for Basic EPS*	147,370,708	144,833,177	144,602,441	144,436,297
Add: effect of stock options granted*	-	-	832,771	784,980
Number of shares considered as weighted average shares (including dilutive shares) outstanding for diluted EPS	147,370,708	144,833,177	145,435,212	145,221,277

\* With effect from June 8, 2021, the issued, subscribed and paid-up capital of equity shares of the Holding Company having face value of ₹ 10/- each has been sub-divided into equity shares having face value of ₹ 1/- each. (Refer Note 16). As a result, all earnings per share related amounts in the financial statements and notes thereto have been retrospectively adjusted for all periods/years presented.

#### 46 Government grants

(a) The Group has recognized ₹ 18.75 million (March 31, 2021: ₹ 37.02 million, March 31, 2020: ₹ 25.05 million, March 31, 2019: ₹ 35.23 million) for Duty Drawback/ Export Incentives in the Statement of Profit and Loss. In case of export sales, the Group gets a certain percentage of FOB value of exports on selected items as benefit. There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognized in the Statement of Profit and loss.

(b) Paycheck Protection Program Loans

During the year ended March 31, 2021, Organic India USA LLC and Clean Program Corp., the step down Subsidiary Companies, received two Paycheck Protection Program (PPP) loans amounting to USD 371,600 and USD 215,120 respectively. The PPP Loan program was created under the Coronavirus, Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and staffing level and salary maintenance requirements are met. Prior to March 31, 2021, the step down subsidiary companies applied for and received the notification of forgiveness of the said loans amounting to USD 586,720 (equivalent ₹ 43.43 million) from the SBA and the said amount of PPP Loans has been recorded as cancellation of debt income under government grants.

#### 47 Segment information

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

##### (i) Business in India

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

##### (ii) Overseas Business namely Business in United Kingdom, United States of America and Singapore through its Subsidiaries

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

The Managing Committee has identified two primary reportable geographical segments as disclosed below:

- Sales within India
- Sales outside India

Revenue from external customers	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Within India	4,706.34	8,611.51	13,242.27	12,980.40
Outside India	854.06	1,984.92	1,838.20	1,762.67
<b>Total</b>	<b>5,560.40</b>	<b>10,596.43</b>	<b>15,080.47</b>	<b>14,743.07</b>

Non-current assets (excluding non-current financial assets)	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Within India	14,123.04	13,758.01	15,053.09	13,912.59
Outside India	408.87	426.80	435.81	646.31
<b>Total</b>	<b>14,531.91</b>	<b>14,184.81</b>	<b>15,488.90</b>	<b>14,558.90</b>

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

Revenue comprises:	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Sale of products	5,219.00	9,641.72	14,602.24	14,492.21
Sale of food and beverages	88.68	164.80	243.15	75.25
Other operating revenue				
Rental income	25.33	20.70	29.65	11.47
Business support service fee	-	2.67	2.67	-
Allowance for credit losses/ doubtful advances written back	-	-	19.78	0.02
Provisions/ liabilities no longer required written back	199.38	628.69	74.74	65.03
Government grants	18.75	80.45	25.05	35.23
Royalty income	0.07	-	0.22	0.96
Miscellaneous Income	9.19	57.40	82.97	62.90
<b>Total</b>	<b>5,560.40</b>	<b>10,596.43</b>	<b>15,080.47</b>	<b>14,743.07</b>



48 (a) Employee Share Purchase Scheme

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

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

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

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

During the financial year ended March 31, 2021, the Holding Company has allotted 191,634 Equity shares having face value of ₹ 10/- each at a price of ₹ 733.36/- each including a premium of ₹ 723.36/- aggregating to ₹ 140.54 million fully paid up to the FOPL Trust for onward transfer of such shares to the eligible employees as per terms of FABINDIA LIMITED ESPS.

During the half year ended September 30, 2021, the Company had issued and allotted 415,695 equity shares of nominal value of ₹ 1/- each at a premium of ₹ 81.28/- per share aggregating to ₹ 34.20 million fully paid up to the FOPL Trust for onward transfer of such shares to the eligible employees as per terms of FABINDIA LIMITED ESPS.

a) **Movement of Equity Shares allotted to the FOPL Trust and transferred by FOPL Trust to eligible employees as on September 30, 2021 and March 31, 2021:**

Particulars	FOPL Trust	
	Number of Shares	
	September 30, 2021	March 31, 2021
Opening at the beginning of the period/year	-	-
Add: equity shares allotted to FOPL trust by the Holding Company during the period/year	415,695	191,634
Less: equity shares transferred to the eligible employee by the FOPL Trust during the period/year	(379,695)	(191,634)
Outstanding at the end of the period/year	36,000	-

b) **Details of Equity Shares transferred to the eligible employees and are held under lock-in period by FOPL Trust, for the benefit of employees under FABINDIA LIMITED ESPS, as on September 30, 2021 and March 31, 2021:**

Particulars	FOPL Trust	
	Number of Shares	
	September 30, 2021	March 31, 2021
Opening balance at the beginning of the period/year	191,634	-
Add: equity shares slotted during the period/year	379,695	191,634
Add: Equity Shares arising on share split from ₹ 10 to ₹ 1 per share	1,724,706	-
Less: equity shares unlocked during the period/year	-	-
Total equity shares unlocked at the end of the period/year	2,296,035	191,634

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

Particulars	April 01, 2021 to September 30, 2021	March 31, 2021
	Amount	Amount
Expense arising from employee share-based payment plan	28.17	-
Deferred expense arising from employee share-based payment plan:		
Non-current	94.60	102.75
Current	47.42	35.87

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

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

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

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

During the financial year ending March 31, 2021, OIPL has allotted 2,511,197 Equity Shares having face value of ₹ 10/- each at a price of ₹ 38/- each including a premium of ₹ 28/- aggregating to ₹ 95.43 million fully paid up to the OIPL Trust for onward transfer of such shares to the eligible employees as per terms of OIPL ESPS.

a) Movement of Equity Shares allotted to the OIPL Trust and transferred by OIPL Trust to eligible employees as on September 30, 2021 and March 31, 2021:

Particulars	OIPL Trust	
	Number of Shares	
	September 30, 2021	March 31, 2021
Opening at the beginning of the period/year	41,550	-
Add: shares allotted during the period/year	-	2,511,197
Add: Equity Shares transferred by employees to Trust on termination	17,500	
Less: transferred to the eligible employee during the period/year	(28,500)	(2,469,647)
Outstanding at the end of the period/year	30,550	41,550

b) Details of Equity Shares transferred to the eligible employees and are held under lock-in period by OIPL Trust, for the benefit of employees under OIPL ESPs, as on September 30, 2021 and March 31, 2021:

Particulars	OIPL Trust	
	Number of Shares	
	September 30, 2021	March 31, 2021
Opening balance at the beginning of the period/year	2,469,647	-
Add: shares allotted during the period/year	-	2,469,647
	(17,500)	
Less: shares unlocked during the period/year	-	-
Total balance at the end of the period/year	2,452,147	2,469,647

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

Particulars	April 01, 2021 to September 30, 2021	2020-21
	Amount	Amount
Expense arising from employee share-based payment plan	14.40	0.23
Deferred expense arising from employee share-based payment plan:		
Non-current	32.75	41.39
Current	22.08	27.54

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

- (i) The members of the Group had approved Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') at the 39th Annual General Meeting held on September 29, 2016, Organic India Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') at the Annual General Meeting held on September 30, 2016 and Fabcafe Foods Private Limited Employee Stock Option Plan (ESOP) 2019 ('the Plan') in the Extra Ordinary General Meeting held on July 15, 2019. The Plans provide for grant of Stock Options to the eligible employees including Directors of the Holding Company, Organic India Private Limited (OIPL) and Fabcafe Foods Private Limited (Fabcafe) other than Promoters/ Persons belonging to Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% of outstanding equity shares of the Holding Company, OIPL and Fabcafe as determined by the respective Committees of the Board of Directors from time to time, subject to terms and conditions specified in the Plans and Employee Stock Option Agreements/Grant Letters. The number of Stock Options of Holding Company were increased vide approval received from Shareholders of the Holding Company in their Extra-ordinary General Meeting held on October 01, 2019 in order to make appropriate adjustments consequent to Bonus Issue in the ratio of 5:1 approved by the shareholders in the same meeting. However, during the financial year ended March 31, 2021, the Holding Company and OIPL has discontinued the said plan and has shifted to FABINDIA LIMITED ESPS and OIPL ESPS respectively. Further, during the period ended September 30, 2021, the said plan has been terminated by the Group.

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

Scheme	Year	Date of Grant	Numbers of options granted	Vesting period	Exercise period	Exercise price (₹) per share	Weighted average exercise price (₹) per share
*Fabindia Overseas Private Limited Employee Stock Option Plan (ESOP) 2016*	2016 - 2017	October 18, 2016	9,000	One year from the date of grant i.e. Upto October 18, 2017	15 days from the date of vesting	10	10
	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 84000 options)	One year from the date of grant i.e. Upto August 22, 2020	Minimum 15 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2016 - 2017	October 01, 2016	476,584	One year from the date of grant i.e. Upto September 30, 2017	30 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2017 - 2018	May 01, 2017	248,453	One year from the date of grant i.e. Upto April 30, 2018	60 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2018 - 2019	May 01, 2018	279,833	One year from the date of grant i.e. up to April 30, 2019	60 days from the date of vesting	10	10
Fabcafe Foods Private Limited ESOP 2019	2019 - 2020	August 01, 2019	22,481	One year from the date of grant i.e. Up to July 31, 2020	15 days from the date of vesting	10	10

\* Split from ₹10/- each to ₹ 1/- each during the period/year

- a) Movement in Employee Stock Options during the period/year:

Particulars	As at September 30, 2021		As at March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period/year	-	1	84,000	10
Granted during the period/year	-	1	-	10
Forfeited during the period/year	-	-	-	-
Exercised during the period/year	-	1	78,654	10
Expired/ lapsed during the period/year	-	1	5,346	10
Outstanding at the end of the period/year	-	1	-	10
Exercisable at the end of the period/year	-	-	-	-

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

Organic India Private Limited, Indian Subsidiary Company

Particulars	As at September 30, 2021		As at March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period/year	-	1	-	10
Granted during the period/year	-	1	-	10
Forfeited during the period/year	-	-	-	-
Exercised during the period/year	-	1	-	10
Expired/ lapsed during the period/year	-	1	-	10
Outstanding at the end of the period/year	-	1	-	10
Exercisable at the end of the period/year	551	-	-	-

Particulars	As at March 31, 2020		As at 31st March 2019	
	Number of options	Weighted average exercise price (₹)	Number of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	279,833	10	248,453	10
Granted during the year	-	10	279,833	10
Forfeited during the year	-	-	-	-
Exercised during the year	273,667	10	248,453	10
Expired/ lapsed during the year	6,166	10	-	10
Outstanding at the end of the year	-	10	279,833	10
Exercisable at the end of the year	-	-	-	-

**Fabcafe Foods Private Limited, Indian Subsidiary Company**

Particulars	As at September 30, 2021		As at March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period/year	-	1	16,038	10
Granted during the period/year	-	1	-	10
Forfeited during the period/year	-	-	-	-
Exercised during the period/year	-	1	9,931	10
Expired/ lapsed during the period/year	-	1	6,107	10
Outstanding at the end of the period/year	-	1	-	10
Exercisable at the end of the period/year	-	-	-	-

Particulars	As at March 31, 2020		As at 31st March 2019	
	Number of options	Weighted average exercise price (₹)	Number of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	10	-	-
Granted during the year	22,481	10	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	10	-	-
Expired/ lapsed during the year	6,443	10	-	-
Outstanding at the end of the year	16,038	10	-	-
Exercisable at the end of the year	-	-	-	-

b) Fair Value on the Grant Date:

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

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

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

In case of Holding Company:	2019-2020	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%

In case of Organic India Private Limited (Indian Subsidiary Company):

Risk-free interest rate  
Expected life of option (in years)  
Volatility of underlying stock  
Dividend yield

2019-20	2018-19
-	May 01, 2018
0.00%	7.60%
-	1
0.00%	62.16%
0.00%	0.00%

In case of Fabcafe Foods Private Limited (Indian Subsidiary Company):

Risk-free interest rate  
Expected life of option (in years)  
Volatility of underlying stock  
Dividend yield

2019-20	2018-19
August 01, 2019	-
4.58%	0.00%
1	-
51.72%	0.00%
0.00%	0.00%

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

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

	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
Expense arising from employee share-based payment plan	-	31.92	60.31	68.58
Liability arising from employee share-based payment plan	-	-	59.68	68.08

48 (b) Employee Stock Option Plan

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

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

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

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

a) Movement in employee stock options during the period/year:

Particulars	As at September 30, 2021		As at March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the period/year	5,197	272.33	-	-
Granted during the period/year	-	-	5,197	272.33
Forfeited during the period/year	-	-	-	-
Exercised during the period/year	-	-	-	-
Expired/ lapsed during the period/year	-	-	-	-
Outstanding at the end of the period/year	5,197	272.33	5,197	272.33
Exercisable at the end of the period/year	577	272.33	-	-

b) Fair Value on the grant date:

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

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

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

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

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

	April 01, 2021 to September 30, 2021	2020-21	2019-20	2018-19
	(₹ In million)	(₹ In million)	(₹ In million)	(₹ In million)
Expense arising from employee share-based payment plan	11.64	26.53	-	-
Liability arising from employee share-based payment plan	37.89	26.24	-	-

#### 49 Business Combination

##### a) Acquisition of Biome Life Sciences India Private Limited

On August 01, 2020, the Holding Company has acquired 500,100 equity shares (representing 50.01% of equity share capital) of Biome Life Sciences India Private Limited for a total purchase consideration of ₹ 5.00 million. Biome Life Sciences India Private Limited is engaged in the business of contract manufacturing, consulting and selling of Drugs and Medicines, Health Supplements, Food, Cosmetics & Toilet Preparations, Ayurveda and Life Sciences products.

The purchase consideration of ₹ 5.00 million for this business combination was paid in cash.

Calculation of Goodwill

Particulars	Amount (₹ million)
Consideration transferred	5.00
Non-controlling interest in the acquired entity	4.72
Less: fair value of identifiable net assets and liabilities*	9.45
	<u>0.27</u>
<b>*Fair value of identifiable net assets and liabilities</b>	
Property, Plant & Equipment	
Deferred Tax Assets (Net)	
Trade Receivables	
Cash and cash equivalents	10.00
Other Current Assets	
Other current liabilities	(0.55)
<b>Total identifiable net assets and liabilities</b>	<u>9.45</u>

This goodwill is attributable to future growth of business out of synergies from these acquisitions and assembled workforce.

##### b) Acquisition of Godwar Farmers Collective Private Limited

On 30th March 2019, Organic India Private Limited (OIPL), Indian Subsidiary Company, acquired 160,000 equity shares (84.21% ) of Godwar Farmers Collective Private Limited (hereinafter referred as Godwar) for a total purchase price of ₹ 1.60 million. This would strengthen the business of OIPL.

The purchase consideration of ₹ 1.60 million for this business combination was paid in cash.

Calculation of Goodwill

Particulars	(₹ In million)
Consideration Transferred	1.60
Non Controlling interest in the Acquired Entity	0.09
Less: Fair Value of identifiable net assets and liabilities*	0.55
	<u>1.14</u>
<b>*Fair Value of identifiable net assets and liabilities</b>	
Property, Plant & Equipment	0.07
Deferred Tax Assets (Net)	0.47
Trade Receivables	-
Cash and Cash Equivalents	0.07
Other Current Assets	-
Other current liabilities	(0.07)
<b>Total identifiable net assets and liabilities</b>	<u>0.54</u>

This goodwill is attributable to the expected synergies on this business combination.

##### c) Acquisition of The Clean Program Corp.(Step Down Subsidiary)

On April 25, 2018, OIPL acquired 50.01% of the outstanding common shares of The Clean Program Corp. (hereinafter referred to as CLEAN) through its wholly owned foreign subsidiary Organic India USA LLC for a total purchase price of USD 2.75 million that was paid in cash. The wholly owned subsidiary company desired to partner with CLEAN in order to further provide consumers access to healthy lifestyle products. The companies' collective product lines compliment consumers looking for natural alternatives to conventional solutions.

The following table summarizes the approximate acquisition date fair values of the assets acquired and liabilities assumed:

Particulars	Amount in USD million
Consideration Transferred	2.75
Non Controlling interest in the Acquired Entity	2.75
Less Fair Value of identifiable net assets and liabilities*	2.24
	<u>3.26</u>
<b>*Fair Value of identifiable net assets and liabilities</b>	
<b>Particulars</b>	<b>Amount in USD million</b>
Cash	0.54
Inventory	0.50
Prepaid expenses and other assets	0.13
Trade name	1.73
Accounts payable	(0.11)
Other current liabilities	(0.11)
Deferred taxes	(0.45)
<b>Total identifiable net assets and liabilities</b>	<u>2.23</u>

The fair value of the intangible assets and non-controlling interest in CLEAN was determined on the basis of an independent valuation, which used the relief from royalty and the weighted average return on assets approaches. This fair value measurement is based on significant inputs that are not observable in the market. Key assumptions include; forecasted revenue, cost of sales, operating expenses, capital expenditures, and net working capital.

## 50 Discontinued operations

### (a) Disposal of a Godwar Farmers Collective Private Limited

On August 31, 2019, Organic India Private Limited (OIPL), Indian Subsidiary Company entered into a Share Purchase Agreement with IFIS Corporate Advisory Services Private Limited for divestment of its entire stake in Godwar Farmers Collective Private Limited, the subsidiary of the OIPL.

The said transaction was concluded on September 01, 2019. The loss of discontinued operations and the resultant loss on disposal was included in the consolidated financial statements as loss from discontinued operations.

(i) Analysis of loss for the previous year from discontinued operations:

The results of the discontinued operations included in the profit for the previous year are as set below.

Particulars	For the period April 01, 2019 to August 31, 2019
<b>Revenues</b>	
Revenue from operations	0.19
Other income	-
<b>Total revenues</b>	<b>0.19</b>
<b>Expenses</b>	
Purchase of stock-in-trade	0.11
Employee benefits expense	0.55
Depreciation and amortization expense	0.01
Other expenses	0.63
<b>Total expenses</b>	<b>1.30</b>
Loss before tax from discontinued operations	(1.11)
Less tax expense of discontinued operations	0.03
<b>Loss after tax from discontinued operations</b>	<b>(1.08)</b>

(ii) Analysis of cash flows for the previous year from discontinued operations:

Particulars	For the period April 01, 2019 to August 31, 2019
Net cash inflow from operating activities	0.35
Net cash (outflow) from investing activities	(0.20)
Net cash (outflow) from financing activities	-

iii) Computation of loss on disposal of the subsidiary

Cash consideration received	1.60
Less: carrying value of net asset sold*	(0.55)
Less: goodwill on acquisition	1.14
Add: share of non-controlling interest	(0.09)
<b>Profit on disposal</b>	<b>0.92</b>

\*Carrying value of net asset sold As at 31st August 2020

<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	0.26
Deferred tax assets	0.50
Other non-current assets	0.01
<b>Current assets</b>	
Financial assets	
Trade receivables	0.15
Cash and cash equivalents	0.22
<b>Total assets</b>	<b>1.14</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Other current liabilities	1.68
<b>Total liabilities</b>	<b>1.68</b>
<b>Net assets derecognised</b>	<b>(0.54)</b>

### (b) Disposal of Composite Interceptive Med Science Laboratories Private Limited

Organic India Private Limited ("OIPL"), Indian Subsidiary Company, had entered into a Share Purchase Agreement dated March 12, 2020 for disinvestment of its entire equity investment held in Composite Interceptive Med Science Laboratories Private Limited (Subsidiary of the OIPL) for ₹ 0.16 million and accordingly, all the assets and the liabilities of the said subsidiary were disclosed under "Assets classified as held for sale and discontinued operations"/ "Liabilities directly associated with assets classified as held for sale and discontinued operations" during the previous year in the Consolidated Balance Sheet in accordance with the provisions of Indian Accounting Standard 105 - 'Non-current Assets Held for Sale and Discontinued Operations'.

The said transaction of sale of equity shares was executed on April 04, 2020 on achievement of the closing conditions as defined in the said Share Purchase agreement and the loss of discontinued operations and the resultant loss on disposal has been included in the consolidated financial statements as loss from discontinued operations.

Financial performance and cash flows of the said Subsidiary Company is as below:

(i) Analysis of profit/ (loss) from discontinued operations

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/ (loss) for the year from discontinued operations			
Revenue from operations	-	0.09	-
Other income	-	0.76	0.19
<b>Total income</b>	<b>-</b>	<b>0.85</b>	<b>0.19</b>
Employee benefits expense	-	11.30	19.30
Finance cost	-	0.75	0.73
Depreciation and Amortization expense	-	2.46	1.92
Other expenses	-	5.00	23.61
<b>Total expenses</b>	<b>-</b>	<b>19.51</b>	<b>45.56</b>
<b>Loss before tax from discontinued operations</b>	<b>-</b>	<b>(18.66)</b>	<b>(45.37)</b>
<b>Tax expense:</b>			
Current tax	-	-	-
Deferred tax	-	(15.71)	16.30
<b>Loss for the year from discontinued operations</b>	<b>-</b>	<b>(34.37)</b>	<b>(29.07)</b>

(ii) Net cash flows attributable to the discontinued operations

Net cash (outflows) from operating activities	-	(7.13)	-
Net cash (outflows) in investing activities	-	(0.08)	-
Net cash inflows from financing activities	-	2.03	-
<b>Net cash (outflows)</b>	<b>-</b>	<b>(5.18)</b>	<b>-</b>

iii) Computation of loss on disposal of the subsidiary

Cash consideration received	0.16	-
Less: carrying value of net asset sold (refer note no. iv below)	4.48	-
Less: goodwill on acquisition	-	-
Add: share of non-controlling interest	(10.71)	-
<b>(Loss) on disposal</b>	<b>(15.03)</b>	<b>-</b>

(iv) Book value of assets and liabilities of discontinued operations derecognised

Details of assets held for sale of discontinued operations

	As at April 04, 2020	As at March 31, 2020
<b>Non-current assets</b>		
Property, plant and equipment	6.95	6.95
Intangible assets	0.01	0.01
Right-of-use assets	7.27	7.27
Financial assets		
Loans	0.37	0.37
Deferred tax assets (net)	0.36	0.36
Other non-current assets	0.01	0.01
<b>Current Assets</b>		
Financial assets		
Trade Receivables	-	-
Cash and cash equivalents	0.23	0.23
Current tax assets (net)	0.43	0.43
Other current assets	3.79	3.79
<b>Total assets</b>	<b>19.42</b>	<b>19.42</b>

Details of liabilities directly associated with the discontinued operations

<b>Non-current liabilities</b>		
Borrowings	4.68	4.68
Other financial liabilities	6.41	6.41
Deferred Tax Liabilities (Net)	-	-
Provisions	0.35	0.35
<b>Current liabilities</b>		
Trade payables	0.32	0.32
Other financial liabilities	2.54	2.54
Other current liabilities	0.65	0.65
<b>Total liabilities</b>	<b>14.95</b>	<b>14.95</b>
<b>Net assets</b>	<b>4.47</b>	<b>4.47</b>



## 51 Impairment

(i) Fabindia International Pte Limited (FIPL), an overseas wholly-owned subsidiary company, in its certified consolidated management accounts, had provided impairment on its investment in overseas subsidiaries, EAST Limited, UK and Indigo Origins Pte. Limited, Singapore and associates East Lifestyle Limited, UK and Fabindia S.r.l, Italy upto March 31, 2021. Based on this, the Holding Company had also provided corresponding impairment in value of its investment in FIPL. Further, during the year ended March 31, 2020 East Limited, UK was dissolved.

(ii) The Holding Company has recognized impairment loss on impairment in respect of assets of the Holding 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 Holding Company. Accordingly, Holding Company has provided impairment in value of its investment in Optionally Convertible Preference Shares (cumulative) in Fabcafe Foods Private Limited.

## 52 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	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Principal amount due to micro and small enterprises	618.00	321.04	99.54	81.97
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.	7.36	2.35	2.04	1.21
Amount of interest accrued and remaining unpaid at the end of each financial year	7.36	2.35	3.00	1.21
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.	-	-	-	-

## 53 Transitional Provision as per IND AS 115 on Revenue from contracts with customers

The Group has adopted Ind AS 115, Revenue from contract with customers from 1st April 2018 which resulted in change in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in Ind AS 115, the Group has adopted the new rules with cumulative catch up transition method. As a result of change in accounting policies, adjustments to the transition provision has been made in the respective item as on 1st April 2018 with the corresponding impact to equity net of tax. Details of changes made in item along with the equity has given below in table:-

PARTICULARS	₹ In million		
	AS AT 31ST MARCH (REPORTED AS PER EARLIER ACCOUNTING POLICIES)	ADJUSTMENTS	AS AT 1ST APRIL 2018 (RESTATED BALANCE ON ADOPTION OF NEW ACCOUNTING STANDARDS)
Deferred Tax Liability	(945.00)	2.05	(942.95)
Other Current Financial Liabilities	(715.83)	(7.03)	(722.86)
Other Equity	(8,063.44)	4.98	(8,058.46)

## 54 Corporate Social Responsibility

(a) As per provision of Section 135 of the Companies Act, 2013 read with Companies Amendment Act, 2019, the Group 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 Group 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 ended April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Average net profits of the Group for last three financial years	591.96	1,633.79	2,110.30	2,038.52
Amount required to be spent by the group during the period/year	11.84	32.68	42.21	40.77
Amount of expenditure incurred	1.90	32.92	42.75	41.00
Shortfall at the end of the period/year*	8.71	-	-	-
Total of previous years shortfall	-	-	-	-
Reason for Shortfall	NA	NA	NA	NA
Nature of CSR Activities	i) Promoting health care including preventive health care, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	i) Eradicating hunger, poverty and malnutrition, promoting health care including contribution to Swach Bharat Kosh set up by the CG for promotion of sanitation and making available safe drinking water	i) Social welfare and promotion of education and vocational skills ii) Conservation of Environment and National Heritage Art, Culture and other related activities	i) Empowerment of women ii) Promotion of education and vocational skills
Amount spent to Related Party				
Organic India Foundation	1.90	5.86	9.65	8.00
Provision taken	NA	NA	NA	NA

\* To be determined at the end of financial year

## 55 Other notes

- (a) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Restated Consolidated Financial Statements to Schedule III to the Companies Act, 2013 refer Annexure A.
- (b) During the year ended March 31, 2020, the Holding Company had recorded the transfer of 6,411 Equity Shares from Resident to Non-Resident under Foreign Exchange Management Act, 1999. The said transfer had taken place at a fair value based on the valuation certificate issued by Fast Treck Finsec Private Limited (Category I Merchant Banker), calculated in accordance with Discounted Cash Flow (DCF) valuation method as per the internationally accepted pricing methodology, in compliance with the pricing guidelines under RBI A.P. (DIR Series) Circular No. 4 dated July 15, 2014.
- (c) Organic India Private Limited ("OIPL"), the Indian Subsidiary Company, had transferred certain land for ₹ 33.12 million to Ganga Yamuna Agro Technologies and Plantation Private Limited (the Company in which director is interested) in the financial year 2012-13. OIPL is in the process of executing the sale deed for the said land.
- (d) In case of Fabcafe Foods Private Limited (Fabcafe), the Indian Subsidiary Company, the accumulated losses have exceeded the share capital and reserves and its net worth has been fully eroded. These conditions indicate the existence of material uncertainty that may normally cast doubt about Fabcafe ability to continue as a going concern. However, the functioning of Fabcafe is not likely to be adversely effected by the losses in view of the assured continued support from the Holding Company.
- (e) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Group 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 COVID-19 impact, there may be certain delays in recoveries of Current assets/ loans and advances but there is not likely to be any material reduction in values. Although Management expects a slowdown, there are no plans to downsize the Group's operations presently or in the near future.
- (f) Provision for income tax has been computed by considering that the Group had opted for payment of income tax as per the provisions of section 115BAA of the Income-tax Act, 1961.
- (g) The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Group's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Group's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Group. The advent of second wave of COVID-19 in April 21 - May 21 resulted in further lockdowns. The Group continues to monitor the situation and 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 Group's operations, financial performance and position as at and for the year ended March 31, 2021. Basis the same, the Holding Company has created a provision of ₹ 308.80 million and ₹ 1.80 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 Group.

The Management has has further made a provision of ₹ 90.73 million and ₹ 0.86 million towards 'slow and non-moving stock' and 'allowance for credit losses' respectively on account of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the period ended September 30, 2021. 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 Group.

(h) Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date

<b>For A Puri &amp; Associates</b> Chartered Accountants	<b>For MSKA &amp; Associates</b> Chartered Accountants	<b>For and on Behalf of the Board Of Directors of</b> <b>Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)</b> CIN: U74899DL1976PLC008436	
Firm Registration Number: 009203N	Firm Registration Number: 105047W		
<b>Jyoti Subarwal</b> Partner Membership number: 080654	<b>Amit Mitra</b> Partner Membership number: 094518	<b>William Nanda Bissell</b> Executive Vice-Chairman and Director DIN: 00012819	<b>Viney Singh</b> Managing Director DIN: 00932145
Place: New Delhi Date: January 20, 2022	Place: Gurugram Date: January 20, 2022	Place: New Delhi Date: January 20, 2022	Place: Bangalore Date: January 20, 2022
		<b>Gopal Mishra</b> Chief Financial Officer and Chief Operating Officer	<b>Monika Uppal Arora</b> Company Secretary and Compliance Officer Membership number: A17485
		Place: Noida Date: January 20, 2022	Place: New Delhi Date: January 20, 2022

55 Annexure A

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

(i) For the period ended September 30, 2021

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

\* Subsidiary Company through Organic India Private Limited.

\*\* Subsidiary Company through Fabindia International Pte. Limited, Singapore.

\*\*\* Subsidiary Company through Organic India USA, LLC, United States of America.

Note:

A. East Lifestyle Limited, United Kingdom, an associate company, which is under administration (winding up process), hence the same has not been consolidated.

C. Godwar Farmers Collective Private Limited, a subsidiary company, has been sold off on 31st August, 2019.

B. Biome Life Sciences India Private Limited became a subsidiary company w.e.f. August 01, 2020

(ii) For the year ended March 31, 2021

Name of Entity	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ )	As % of consolidated profit or (loss)	Amount (₹ )	As % of consolidated other comprehensive income	Amount (₹ )	As % of consolidated total comprehensive income	Amount (₹ )
<b>Parent</b>								
Fabindia Overseas Private Limited	60.36	6,356.64	103.25	(1,113.97)	(6.46)	(0.98)	104.81	(1,114.95)
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Organic India Private Limited	16.94	1,783.94	(0.95)	10.24	192.28	29.15	(3.70)	39.39
2 Fabcafe Foods Private Limited	(3.12)	(328.62)	19.41	(209.43)	9.04	1.37	19.56	(208.06)
3 Biome Life Sciences India Private Limited	0.32	33.79	(2.26)	24.34	-	-	(2.29)	24.34
<b>Foreign</b>								
1 Fabindia International Pte. Limited, Singapore	1.64	172.92	0.23	(2.53)	-	-	0.24	(2.53)
2 Organic India USA, LLC, United States of America*	2.71	285.70	2.11	(22.79)	-	-	2.14	(22.79)
3 The Clean Program Corp., United States of America***	1.81	190.33	(2.93)	31.56	-	-	(2.97)	31.56
4 Indigo Origins Pte. Limited, Singapore**	0.26	27.73	(0.87)	9.34	(18.60)	(2.82)	(0.61)	6.52
<b>Minority Interests in all subsidiaries</b>	28.10	2,959.31	8.56	(92.41)	96.24	14.59	7.32	(77.82)
<b>Associates</b>								
<b>Indian</b>								
1 Rangutra Crafts India Limited	0.03	2.94	(0.32)	3.46	0.40	0.06	(0.33)	3.52
2 Orissa Artisans and Weavers Limited	0.01	0.75	0.06	(0.60)	0.07	0.01	0.06	(0.59)
3 Nutriwel Health (India) Private Limited	(0.09)	(9.24)	0.39	(4.20)	(0.20)	(0.03)	0.40	(4.23)
<b>Foreign</b>								
1 Weavers India General Trading, LLC, Dubai****	0.07	7.31	(0.21)	2.29	-	-	(0.22)	2.29
2 Fabindia S.r.l , Italy****	0.05	5.06	(0.09)	1.00	-	-	(0.09)	1.00
Consolidated adjustments/ eliminations	(9.09)	(956.99)	(26.39)	284.76	(172.76)	(26.19)	(24.31)	258.57
<b>Total</b>	<b>100.00</b>	<b>10,531.57</b>	<b>100.00</b>	<b>(1,078.94)</b>	<b>100.00</b>	<b>15.16</b>	<b>100.00</b>	<b>(1,063.78)</b>

\* Subsidiary Company through Organic India Private Limited.

\*\* Subsidiary Company through Fabindia International Pte. Limited, Singapore.

\*\*\* Subsidiary Company through Organic India USA, LLC, United States of America.

\*\*\*\* Associate Company through Fabindia International Pte. Limited, Singapore.

Note:

A. East Lifestyle Limited, United Kingdom, an associate company, which is under administration (winding up process), hence the same has not been consolidated.

B. Biome Life Sciences India Private Limited became a subsidiary company w.e.f. August 01, 2020

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

(iii) For the year ended March 31, 2020

Name of Entity	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or (loss)	Amount (₹)	As % of consolidated other comprehensive income	Amount (₹)	As % of consolidated total comprehensive income	Amount (₹)
<b>Parent</b>								
Fabindia Overseas Private Limited	64.02	7,298.33	128.72	536.83	(2,609.40)	9.57	131.13	546.40
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Organic India Private Limited	14.99	1,708.68	26.63	111.05	(2,009.75)	7.37	28.42	118.42
2 Fabcafe Foods Private Limited	(1.44)	(164.11)	(48.76)	(203.34)	(16.08)	0.06	(48.78)	(203.28)
3 Composite Interceptive Med-Science Laboratories Pvt. Ltd.*	0.04	4.32	(8.25)	(34.42)	(46.56)	0.17	(8.22)	(34.25)
4 Godwar Farmers Collective Private Limited*	-	-	(0.22)	(0.92)	-	-	(0.22)	(0.92)
<b>Foreign</b>								
1 Fabindia International Pte. Limited, Singapore	1.54	175.65	10.68	44.54	-	-	10.69	44.54
2 Organic India USA, LLC, United States of America*	(0.33)	(37.42)	(21.59)	(90.06)	-	-	(21.61)	(90.06)
3 The Clean Program Corp., United States of America***	3.65	416.15	8.35	34.81	-	-	8.35	34.81
4 Indigo Origins Pte. Limited, Singapore**	0.18	20.73	(0.04)	(0.18)	271.16	(0.99)	(0.28)	(1.17)
<b>Minority Interests in all subsidiaries</b>	25.42	2,897.99	(26.41)	(110.16)	(1,346.93)	4.94	(25.25)	(105.22)
<b>Associates</b>								
<b>Indian</b>								
1 Rangutra Crafts India Limited	0.00	0.45	0.13	0.55	26.05	(0.10)	0.11	0.45
2 Orissa Artisans and Weavers Limited	0.02	1.85	0.04	0.16	7.85	(0.03)	0.03	0.13
3 Nutriwel Health (India) Private Limited	(0.04)	(5.00)	(1.05)	(4.36)	(27.82)	0.10	(1.02)	(4.26)
<b>Foreign</b>								
1 Weavers India General Trading, LLC, Dubai	0.05	5.14	0.75	3.11	139.58	(0.51)	0.62	2.60
2 Fabindia S.r.l., Italy	0.04	4.16	0.23	0.94	343.16	(1.26)	(0.08)	(0.32)
Consolidated Adjustments/ Eliminations	(8.12)	(926.04)	30.81	128.51	5,368.75	(19.69)	26.12	108.82
<b>Total</b>	<b>100.00</b>	<b>11,400.88</b>	<b>100.00</b>	<b>417.06</b>	<b>100.00</b>	<b>(0.37)</b>	<b>100.00</b>	<b>416.69</b>

\* Subsidiary Company through Organic India Private Limited.

\*\* Subsidiary Company through Fabindia International Pte. Limited, Singapore.

\*\*\* Subsidiary Company through Organic India USA, LLC, United States of America.

Note:

A. East Limited, United Kingdom, a subsidiary company, which was under administration (winding up process) has been dissolved during the year, hence the same has not been consolidated.

B. East Lifestyle Limited, United Kingdom, an associate company, which has gone into administration (winding up process) during the year, hence the same has not been consolidated.

C. Godwar Farmers Collective Private Limited, a subsidiary company, has been sold off on 31st August, 2019.

(iv) For the year ended March 31, 2019

Name of Entity	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or (loss)	Amount (₹)	As % of consolidated other comprehensive income	Amount (₹)	As % of consolidated total comprehensive income	Amount (₹)
<b>Parent</b>								
Fabindia Overseas Private Limited	62.23	7,223.32	119.10	992.47	(7.56)	1.29	121.75	993.76
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Organic India Private Limited	14.51	1,683.95	37.68	313.99	40.27	(6.87)	37.63	307.12
2 Fabcafe Foods Private Limited	(0.27)	(31.13)	(9.98)	(83.20)	-	-	(10.19)	(83.20)
3 Composite Interceptive Med-Science Laboratories Pvt. Ltd.*	0.30	34.95	(3.45)	(28.77)	-	-	(3.52)	(28.77)
4 Godwar Farmers Collective Private Limited*	0.00	0.55	-	-	-	-	-	-
<b>Foreign</b>								
1 Fabindia International Pte. Limited, Singapore	0.99	115.46	(0.18)	(1.50)	1.17	(0.20)	(0.21)	(1.70)
2 Organic India USA, LLC, United States of America*	0.23	27.03	(13.26)	(110.50)	-	-	(13.54)	(110.50)
3 The Clean Program Corp., United States of America***	3.49	405.13	2.57	21.42	-	-	2.62	21.42
4 Indigo Origins Pte. Limited, Singapore**	0.14	16.59	(0.68)	(5.67)	14.48	(2.47)	(1.00)	(8.14)
<b>Minority Interests in all subsidiaries</b>	25.69	2,981.92	1.24	10.32	18.93	(3.23)	0.87	7.09
<b>Associates</b>								
<b>Indian</b>								
1 Rangutra Crafts India Limited	(0.00)	(0.01)	0.40	3.30	(0.18)	0.03	0.41	3.33
2 Orissa Artisans and Weavers Limited	0.01	1.72	0.12	1.00	-	-	0.12	1.00
3 Nutriwel Health (India) Private Limited	(0.01)	(0.75)	(0.09)	(0.74)	-	-	(0.09)	(0.74)
<b>Foreign</b>								
1 Weavers India General Trading, LLC, Dubai	0.03	3.46	(0.06)	(0.47)	-	-	(0.06)	(0.47)
2 Fabindia S.r.l., Italy	0.02	2.75	-	-	-	-	-	-
Consolidated Adjustments/ Eliminations	(7.38)	(857.21)	(33.40)	(278.35)	32.88	(5.61)	(34.79)	(283.96)
<b>Total</b>	<b>100.00</b>	<b>11,607.73</b>	<b>100.00</b>	<b>833.30</b>	<b>100.00</b>	<b>(17.06)</b>	<b>100.00</b>	<b>816.24</b>

\* Subsidiary Company through Organic India Private Limited.

\*\* Subsidiary Company through Fabindia International Pte. Limited, Singapore.

\*\*\* Subsidiary Company through Organic India USA, LLC, United States of America.

Note:

A. East Limited, United Kingdom, a subsidiary company, which is under administration (winding up process), hence the same has not been consolidated.

B. East Lifestyle Limited, United Kingdom, an associate company, which has gone into administration (winding up process) during the year, hence the same has not been consolidated.

C. Godwar Farmers Collective Private Limited, a subsidiary company, has been sold off on 31st August, 2019.

Other Financial Information

(a) The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	(Amount in ₹ million, except per share data and number of equity shares, unless otherwise specified)			
	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Basic Earnings / (loss) per Equity Shares (in ₹)	(3.10)	(7.45)	2.88	5.77
(b) Diluted Earnings / (loss) per Equity Shares (in ₹)	(3.10)	(7.45)	2.87	5.74
(c) Return on net worth (in %)	-7.58%	-16.65%	5.67%	11.21%
(d) Net asset value per Equity Share (in ₹)	40.72	43.99	50.84	51.46
(e) EBITDA (₹ in million)	551.00	1,006.47	2,723.83	3,504.20
(f) EBITDA Margin (in %)	9.91%	9.50%	18.06%	23.77%

Notes:

(i) The ratios on the basis of Restated Consolidated Financial Information have been computed as below:

Basic Earnings per share (₹)	=	$\frac{\text{Net profit/(loss) as restated, attributable to Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year}}$
Diluted Earnings per share (₹)	=	$\frac{\text{Net profit/(loss) as restated, attributable to Shareholders}}{\text{Weighted average number of diluted Equity Shares outstanding during the year}}$
Return on net worth (%)	=	$\frac{\text{Net profit/(loss) as restated, attributable to Shareholders (excluding exceptional items)}}{\text{Net worth at the end of the year}}$
Net asset value (NAV) per Equity Share (₹)	=	$\frac{\text{Net worth, as restated at the end of the year}}{\text{Number of Equity Shares outstanding during the year}}$
EBITDA	=	Profit before tax - Other income + Finance cost + Depreciation and amortisation expense

(ii) Earnings per share calculations are done in accordance with Indian Accounting Standard (Ind AS) 33 on Earnings per Share as notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

(iii) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

(iv) "Net worth" means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve and capital reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account and debit balance of non controlling interest.

(v) The above ratios have been computed on the basis of the Restated Consolidated Financial Information.

(vi) "EBITDA" means earnings before interest, tax, depreciation and amortization. It has been calculated as follows: profit before tax - other income + finance cost + depreciation and amortization expense.

(vii) "EBITDA Margin" is EBITDA divided by Revenue from operations.

	(Amount in ₹ million, except per share data and number of equity shares, unless otherwise specified)			
	For the period April 01, 2021 to September 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Net profit/(loss) as restated, attributable to Shareholders:	(456.46)	(1,078.95)	417.07	833.29
(b) Weighted average number of Equity Shares outstanding during the period/year:	147,370,708	144,833,177	144,602,441	144,436,297
(c) Weighted average number of diluted Equity Shares outstanding during the period/year:	147,370,708	144,833,177	145,435,212	145,221,277
(d) Net profit/(loss) as restated, attributable to Shareholders (excluding exceptional items)	(456.46)	(1,078.95)	417.07	833.29
(e) Net worth at the end of the period/year:	6,018.26	6,482.06	7,354.11	7,433.12
(f) Number of Equity Shares outstanding during the period/year:*	147,779,475	147,363,780	144,660,900	144,447,910
(g) EBITDA:				
Profit before tax for the period/year (A)	(720.92)	(1,471.00)	393.91	1,528.29
Finance costs (B)	396.32	733.08	629.55	467.14
Depreciation and amortisation expense (C)	975.88	2,022.09	1,864.10	1,580.64
Other income (D)	100.28	277.70	163.73	71.87

\*Calculations for financial year ended March 31, 2019 have been adjusted for Bonus issue and Sub-division. Calculations for financial years ended March 31, 2020 and March 31, 2021 have been adjusted for Sub-division.

## OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, together with all annexures, schedules and notes thereto (“**Audited Financial Statements**”) are available at <https://www.fabindia.com/investor-relations>. The audited standalone financial statements of our Material Subsidiaries for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, together with all annexures, schedules and notes thereto (“**Subsidiary Financial Statements**”) are available at <https://www.fabindia.com/investor-relations>. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and Subsidiary Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements and Subsidiary Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Selling Shareholders, nor any of their respective employees, directors, shareholders, affiliates, agents, advisors or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements and the Subsidiary Financial Statements, or the opinions expressed therein. The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in million)

Particulars	For the six month period ended September 30, 2021	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Basic earnings per share (in ₹)	(3.10)	(7.45)	2.88	5.77
Diluted earnings per share (in ₹)	(3.10)	(7.45)	2.87	5.74
Return on net worth (%)	(7.58)%	(16.65)%	5.67%	11.21%
Net asset value per share (in ₹)	40.72	43.99	50.84	51.46
EBITDA (in ₹ million)	551.00	1,006.47	2,723.83	3,504.20
EBITDA Margin (%)	9.91%	9.50%	18.06%	23.77%

For a reconciliation of the above-mentioned numbers, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations– Non-GAAP Measures*” on page 398.

## **RELATED PARTY TRANSACTIONS**

For further details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' read with SEBI ICDR Regulations for the six month period ended September 30, 2021 and the financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 as reported in the Restated Consolidated Financial Statements, see "*Restated Consolidated Financial Statements- Related party disclosures*" beginning on page 332.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements, which are included in this Draft Red Herring Prospectus.*

*Unless otherwise indicated or the context otherwise requires, the financial information as at and for Fiscals 2019, 2020 and 2021 and as at and for the six months ended September 30, 2021 included herein is derived from our Restated Financial Statements, which are prepared under Ind AS, in accordance with requirements of the Companies Act, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. For further information, see "Financial Statements" beginning on page 257.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" on pages 37 and 21, respectively.*

*Our Company's Fiscal Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to FABINDIA LIMITED on a standalone basis, and references to "the Group", "we", "us", and "our" are to FABINDIA LIMITED on a consolidated basis.*

*Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources such as the "Fashion, Lifestyle and Organic Products Market in India" dated December 20, 2021 that has been prepared by EY, which report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. The EY Report forms part of the material contracts for inspection, and is accessible on the website of our Company at: <https://www.fabindia.com/investor-relations>.*

### Overview

We are a consumer lifestyle platform with an established 62-year legacy focused on authentic, sustainable and Indian traditional lifestyle products. Our brands, 'Fabindia' and 'Organic India' are well recognized brands in India, with focus on the core principles of "**Celebrating India**" and "**Healthy Conscious Living**", respectively. We offer a diverse portfolio of lifestyle products to our customers across Apparel and Accessories, Home and Lifestyle, Personal Care and Organic Food categories. We deliver an omnichannel experience with our pan-India network of 309 Fabindia stores and Experience Centers, 74 Organic India stores and a network of retail touchpoints for Organic India (including general trade stores, modern trade stores and chemists), as of September 30, 2021, and our online platforms [www.fabindia.com](http://www.fabindia.com), [www.organicindia.com](http://www.organicindia.com), our mobile application, 'Fabindia' and third party marketplaces. Our business model is focused on sustainability by design and we have sought to create a differentiated supply-side community through a model of engaging a network of artisans (through our arrangements with Contract Manufacturers who, in turn, engage with such artisans) and farmers across India.

### *Our Purpose-Driven Organization*

We are focused on offering quality products to our customers while providing sustainable jobs and livelihoods to farmers, and through our Contract Manufacturers to artisans (including weavers and craftsmen). For our Fabindia products, we engage Contract Manufacturers (who in turn engage artisans). Our suppliers for our Organic India products include farmers that we engage directly as well as through associates. We consider the interests of the artisans (that we engage with through our Contract Manufacturers) and farmers as integral to our business model. We endeavor to offer natural, ethically sourced and environmentally friendly products while blending indigenous craft techniques with contemporary designs. We rely on our purpose-driven approach, curated product portfolio and engagement with our supplier, Contract Manufacturer and customer communities to differentiate our brand and our products.



### *Our Past and Our Future: Staying Relevant to a Changing Consumer*

Our business is driven by our focus on India, its traditions, its people, and its environment. We consider craft to be one of India's most significant traditions, and engage with artisans through our Contract Manufacturers, to help this cultural heritage endure. We rely on Contract Manufacturers for provisioning from artisans, with a majority of our products being made by artisans (through our Contract Manufacturers) and farmers as opposed to the organized sector with the intention of, among other things, limiting environmental impact of the manufacture of our products.

We have a two-pronged strategy to further strengthen our retail presence - with our Experience Centers that house our product offerings under a single umbrella, providing customers with an experiential and comprehensive Fabindia retail experience, and by building on our e-commerce channels and growing our shared values digital community which currently numbers 4 million members, as of September 30, 2021. For further details, see "*Our Business– Our Strategies – Grow our omnichannel retail network*" on page 184.

### *Our Journey and Brands*

Our business began in 1960 when John Bissell set up an Indian branch of an overseas company, Fabindia Inc., which was engaged in the export of home furnishings, and we subsequently entered the ethnic apparel category. Our Company was incorporated in 1976 and continued focusing on the ethnic apparel category, and we registered our brand '*Fabindia*' in 1997. We subsequently expanded our product offerings to include non-textile furnishings, organic food, personal care and jewelry, on our ongoing journey to become a sustainable consumer lifestyle platform. We acquired a 40.00% stake in Organic India in 2013.

### *Our Business Verticals*

Our primary business verticals include the following:

*Apparel and accessories*, consisting of ethnic and western womenswear, menswear and kids wear, ethnic and western footwear, handcrafted apparel and accessories such as bags, jewelry, stoles, shawls and wraps; our portfolio includes both daily and occasion wear for customers' wardrobe needs. We aim to blend indigenous craft techniques with contemporary designs, and we are focused on supporting cluster based indigenous provisioning for all apparel and accessories;

*Home and lifestyle*, consisting of furniture, soft home furnishings, home décor, giftware and an interior design studio feature, which is positioned to leverage hand-crafted curated designs in the home solutions space in India with an emphasis on use of natural fibers. Our product portfolio in this business vertical spans utility to niche décor;

*Personal care*, consisting of skin care, hair care and fragrances with naturally inspired ingredients. We operate in this vertical both directly and through our subsidiaries, Biome Life Sciences India Private Limited (in which our Company holds a 50.01% stake, as of the date of this Draft Red Herring Prospectus);

*Organic food*, consisting of infusions, teas, staples, healthy snacks, detox kits, preserves, agri-products, Ayurvedic supplements, and personal care. We operate in this vertical through our subsidiary Organic India (in which our Company holds a 63.79% stake, as of the date of this Draft Red Herring Prospectus). Through Organic India, we introduced the *Tulsi* leaf (i.e., Holy Basil) in various products and indigenized organic cultivation of various herbs, flowers, seeds and grains such as quinoa, chamomile and chia in India, prior to which these products were primarily available in India as imports.

In addition to the above primary business verticals, we also offer healthy dining with regionally inspired foods and beverages through our subsidiary, FabCafe. As of the date of this Draft Red Herring Prospectus, our Company holds a 68.46% stake in FabCafe.

### *Our Omnichannel Retail Network*

We have a network of 309 Fabindia stores retailing our products across India, including 28 Experience Centers, 185 COCOs (including one flagship store), and 96 FOFOs, as of September 30, 2021. We also have 74 Organic India stores (including six franchisee stores) and a network of retail touchpoints (including modern trade stores, general trade stores and pharmacies) for Organic India, as of September 30, 2021. We launched our first “Experience Center” in 2017. These Experience Centers are large format COCOs that house our product and service offerings under a single umbrella, providing customers with an experiential and comprehensive Fabindia retail experience.

We have built our digital presence to deliver an efficient and seamless customer experience. We sell our products through our websites, [www.fabindia.com](http://www.fabindia.com), [www.organicindia.com](http://www.organicindia.com), our mobile application, “Fabindia” and third party marketplaces. We have invested in strengthening our own online sales and customer experience by adding a separate and dedicated experience team. A majority of our online sales are through our own online channels (i.e., our own websites and app), which allows us to exercise greater control over the overall customer experience. Our Company’s revenues through online sales (i.e., our own website, app and third party websites) amounted to ₹931.74 million (on a standalone basis) during Fiscal 2021 which represented 16.00% of our total revenue from sales compared to ₹458.16 million during Fiscal 2019 which represented 4.09% of our total revenue from sales during the same year, representing a CAGR of 42.61%. Revenues from online sales amounted to ₹611.59 million (on a standalone basis) during the six months ended September 30, 2021, representing 17.75% of our total revenue from sales during the same period.

#### *Our Founder and Team*

William Nanda Bissell, our Executive Vice Chairman, joined our Company’s Board in 1994. During his tenure with our Company, we have expanded our retail presence to 309 retail stores as of September 30, 2021 and have built a professional team to support our growth.

William is complemented by an experienced professional management team, including Viney Singh (our Managing Director), Subrata Dutta (Group Managing Director for Organic India), Mukesh Kumar Chauhan (Executive Director) and Gopal Mishra (Chief Financial Officer and Chief Operating Officer) who have several decades of experience across various industries and have been instrumental in the growth of our business.

As of September 30, 2021, our Company had 2,394 permanent employees, of which 28.15% were women. We endeavor to emphasize teamwork and collaboration across functions to ensure that our employees are able to suggest and implement ideas regardless of their role. We endeavor to motivate our employees with incentives and the ESPS 2021, enabling a strong alignment of their interests with our performance. As of September 30, 2021, 15% of our Company’s outstanding issued share capital is held by employees.

#### *Key Operating and Financial Metrics of our Company and Organic India*

Metric	Unit	As at Fiscal Year			As at September 30,
		2019	2020	2021	2021
<b>Number of stores / touchpoints</b>					
Fabindia stores (COCOs and FOFOs)	#	288	301	277	281
Experience Centers	#	10	27	29	28
Organic India stores	#	39	65	74	74

#### *Fabindia\**

Metric	Unit	During the Fiscal Year ended March 31,			During the six months ended
		2019	2020	2021	September 30, 2021

Revenue from Sales	₹ million	11,208.56	11,359.36	5,824.73	3,444.88
Total Revenue from operations	₹ million	11,335.42	11,615.66	6,591.24	3,678.23
Gross Profit (Revenue from sales – COGS)	₹ million	6,569.37	6,490.38	3,127.66	2,018.62
Gross Profit Margin	%	58.61%	57.14%	53.70%	58.60%
EBITDA	₹ million	3,163.13	2,574.51	696.23	481.77
EBITDA Margin	%	27.90%	22.16%	10.56%	13.10%
Restated Profit / (Loss)	₹ million	993.77	546.45	(1,114.89)	(494.96)
Restated Profit / (Loss) Margin	%	8.77%	4.7%	(16.91)%	(13.46)%
Net Debt	₹ million	6,372.23	8,471.21	7,837.14	12,942.99
Net Worth	₹ million	6,190.82	6,310.70	5,368.94	4,905.95
Adjusted Return on Capital Employed <sup>#</sup>	%	43.42%	26.46%	(11.42)%	(5.24)%
Adjusted Return on Equity <sup>##</sup>	%	17.18%	8.74%	(19.09)%	(9.63)%

\*Data is on a standalone basis

# Adjusted Return on Capital Employed means EBIT/CE; CE means the aggregate of total assets (including ROU assets) less revaluation on fixed assets, total investments, total Current Liabilities, other non-current liabilities, Non Current financial Liabilities and Non Current provisions and lease liabilities. EBIT is profit before tax with the addition of finance cost (including lease interest) less income from investments and (gain)/loss from increase in fair value of investments. (The above figures are based on average capital employed i.e. (Opening CE + Closing CE)/2).

## Adjusted Return on Equity means Total Comprehensive Income/Net Worth; Total Comprehensive Income means Total Comprehensive Income/(Loss) for the period as appearing in the statement of Profit & Loss of the company. Net worth means the aggregate value of the paid-up share capital, all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as on September 30, 2021 and 2020 and March 31, 2021, 2020 and 2019. (The above figures are based on average equity employed i.e. (Opening Equity + Closing Equity)/2).

Note: Our financial performance in Fiscal Year 2020 and Fiscal Year 2021 was impacted due to COVID-19. Additionally, Fiscal Year 2021 EBITDA and PAT impacted due to a one-off ageing inventory provision of ₹ 308.80 million.

#### Organic India\*

Metric	Unit	During the Fiscal Year ended March 31,			During the six months ended September 30, 2021
		2019	2020	2021	
Revenue from Sales	₹ million	3,328.15	3,426.39	3,868.92	1,814.24
Total Revenue from operations	₹ million	3,361.67	3,448.48	3,947.73	1,832.68
Gross Profit (Revenue from sales – cost of goods sold)	₹ million	2,486.03	2,471.90	2,665.70	1,206.67
Gross Profit Margin	%	74.70	72.14	68.90	66.51
EBITDA	₹ million	550.11	392.42	402.52	96.77
EBITDA Margin	%	16.36	11.38	10.20	5.28
Restated Profit / (Loss)	₹ million	192.45	34.61	60.2	(26.32)
Restated Profit / (Loss) Margin	%	5.72	1.00	1.52	(1.44)
Net Debt	₹ million	2,011.43	2,235.93	1,884.7	1,957.43
Net Worth	₹ million	2,348.62	2,304.48	2,463.19	2,451.50
Return on Capital Employed <sup>#</sup>	%	14.86%	6.17%	6.16%	(0.24)%
Return on Equity <sup>##</sup>	%	9.17%	1.50%	2.55%	(1.08)%

\*Data is on a standalone basis

Note: Our financial performance in Fiscal Year 2020 and Fiscal Year 2021 was impacted due to COVID-19.

# Return on Capital Employed is CE means the aggregate of total assets (including ROU assets) less revaluation on fixed assets, total investments, total Current Liabilities, other non-current liabilities including lease liabilities. EBIT is profit before tax with the addition of finance cost (including lease interest) less income from investments and (gain)/loss from increase in fair value of investments.

## Return on Equity means Total Comprehensive Income/Net Worth; Total Comprehensive Income means Total Comprehensive Income/(Loss) for the period as appearing in the statement of Profit & Loss of the company. Net worth means the aggregate value of the paid-up share capital, all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as on September 30, 2021 and 2020 and March 31, 2021, 2020 and 2019

### *Resilience through COVID-19*

Our revenue from operations declined from ₹15,080.47 million in Fiscal 2020 to ₹10,596.43 million in Fiscal 2021, due to disruptions caused by COVID-19 at our retail stores and FabCafes, which included a decline in footfalls and sales along with temporary or permanent closures of certain retail stores and FabCafes. Pursuant to the notification issued by the Government of India, establishments in India, including our retail stores and FabCafes were temporarily shut down during the 21-day nationwide lockdown with effect from March 24, 2020. To deal with such unprecedented circumstances, we conceptualized several projects managed by our cross functional teams. We set up a structured, rigorous project management schedule to monitor our performance and to ensure execution as per plan. Some of the key projects were:

- **Leveraging e-commerce channel:** We revamped our online business with respect to organization structure, technology, contract manufacturing and provisioning chain, marketing and other related functions. We set up infrastructure and tools to allow interaction with customers online, home delivery, digital or cash-on-delivery payment.
- **Staff and customer safety:** We prepared COVID-19 compliant protocols at stores and offices to ensure safety of staff and to give confidence to customers that Fabindia stores are a safe place to shop. Keeping our customer-centric approach and employee safety in mind, we devised a new 'White Gloves' service. Through this service, customers could contact us through a dedicated toll-free service and using customized digital catalogues. In addition, the cost of two doses of vaccine for all our employees has been paid / reimbursed by our Company. We aim to have all of our employees fully vaccinated by January 31, 2022 based on current scheduled dates.
- **Securing contract manufacturing and provision chains:** We focused on securing relationships with third parties such as Contract Manufacturers that provide us with Fabindia branded products. Amongst others, our aims were to minimize deferments and release payments to our providers, as early as possible. We also provided masks, personal protective equipment kits for front line workers using special variants of cloth provided by our Contract Manufacturers. Not only did it help us secure the working conditions for our frontline workers, this also helped our contract manufacturers gain some business to sustain themselves.
- **Cost optimization:** We actively negotiated rental waivers and reduced administration costs.

We began reopening our stores through a phased approach commencing June 2020 and completed the reopening process over the course of several months, by August 2020. In December 2021, with the onset of the “Omicron” variant of COVID-19 in India, state governments implemented various safety measures including weekend curfews, closures of malls and shopping centres and reduced operating hours of stores, which has impacted the performance of our retail stores.

For further details on the impact of COVID-19 on our results of operations, see “*Management’s Discussion and Analysis of Financial Condition and Result of Operations – Significant Factors Affecting our Financial Condition and Results of Operations– Impact of COVID-19*” on page 368.

## **Significant Factors Affecting our Financial Condition and Results of Operations**

### ***Impact of COVID-19***

The COVID-19 pandemic and the measures imposed to contain this pandemic have disrupted and are expected to continue to impact our business.

The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. The Government of India had announced a nationwide lockdown on March 24, 2020. We faced significant disruptions at our retail stores and FabCafes resulting in temporary and permanent closures of certain retail stores and FabCafes, including due to decline in footfalls and sales, closure of malls where our stores are located, and reduced operating hours as mandated by regulatory bodies. Pursuant to the notification issued by Government of India, establishments in India, including our retail stores and FabCafes were temporarily shut down during the 21-day nationwide lockdown with effect from March 24, 2020.

Further, our operating expenses did not decrease at the same rate as revenues, resulting in an adverse impact on our sales, profitability and growth rates. Many of our expenses are less variable in nature and may not correlate to changes in revenues, such as rent expenses, depreciation, employee benefit expenses and other costs associated with operating and maintaining our stores and FabCafes. Rental expenses and leave and license fees account for a significant portion of our cash outflows, as a result, we entered into renegotiations under various rental arrangements with mall developers, landlords and lessors during the onset of the COVID-19 pandemic in India. While we have re-negotiated certain of our rental arrangements including by receiving certain waivers, there can be no assurance that they would agree to any complete or partial waiver or reduction of rent expenses for the remaining term of the relevant lease. There can also be no assurance that we will be able to obtain such waivers or successfully further renegotiate these arrangements in the future. A continued decline or fluctuation in footfalls, particularly as a result of the any subsequent waves in India, may also affect our ability to manage our expenses, particularly rental expenses and employee benefit expenses.

Due to the impact of the COVID-19 pandemic, our revenue from operations declined by 29.73% from ₹15,080.47 million in Fiscal 2020 to ₹10,596.43 million in Fiscal 2021. We opened 10 new retail stores (including FOFOs) and closed 32 stores (including FOFOs) in Fiscal 2021 due to decline in footfalls on account of COVID-19 and business usual store relocation strategy. Store sales in particular were adversely affected due to lockdowns, restrictions in timings on account of curfews which were implemented across various states in India and, limitations placed on the number of persons allowed to enter shopping malls further to government directives and a general concern among customers fearing exposure. During this time, to offer customers the ability to undertake contactless, digital transactions, we focused on building our e-business by investing in frontend and backend upgrade to enhance the customer experience. Revenues from online (from third party websites and our own website and through app sales grew by 37.72% between Fiscal 2020 and Fiscal 2021.

In December 2021, with the onset of the “Omicron” variant of COVID-19 in India, state governments have implemented a variety of safety measures including weekend curfews, closures of malls and shopping centres and reduced operating hours of stores. As a result, we have witnessed a decline in footfall at our retail stores, and consequently expect a decrease in sales in the fourth quarter of Fiscal 2022. It is also possible that we may experience disruptions to our obtainment process. Any increase in infection rates due to the Omicron variant and the consequent restrictions imposed by state governments, may result in our revenue from operations being adversely impacted. The magnitude of the impact of the COVID-19 pandemic on our productivity, results of operations and financial position, and its disruption to our business and our capital expenditure plans, will depend, in part, on the length and severity of these restrictions and on our ability to conduct business in the ordinary course. We will continue to assess the potential impact of the COVID-19 pandemic on our business, financial condition, and results of operations.

### ***Economic environment and consumer purchasing patterns***

Our revenue and growth are influenced by the general economic environment and consumer purchase patterns in India and abroad. We are impacted by economic growth in India and abroad, rising levels of disposable income and consumer sentiment, which, in turn, drives consumer spending and demand for our products.

The World Economic Forum projects India to emerge as the third largest consumer market (after the USA and China) by Fiscal 2030, fueled by strong underlying fundamentals. This is expected to be driven by a large base of young population, urbanization, employment opportunities and increasing female participation in the workforce. The ethnic apparel market is expected to grow to ₹1,879 billion by Fiscal 2026 in India, and the large number of festivals, weddings and celebrations provide a strong base for ethnic apparel demand. The residential furniture market was ₹1,278 billion in Fiscal 2020, having grown at a CAGR of 12% over Fiscal 2015 to Fiscal 2020 and is expected to

grow to ₹2,037 billion by Fiscal 2026. The Indian organic food market is expected to reach ₹38.7 billion by Fiscal 2026. Consumer approaches towards managing health have been centred around active lifestyle and balanced diets. The COVID-19 pandemic has brought an increased focus to risks posed by hygiene and immunity related concerns. 94% of surveyed consumers (as part of EY Future Consumer Index Survey, 2021) in India were concerned about family health, 80% saw health as an important buying factor, 32% were willing to pay a premium for healthy products. In addition, consumers are increasingly becoming conscious towards products that drive sustainability and address environmental and social inclusiveness. (*EY Report*) We expect this customer sentiment to drive our revenues and result of operations.

Our products, including in particular, our apparel and food products are consumer discretionary products and are subject to changing consumer preferences. Our results of operations and profitability are therefore dependent on our ability to anticipate, gauge and respond to changes in customer preferences.

### ***Cost of materials consumed and cost of contract manufactured goods***

We have established long-standing relationships with our Supplier Community, including our Contract Manufacturers (and the artisans engaged by them) and farmers. We obtain products through our Contract Manufacturers, (and the artisans engaged by them) and farmers located across India. We typically entered into long term contract manufacturing agreements with such Contract Manufacturers. We do not have any formal arrangements or contracts with the farmers we directly engage with. Our cost of materials consumed and cost of contract manufactured goods are impacted by the amount of raw materials/contract manufactured goods procured and the price at which we procure such materials, which may fluctuate from time to time. Our cost of materials consumed amounted to ₹2,917.45 million, ₹3,159.89 million, ₹1,821.72 million and ₹1,550.15 million in Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021, respectively and the cost of contract manufactured goods amounted to ₹2,935.49 million, ₹2,987.15 million, ₹1,352.63 million and ₹1,586.91 million in Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021.

The availability and price of our raw materials and contract manufactured goods may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in Government policies and regulations.

### ***Personnel costs***

A principal component of our ability to compete effectively is our ability to attract and retain qualified employees. Employee benefit expenses constitute a significant portion of our operating expenses. Our employee benefit expenses amounted to ₹2,119.74 million, ₹2,330.87 million and ₹1,963.15 million, ₹1,129.34 million, for Fiscals 2019, 2020, 2021 and for the six months ended September 30 2021, respectively, accounting for 15.95%, 15.70%, 15.90%, and 17.68%, respectively, of our total expenses in the same periods. While the number of full-time employees decreased from 2,657 as of March 31, 2019 to 2,394 as of September 30, 2021 due to the effects of COVID-19, we expect our employee benefit expenses to increase in the future as retaining the services of our employees and investing in upskilling our employees, is a high priority and competition to retain skilled employees will likely result in increased personnel expenses. Employee benefit expenses primarily includes salaries, wages and bonus, staff welfare expenses, contribution provident and other funds, employee stock option compensation expense and gratuity expense. These costs are subject to certain factors that are out of our control, including amendments to the minimum wage laws and other employee benefit laws in India. Rising wages in India may have a material impact on our net revenues. If we are unable to efficiently manage our personnel costs, it could have a significant impact on our results of operations and financial condition.

### ***Growth of distribution channels***

Our revenues are impacted by the scale and growth of retail network through which we sell our 'Fabindia' products, namely ECs, Flagship Stores, COCOs and FOFOs as well as through online retailers and our website and mobile app.

As of March 31, 2018, we sold our Fabindia products through 213 COCOs, 57 FOFOs and two ECs and have grown our presence, such that as of September 30, 2021, we sold our products through 185 COCOs, 28 ECs and 96 FOFOs

located in 29 states and union territories in India. Revenues from our Fabindia retail stores amounted to ₹4,680.12 million for Fiscal 2021 and ₹2,728.69 million in the six months ended September 30, 2021.

As of March 31, 2018, we sold our Organic India products through two Wellness Stores and 23 exclusive Organic India stores and have grown our presence, such that as of September 30, 2021, we sold our products through 36 wellness stores, 32 exclusive Wellness Stores and six franchisee stores. Revenues from our *Organic India* retail stores amounted to ₹146.91 million for Fiscal 2021 and the ₹59.86 million for the six months ended September 30, 2021.

Correspondingly, we incur expenses in order to maintain and expand our presence across these retail channels. We incur rent charges primarily towards payment of rent for our leased COCOs and ECs, warehouse and offices. Expenses incurred in relation to our retail channels (comprising rent expenses, security, housekeeping and manpower) accounted for ₹2,034.54 million, ₹2,352.34 million, ₹1,594.50 million, and ₹1,417.28 million, representing 20.72% and 23.61%, 35.02%, and 54.80% respectively, of our revenue from operations, for Fiscals 2019, 2020, 2021 and the six months ended September 30, 2021. For further details of the different store formats, see “*Our Business – Retail Stores*” on page 194.

## Critical Accounting Policies

### Basis of Consolidation

The Restated Financial Statements comprise the financial statements of our Company and Subsidiaries (collectively, the “**Group**”) as listed below:

Name of entity	Country*	Ownership in % (either directly or through subsidiaries)			
		As of September 30, 2021	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019
Fabindia International Pte. Ltd. ( FIPL)	Singapore	100.00	100.00	100.00	100.00
Indigo Origins Pte. Limited (subsidiary through FIPL)	Singapore	100.00	100.00	100.00	100.00
East Limited (subsidiary through FIPL) (Dissolved on December 3, 2019)	United Kingdom	-	-	-	100.00
Organic India Private Limited (OIPL)	India	63.79	51.39	53.00	53.00
Fabcafe Foods Private Limited (with effect from October 20, 2017)	India	68.46	68.46	69.14	70.00
Biome Life Sciences India Private Limited (with effect from August 01, 2020)	India	50.01	50.01	-	-
Organic India USA, LLC (subsidiary through OIPL i.e., 63.79%, 51.39%, 53.00%, 53.00% of 100.00% as at September 30, 2021, March 31, 2021, 2020 and 2019 respectively)	United States of America	63.79	51.39	53.00	53.00
Composite Intercept Med-Science Laboratories Private Limited (subsidiary through OIPL i.e., 53.00% of 80.00% as at March 31, 2020 and 2019) *	India	Nil	Nil	42.40%	42.40%
The Clean Program Corp. (with effect from April 25, 2018) (subsidiary through OIPL i.e., 63.79%, 51.39%, 53.00%, 53.00% of 50.01% September 30, 2021, March 31, 2021, 2020 and 2019 respectively)	United States of America	31.90	25.70	26.51	26.51
Godwar Farmers Collective Private Limited (subsidiary up to August 31, 2019 through OIPL i.e. 53.00% of 84.21%)	India	-	-	-	44.63%

\*Considered as a Discontinued operation as per Ind AS-105 as the said investment has been held for sale in pursuance of the agreement entered by OIPL on March 12, 2020 for sale of the entire shareholding held in the subsidiary and the said sale has been executed on April 04, 2020.

And the following associates

Name of entity	Country*	Ownership in % (either directly or through subsidiaries)			
		As of September 30, 2021	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019
FABINDIA S.r.l. (associate through FIPL)	Italy	45.00	45.00	45.00	45.00
Weavers India General Trading, LLC (associate through FIPL)	Dubai (UAE)	49.00	49.00	49.00	49.00
Rangсутra Crafts India Limited	India	31.77	31.77	32.30	32.30
Orissa Artisans and Weavers Limited	India	33.55	33.55	33.55	33.55
East Lifestyle Limited (associate through FIPL i.e., 100% of 20%)	United Kingdom	20.00	20.00	20.00	20.00
Nutriwel Health (India) Private Limited (with effect from March 6, 2019) (associate through OIPL i.e., 63.79%, 51.39%, 53.00%, 53.00% of 11.00% September 30, 2021, March 31, 2021, 2020 and 2019 respectively) *	India	7.02	5.65	5.83	5.83

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

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

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

For further details see “*Restated Consolidated Financial Statements*” on page 257

### **Summary of Significant Accounting Policies**

Set out below is a summary of the significant accounting policies applied by the Company. For further details, see “*Restated Consolidated Financial Statements – Significant Accounting Policies*” on page 277.

### **Significant accounting estimations, judgements, and assumptions**

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

### **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. In response, the Indian government have



taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

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, our operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the period, our 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 our operations. The advent of second wave of COVID-19 in April 2021– May 2021 resulted in further lockdowns. We continue to monitor the situation and will take appropriate action as considered necessary in due compliance with the applicable regulations as the situation normalizes.

### **Current vs non-current classification**

We present 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 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.

We classify 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. We have identified twelve months as our operating cycle.

### **Business combinations**

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

### **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 us and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the restated consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.
- (ii) We have adopted component accounting, wherever applicable, and identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- (iii) Depreciation is recognized on a straight-line basis except in case of buildings where writtendown value method is used, over the useful life as specified under Schedule II of the Act, and given below:

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

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

- (iv) The residual value of all depreciable assets, except in case of building, being negligible, is estimated at Nil. The residual value of building is considered at 5% of cost.
- (v) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.
- (vi) Cost of property, plant and equipment not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".
- (vii) Leasehold land includes land acquired under finance lease from Delhi Development Authority on July 07, 1992 for a period of 99 years and land acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for a period of 90 years which have been reclassified as right-of-use assets as per Ind AS 116 "Leases". The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.
- (viii) The present value of the expected cost for the de-commissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recorded asset retirement obligation.

### Intangible assets

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

- (ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).
- (iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.
- (iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

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

### **Impairment of non-financial assets- property, plant and equipment and intangible assets**

We assess 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, we estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

We base our impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of our 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, we extrapolate 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 we operate, or for the market in which the asset is used.

### **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.

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

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

#### Subsequent measurement

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

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

#### **Financial assets at amortized cost (debt instruments)**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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. Our 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
- We have transferred our 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) We have transferred substantially all the risks and rewards of the asset, or (b) We have neither transferred nor retained substantially all the risks and rewards of the asset, but has

transferred control of the asset.

When we have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, we evaluate if and to what extent we have retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognize the transferred asset to the extent of our continuing involvement. In that case, we also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have 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 we could be required to repay.

### Investment in subsidiaries and associates

We have 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 we assess whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

### Other investments

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

### **Impairment of financial assets**

We recognize 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 we expect 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, we apply a simplified approach in calculating ECLs. Therefore, we do not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. We have 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 us 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. 18.

#### **Financial guarantee contracts**

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

### **(iii) Treasury shares**

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

Own equity instruments that are re-acquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Holding Company’s and OIPL’s own equity instruments. Any difference between the carrying amount and the consideration, if re-issued, is recognized in general reserve. Share options exercised during the period/years 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 our or the counterparty.

#### **Inventories**

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

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

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

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

In the Restated Consolidated Financial Statements unrealized profit on unsold stock at the period/year-end lying with the subsidiaries and associates have been adjusted.

#### **Foreign currency transactions**

The functional currency of the Holding Company is the Indian Rupee. These Restated Consolidated Financial Statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

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

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

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net

profit for the period in which the transaction is settled.

## Revenue recognition

Effective April 1, 2018, we had adopted Ind AS 115: Revenue from Contracts with Customers using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities had not been retrospectively adjusted.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as Goods and Services Tax, etc. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration we expect 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. We consider 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, we consider the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).
- (ii) Loyalty points programme: The Holding Company has a loyalty points programme, “Fabfamily”, which allows customers to accumulate points that can be redeemed for future purchase, or any other experience as specified under the loyalty points programme policy. The loyalty points will have a validity of 36 months from the time of earning. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as a contract liability until the points are redeemed.

Presently, in the absence of historical trend/ experience of 36 months, the Holding Company on conservative basis provides for 100% in respect of the accumulated loyalty points as on September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. In future, post 36 months experience the provisioning to be considered would be based on the actual trend and industry standards.

- (iii) Leases in which we do 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.
- (iv) Insurance claims/ government claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the insurance companies/ government authorities.
- (v) Dividend income from investments is recognized when our right to receive payment is established.
- (vi) 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, we estimate the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- (vii) Right of return asset represents our 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. We update the measurement of the asset recorded for any revisions to our



expected level of returns, as well as any additional decreases in the value of the returned products.

- (viii) 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 we ultimately expect we will have to return to the customer. We update our estimates of refund liabilities at the end of each reporting period.

## **Employee benefits**

- (i) Short-term employee benefits`

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

- (ii) Post-employment benefits

### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Holding Company and its Indian Subsidiary Companies pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

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

### Defined benefit plan

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

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

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

Defined benefit costs are recognized as follows:

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

### Compensated leave of absence

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

## **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 our estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, we revise our estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the stock option outstanding account.

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

ii. 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).

## **Tax expense**

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

### Current tax

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

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

We determine 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, we have considered, for example;

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

We 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 Restated Consolidated Financial Statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

#### **Earnings per share**

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

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

#### **Provisions and contingent liabilities**

##### **Provisions**

Provisions are recognized when we have 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

We have 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 us.

#### Assets retirement obligation liability (ARO)

We record 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 our control 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.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under short-term borrowings in the balance sheet but netted off against cash and cash equivalent in cash flow statement.

### **Dividend distribution**

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

### **Government grants**

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

Accordingly, government grants:

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

### **Leases**

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

#### As a lessee

Effective April 01, 2019, we 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. We have used a single discount rate to a portfolio of leases with similar characteristics. For the purpose of preparing Restated Consolidated Financial Statement, Ind AS 116 has been applied using the modified retrospective method with effect from April 01, 2018.

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

We have 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. We determine the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if we are reasonably certain to exercise that option; and periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option. In assessing whether we are 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 us to exercise the option to extend the lease, or not to exercise the option to terminate the lease. We revise 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 of 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.

#### As a lessor

Leases for which we are a lessor is classified as finance or operating lease. Leases in which we do 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, we have adopted Ind AS 116 “Leases” and applied the standard to all sub-lease contracts existing on April 01, 2019 using the Modified Retrospective Approach under which the Lease receivables are recognized based on incremental borrowing rate on the initial application date i.e., April 01, 2019 and ROU assets created on the original lease are derecognized proportionately on the carpet area basis. We have used a single discount rate to a portfolio of leases with similar characteristics. For the purpose of preparing Restated Consolidated Financial Statement, Ind AS 116 has been applied using the modified retrospective method with effect from April 01, 2018.

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

As on the date of sub-lease, any difference between the Lease Receivable recognized and ROU assets eliminated shall be charged/ credited to statement of profit and loss respectively. Depreciation charged on the ROU assets created on original lease shall be reduced to the extent of ROU assets eliminated due to sub-lease of the original lease.

The lease receipts are discounted using the incremental borrowing rate. After the commencement date, the amount of lease receivables is increased to reflect the accretion of interest on the lease receivable and reduced for the lease receipts made.

### **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 us.

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.

We use 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.

### **Key Components of our Statement of Profit and Loss**

The following descriptions set forth information with respect to the key components of our profit and loss statement.

#### **Income**

Total income consists of revenue from operations and other income.

#### ***Revenue from Operations***

Revenue from operations primarily comprises revenue from contracts with customers through the sale of products and sale of food and beverages.

Revenue from operations are disaggregated based on product type, comprise sale of bed linen, bath linen, table linen, garments, personal care, floor coverings, curtains, furniture, organic foods, upholstery, herbal infusions, ayurvedic medicines (formulations), psyllium, dehydrated fruits and vegetables, personal care products, food and beverages and miscellaneous.

For the purposes of revenue by product vertical, we have considered details of revenue from operations disaggregate based on product type, as set out below:

- (i) Apparel – comprise of revenues from garments
- (ii) Home and Lifestyle – comprise of revenue from bed linen, bath linen, table linen, furniture, floor coverings, curtains and upholstery
- (iii) Personal Care – comprise of revenues from personal care and body care
- (iv) Organic Food – comprise of organic food, herbal infusions, ayurvedic medicines, psyllium, dehydrated fruits and vegetables
- (v) Food and Beverages – comprise of revenues from food and beverages
- (vi) Others – comprise of revenues from miscellaneous products.

For further details, see “*Restated Consolidated Financial Statements – Note 30 – Disaggregation of revenue based on products*” on page 319.

Additionally, revenue from operations includes other operating revenue, which primarily includes provisions/liabilities no longer required to be written back, government grants, rental income relating to operations, royalty income and miscellaneous operating income.

#### ***Other income***

Other income primarily includes interest income on bank deposits, loans, debentures, leased deposits measured at amortized cost, lease receivables and others, gain on right-of-use assets, gain arising on investments measured at FVTPL and other miscellaneous income.

#### **Expenses**

Total expenses consist of cost of materials consumed, cost of contract manufactured goods, changes in inventories of finished goods and stock-in-trade, employee benefits expense, finance costs, depreciation and amortization expense, impairment losses and other expenses.

#### ***Cost of materials consumed***

Cost of materials consumed primarily includes cost of purchase of products such as fabric, garments, personal care products and agricultural produce in relation to the products that we manufacture and job work charges in relation to contract manufacturing of our products.

#### ***Cost of contract manufactured goods***

Cost of contract manufactured goods primarily consist of purchase of finished goods on contract manufacture basis, including goods such as garments, organic foods, personal care products in relation to our contract manufactured goods.

#### ***Changes in inventories of finished goods and stock-in-trade***

Changes in inventories of finished goods, work-in-progress, stock-in-trade and stock-in transit reflects the difference between our inventories at the start of the year and the end of the year.

#### ***Employee benefits expense***

Employee benefits expense primarily consists of salaries, wages and bonuses, contribution to provident and other funds, staff welfare expenses and employee stock option compensation expense.

#### ***Finance costs***

Finance costs primarily consist of interest expenses on lease liabilities, banking facilities, foreign currency term loans and term loans, among others.

#### ***Depreciation and amortization expense***

Depreciation and amortization expense primarily relates to depreciation of our property, plant and equipment, right to use assets (leases) and amortization of intangible assets.

#### ***Impairment losses***

Impairment losses primarily relate to assets deployed by us for running and supporting the business operations as well as investment in subsidiaries and associates.

### Other expenses

Other expenses primarily consist of rent, sales promotion, advertisement and publicity, legal and professional fees, IT support service charge, security and housekeeping charges, packing freight, clearing and forwarding charges, repair and maintenance expenses, amongst others.

### Results of Operations

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscals 2019, 2020, 2021 and September 30, 2021:

Particulars	Fiscal						Six Months ended September 30,	
	2019		2020		2021		2021	
	(₹ million)	% of total income	(₹ million)	% of total income	(₹ million)	% of total income	(₹ million)	% of total income
<b>Income</b>								
Revenue from Operations	14,743.07	99.51%	15,080.47	98.93%	10,596.43	97.45%	5,560.40	98.23%
Other income	71.87	0.49%	163.73	1.07%	277.70	2.55%	100.28	1.77%
<b>Total income</b>	<b>14,814.94</b>	<b>100.00%</b>	<b>15,244.20</b>	<b>100.00%</b>	<b>10,874.13</b>	<b>100.00%</b>	<b>5,660.68</b>	<b>100.00%</b>
<b>Expenses</b>								
Cost of materials consumed	2,917.45	19.69%	3,159.89	20.73%	1,821.72	16.75%	1,550.15	27.38%
Cost of contract manufactured goods	2,935.49	19.81%	2,987.15	19.60%	1,352.63	12.44%	1,586.91	28.03%
Changes in inventories of finished goods and stock-in-trade	-402.25	-2.72%	-453.34	-2.97%	628.34	5.78%	-	-20.29%
Employee benefits expense	2,119.74	14.31%	2,330.87	15.29%	1,963.15	18.05%	1,129.34	19.95%
Finance costs	467.14	3.15%	629.55	4.13%	733.08	6.74%	396.32	7.00%
Depreciation and amortization expense	1,580.64	10.67%	1,864.10	12.23%	2,022.09	18.60%	975.88	17.24%
Impairment losses	-	0.00%	-	0.00%	18.82	0.17%	3.60	0.06%
Other expenses	3,671.52	24.78%	4,332.48	28.42%	3,807.25	35.01%	1,892.60	33.43%
<b>Total expenses</b>	<b>13,289.73</b>	<b>89.70%</b>	<b>14,850.70</b>	<b>97.42%</b>	<b>12,347.08</b>	<b>113.55%</b>	<b>6,386.18</b>	<b>112.82%</b>
<b>Profit before exceptional items and tax from operations</b>	<b>1,525.21</b>	<b>10.30%</b>	<b>393.50</b>	<b>2.58%</b>	<b>-1,472.95</b>	<b>-13.55%</b>	<b>-725.50</b>	<b>-12.82%</b>
Share of accumulated profit/ (loss) in associate companies	3.08	0.02%	0.41	0.00%	1.95	0.02%	4.58	0.08%
<b>Profit/ (loss) before exceptional items and tax</b>	<b>1,528.29</b>	<b>10.32%</b>	<b>393.91</b>	<b>2.58%</b>	<b>-1,471.00</b>	<b>-13.53%</b>	<b>-720.92</b>	<b>-12.74%</b>
Exceptional items	-29.07	-0.20%	-34.56	-0.23%	-15.03	-0.14%	-	0.00%
<b>Tax expense</b>								
Current tax	-775.85	-5.24%	-321.09	-2.11%	-44.91	-0.41%	-26.30	-0.46%
Tax related to earlier periods	-3.02	-0.02%	0.92	0.01%	-36.26	-0.33%	-	0.00%
Deferred tax expense/ (credit)	123.29	0.83%	267.73	1.76%	395.83	3.64%	229.97	4.06%



Particulars	Fiscal						Six Months ended September 30,	
	2019		2020		2021		2021	
	(₹ million)	% of total income	(₹ million)	% of total income	(₹ million)	% of total income	(₹ million)	% of total income
<b>Total tax expense</b>	-655.58	-4.43%	-52.44	-0.34%	314.66	2.89%	203.67	3.60%
<b>Profit/ (loss) after tax</b>	843.64	5.69%	306.91	2.01%	-1,171.37	-10.77%	-517.25	-9.14%
<b>Other comprehensive income/ (loss)</b>								
<i>Items that will not be reclassified to profit or loss</i>								
Re-measurement of net defined benefit obligation	2.28	0.02%	10.86	0.07%	2.48	0.02%	-62.74	-1.11%
Income-tax effect on above	-0.78	-0.01%	-2.70	-0.02%	-0.64	-0.01%	13.97	0.25%
Share of other comprehensive income/ (loss) in associates	0.03	0.00%	-0.02	0.00%	0.04	0.00%	-0.22	0.00%
<i>Items that will be reclassified to profit or loss</i>								
Foreign currency translation differences	-20.77	-0.14%	7.85	0.05%	37.03	0.34%	0.29	0.01%
Income tax relating to items that will be re-classified to statement of profit and loss	-	0.00%	-9.64	-0.06%	-8.42	-0.08%	-0.50	-0.01%
Share of other comprehensive (loss) in associates	-1.05	-0.01%	-1.77	-0.01%	-0.75	-0.01%	-2.26	-0.04%
<b>Total other comprehensive Income/ (loss)</b>	-20.29	-0.14%	4.58	0.03%	29.74	0.27%	-51.46	-0.91%
<b>Total comprehensive income/(loss)</b>	<b>823.35</b>	<b>5.56%</b>	<b>311.49</b>	<b>2.04%</b>	<b>-1,141.63</b>	<b>-10.50%</b>	<b>-568.71</b>	<b>-10.05%</b>

#### Six months ended September 30, 2021

**Total Income.** Our total income was ₹5,660.68 million in the six months ended September 30, 2021. Revenue from operations contributed to 98.23% of our total income and other income contributed to 1.77% of our total income, in the six months ended September 30, 2021.

**Revenue from operations.** Our revenue from operations was ₹5,560.40 million in the six months ended September 30, 2021. Revenue from sale of products amounted to ₹5,219.00 million and contributed to 93.86% of the revenue from operations in the six months ended September 30, 2021. Sale of food and beverages amounted to ₹88.68 million and contributed to 1.59% of the revenue from operations in the six months ended September 30, 2021.

Other operating revenue was ₹252.72 million in the six months ended September 30, 2021 and primarily consisted of provisions/ liabilities no longer required written back amounted to ₹199.38 million.

The following table sets forth the contribution of each of our business verticals to our revenue from operations for the periods indicated:

	September 30, 2021	
	(₹ million)	% of total revenue from sales
Apparel	2,466.86	46.48%
Home and lifestyle	692.93	13.06%
Personal care	152.74	2.88%
Organic Food	1,458.57	27.48%
Food and Beverages	88.68	1.67%
Others (including accessories)	447.90	8.44%

*Other income.* Other income was ₹100.28 million for the six months ended September 30, 2021, which primarily consisted of interest income from bank deposits amounting to ₹19.04 million, leased deposits measured at amortized cost amounting to ₹21.57 million and gain arising on investments measured at FVTPL amounting to ₹10.23 million.

*Expenses.* Total expenses were ₹6,386.18 million in the six months ended September 30, 2021. Expenses primarily comprised cost of materials consumed, cost of contract manufactured products, depreciation and amortization expense, employee benefit expenses and other expenses.

*Materials and related costs.* Materials and related costs consisting of cost of materials consumed, cost of contract manufactured goods and changes in inventories of finished goods and stock-in-trade amounted to ₹1,988.44 million in the six months ended September 30, 2021, contributing to 31.14% of our total expenses. Our cost of materials consumed was ₹1,550.15 million the six months ended September 30, 2021. Our cost of contract manufactured goods was ₹1,586.91 million the six months ended September 30, 2021. Our changes in inventories of finished goods and stock-in-trade amounted to ₹(1148.62) million the six months ended September 30, 2021.

*Employee benefits expenses.* Our employee benefits expenses amounted to ₹1,129.34 million in the six months ended September 30, 2021, consisting primarily of salaries, wages and bonus of ₹970.48 million in the same period.

*Finance costs.* Our finance costs were ₹396.32 million in the six months ended September 30, 2021, primarily consisting of interest expense on banking facilities of ₹130.80 million and interest on lease liabilities of ₹223.30 million.

*Depreciation and amortization expense.* Depreciation and amortization expenses were ₹975.88 million in the six months ended September 30, 2021.

*Impairment losses.* Impairment losses amounted to ₹3.60 million in the six months ended September 30, 2021.

*Other expenses.* Other expenses amounted to ₹1,892.60 million in the six months ended September 30, 2021. In the six months ended September 30, 2021, other expenses primarily comprised (i) rent, which amounted to ₹113.29 million and contributed to 5.99% of other expenses; (ii) advertisement and publicity fees, which amounted to ₹104.93 million and contributed to 5.54% of other expenses; (iii) legal and professional charges, which amounted to ₹217.69 million and contributed to 11.50% of other expenses; (iv) travelling and conveyance expenses, which amounted to ₹40.79 million; (v) power and fuel expenses which amounted to ₹91.07 million; and (vi) security and housekeeping charges, which amounted ₹155.46 million.

*(Loss)/Profit before exceptional items and tax.* We had a loss before tax of ₹720.92 million in the six months ended September 30, 2021.

*Total tax expenses.* Total tax expenses amounted to ₹203.67 million in the six months ended September 30, 2021.

*(Loss)/Profit after tax.* Our loss after tax was ₹517.25 million in the six months ended September 30, 2021.

*Other comprehensive income/(loss) for the year.* Our other comprehensive loss was ₹51.46 million in the six months ended September 30, 2021.

**Total comprehensive income/(loss) for the year.** Our total comprehensive loss was ₹568.71 million in the six months ended September 30, 2021.

#### **Fiscal 2021 compared to Fiscal 2020**

**Total Income.** Our total income decreased by 28.67% from ₹15,244.20 million in Fiscal 2020 to ₹10,874.13 million in Fiscal 2021 primarily due to a decrease in revenue from operations.

**Revenue from operations.** Our revenue from operations decreased by 29.73% from ₹15,080.47 million in Fiscal 2020 to ₹10,596.43 million in Fiscal 2021, primarily due to a decrease in sale of products. Sale of products decreased by 33.97% from ₹14,602.24 million in Fiscal 2020 to ₹9,641.72 million in Fiscal 2021 and sale of food and beverages decreased by 32.22% from ₹243.15 million in Fiscal 2020 to ₹164.80 million in Fiscal 2021 primarily on account of retail store closures due to COVID-19.

Other operating revenue increased by 236.02% from ₹235.08 million in Fiscal 2020 to ₹789.91 million in Fiscal 2021 primarily due to an increase in write back of provisions/liabilities no longer required. Writeback of provisions/liabilities not required increased by 741.17% from ₹74.74 million in Fiscal 2020 to ₹628.69 million in Fiscal 2021 primarily due to our ability to decrease lease rentals with our landlords due to the COVID-19 pandemic.

The following table sets forth the contribution of each of our business verticals to our revenue from operations for the periods indicated

	Fiscal			
	2020		2021	
	(₹ million)	% of total revenue from sales	(₹ million)	% of total revenue from sales
Apparel	8,867.83	59.73%	4,074.31	41.55%
Home and lifestyle	1,534.87	10.34%	1,238.02	12.62%
Personal care	247.42	1.67%	244.64	2.49%
Organic Food	2,811.77	18.94%	3,046.50	31.07%
Food and Beverages	243.15	1.64%	164.80	1.68%
Others (including accessories)	1,140.35	7.68%	1,038.25	10.59%

**Other income.** Other income increased by 69.61% from ₹163.73 million in Fiscal 2020 to ₹277.70 million in Fiscal 2021, primarily due to increase in interest income on bank deposits by 227.88% from ₹8.68 million in Fiscal 2020 to ₹28.46 million in Fiscal 2021 on account of securing loans and keeping in fixed deposits to ensure liquidity during the COVID-19 pandemic, gain on right-of-use assets (net) from nil in Fiscal 2020 to ₹47.40 million in Fiscal 2021 on account of negotiations with landlords for reduction in lease payments that resulted in gain on right to use assets and other miscellaneous income from nil in Fiscal 2020 to ₹67.00 million in Fiscal 2021 on account of implementation of Ind AS 116 on lease modification for rent concessions arising as a direct consequence of the COVID 19 pandemic.

**Expenses.** Total expenses decreased by 16.86% from ₹14,850.70 million in Fiscal 2020 to ₹12,347.08 million in Fiscal 2021 primarily due to a decrease in cost of materials consumed and cost of contract manufactured goods and the reduction employee benefit expenses.

**Cost of materials consumed.** Our cost of materials consumed decreased by 42.35% from ₹ 3,159.89 million in Fiscal 2020 to ₹ 1,821.72 million in Fiscal 2021. The decrease in cost of materials was primarily on account of a decrease in materials consumed in line with the decrease in revenue from operations and consistent with the change in our strategy to drive simplification in our product obtainment process by moving towards outright purchases i.e., where the purchase of fabric and other raw materials are done directly by Contract Manufacturers.

*Cost of contract manufactured goods.* Our cost of contract manufactured goods decreased by 54.72% from ₹ 2,987.15 million in Fiscal 2020 to ₹ 1,352.63 million in Fiscal 2021. The decrease in cost of contract manufactured goods was in line with the decrease in sale of our products due to COVID-19.

*Changes in inventories of finished goods and stock-in-trade.* Our changes in inventories of finished goods and stock-in-trade changed by ₹1,081.68 million from decrease of ₹453.34 million in Fiscal 2020 to increase of ₹628.34 million in Fiscal 2021 primarily on account of increase in outright purchase of finished goods from our Contract Manufacturers and honoring the purchase orders given to smaller Contract Manufacturers (in terms of scale of operations) before prior to the first wave of the COVID-19 pandemic in India, i.e., prior to March 31, 2021.

*Employee benefits expenses.* Our employee benefits expenses decreased by 15.78% from ₹2,330.87 million in Fiscal 2020 to ₹1,963.15 million in Fiscal 2021 primarily on account of a decrease in salaries, wages and bonus, which decreased by 16.01% from ₹2,007.45 million in Fiscal 2020 to ₹1,686.12 million in Fiscal 2021. This decrease resulted from a combination of factors including salary and bonus reductions and head count rationalization, primarily due to the impact of COVID-19.

*Finance costs.* Our finance costs increased by 16.45% from ₹629.55 million in Fiscal 2020 to ₹733.08 million in Fiscal 2021. This was primarily due to an increase in interest expense on banking facilities by 94.40% from ₹125.49 million in Fiscal 2020 to ₹243.95 million in Fiscal 2021 in line with our strategy to avail of extra borrowing to manage liquidity during the COVID-19 pandemic and to ensure a minimal spread between borrowing and deposits.

*Depreciation and amortization expense.* Depreciation and amortization increased by 8.48% from ₹1,864.10 million for Fiscal 2020 to ₹2,022.09 million for Fiscal 2021 primarily due to leasehold improvements in (i) plant, property and equipment; and (ii) right to use assets (opening of new stores in the Fiscal 2020 before the first wave of the COVID 19 in March 2020).

*Impairment losses.* Impairment losses increased from nil in Fiscal 2020 to ₹18.82 million in Fiscal 2021 primarily due to recognition of an impairment loss of ₹15.46 million relating to leasehold improvements and ₹3.36 million relating to electrical installations by Fabcafe Foods Private Limited, one of our Subsidiaries. We have estimated the recoverable amount as “nil” considering these would be discarded/demolished at the time of handover of the cafes.

*Other expenses.* Other expenses decreased by 12.12% from ₹4,332.48 million in Fiscal 2020 to ₹3,807.25 million in Fiscal 2021 primarily on account of a decrease in rent, advertisement and publicity fees, legal and professional charges, travelling and conveyance expenses, power and fuel expenses, and security and housekeeping charges. Rent decreased by 53.30% from ₹393.27 million in Fiscal 2020 to ₹183.66 million in Fiscal 2021 primarily on account of reduction of rent pursuant to negotiations with certain landlords for a few months during the first wave of the COVID-19 pandemic in India. Advertisement and publicity fees decreased by 67.20% from ₹257.58 million in Fiscal 2020 to ₹84.49 million in Fiscal 2021 primarily on account of rationalization of media budgets and campaigns, from April 2020 to August 2020, considering that the decrease in footfalls due to COVID-19. Legal and professional fees decreased by 12.09% from ₹420.86 million in Fiscal 2020 to ₹369.98 million in Fiscal 2021 in line with our strategy to cutting down on discretionary expenses. Travelling and conveyance expenses decreased by 58.85% from ₹161.85 million in Fiscal 2020 to ₹66.60 million in Fiscal 2021 primarily on account of decrease in travel by employees during from April 2020 to August 2020 due to travel restrictions on account of COVID-19. Power and fuel expenses decreased by 30.56% from ₹245.20 million in Fiscal 2020 to ₹170.26 million in Fiscal 2021 and security and housekeeping charges decreased by 32.58% from ₹427.93 million in Fiscal 2020 to ₹288.53 million in Fiscal 2021 largely attributed to the decrease in the number of days in which our retail stores and offices operated in Fiscal 2021. In Fiscal 2021, efforts were made to optimize our expenses and cut down on discretionary expenses. There was also a one-time impact of ₹305.15 million in Fiscal 2021 due to provision taken for slow moving inventory. We witnessed an increase in aged inventory due to store closures and restricted store timing for portion of the year, (on account of COVID-19).

***(Loss)/Profit before exceptional items and tax.*** For the various reasons discussed above, we had a loss before tax of ₹1,471.00 million in Fiscal 2021 while we recorded a profit before tax of ₹393.91 million in Fiscal 2020.

***Total tax expenses.*** Total tax expenses increased by ₹262.22 million from ₹52.44 million in Fiscal 2020 to ₹314.66 million in Fiscal 2021. Consistent with a decrease in revenue from operations on account of the COVID-19 pandemic.

**(Loss)/Profit after tax.** For the various reasons discussed above, our loss after tax was ₹1,171.37 million in Fiscal 2021 while we recorded a profit after tax of ₹306.91 million in Fiscal 2020.

**Other comprehensive income for the year.** Our other comprehensive income was ₹29.74 million in Fiscal 2021 compared to other comprehensive income of ₹4.58 million in Fiscal 2020. This was driven mainly by foreign currency translation differences.

**Total comprehensive (loss)/income for the year.** As a result of the factors above, our total comprehensive loss was ₹1,141.63 million in Fiscal 2021 compared to a total comprehensive income of ₹311.49 million in Fiscal 2020.

## Fiscal 2020 compared to Fiscal 2019

**Total Income.** Our total income increased by 2.90% from ₹14,814.94 million in Fiscal 2019 to ₹15,244.20 million in Fiscal 2020 primarily due to an increase in revenue from operations.

**Revenue from operations.** Our revenue from operations increased by 2.29% from ₹14,743.07 million in Fiscal 2019 to ₹15,080.47 million in Fiscal 2020, primarily due to an increase in sale of food and beverages. Sale of food and beverages increased by 223.12% from ₹75.25 million in Fiscal 2019 to ₹243.15 million in Fiscal 2020 primarily on account of an increase in revenues due to the expansion of Fabcafes in our ECs, and in line with an increase in sales through our e-commerce channels. Sale of products increased by 0.76% from ₹14,492.21 million in Fiscal 2019 to ₹14,602.24 million in Fiscal 2020 primarily on account of a 4.06% growth in sale of apparels/garments.

Other operating revenue increased by 33.86% from ₹175.61 million in Fiscal 2019 to ₹235.08 million in Fiscal 2020 primarily due to an increase in, rental income relating to operations, write back of doubtful advances and miscellaneous operating income. Miscellaneous operating income increased by 31.91% from ₹62.90 million in Fiscal 2019 to ₹ 82.97 million in Fiscal 2020 on account of an increase in rental income relating to operations by 158.50% from ₹11.47 million in Fiscal 2019 to ₹ 29.65 million in Fiscal 2020 on account of an increase in rental income received due to the sublease of space in ECs to Fabcafe and Organic India.

The following table sets forth the contribution of each of our business verticals to our revenue from operations for the periods indicated.

	Fiscal			
	2019		2020	
	(₹ million)	% of total revenue from sales	(₹ million)	% of total revenue from sales
Apparel	8,521.92	58.50%	8,867.83	59.73%
Home and lifestyle	1,516.01	10.41%	1,534.87	10.34%
Personal care	271.36	1.86%	247.42	1.67%
Organic Food	2,928.54	20.10%	2,811.77	18.94%
Food and Beverages	75.25	0.52%	243.15	1.64%
Others (including accessories)	1,254.38	8.61%	1,140.35	7.68%

**Other income.** Other income increased by 127.81% from ₹71.87 million in Fiscal 2019 to ₹163.73 million in Fiscal 2020, primarily due to a gain arising on investments measured at FVTPL by 521.33% from ₹12.05 million in Fiscal 2019 to ₹74.87 million in Fiscal 2020 on account of investments in two of our associate companies, i.e. Nutriwel Health (India) Private Limited and Tugbug Creative Private Limited, through optionally convertible debentures and an increase in interest income from debentures from nil million in Fiscal 2019 to ₹10.72 million in Fiscal 2020 on account of the aforementioned investment in associate companies in Fiscal 2020.

**Expenses.** Total expenses increased by 11.75% from ₹13,289.74 million in Fiscal 2019 to ₹14,850.70 million in Fiscal 2020 primarily due to an increase in cost of materials consumed, finance costs, depreciation and amortization expenses and other expenses. Expenses increased by 11.75% mainly due to an increase in other expenses by ₹ 660.96 million, depreciation and amortization by ₹283.46 million and interest cost by ₹162.41 million.

**Cost of materials consumed.** Our costs of materials consumed increased by 8.31% from ₹2,917.45 million in Fiscal 2019 to ₹3,159.89 million in Fiscal 2020, primarily on account of inflation in raw material prices.

**Cost of contract manufactured goods.** Our cost of contract manufactured goods increased by 1.76% from ₹2,935.49 million in Fiscal 2019 to ₹2,987.15 million in Fiscal 2020, primarily on account of an increase in purchase of finished goods from ₹2,801.89 million in Fiscal 2019 to ₹2,921.83 million in Fiscal 2020.

**Changes in inventories of finished goods and stock-in-trade.** Our changes in inventories of finished goods and stock-in-trade increased by 12.70% from ₹402.25 million in Fiscal 2019 to ₹453.34 million in Fiscal 2020 primarily on account of COVID-19 related lockdowns in the second half of March 2020, due to stockpiling of products.

**Employee benefits expenses.** Our employee benefits expenses increased by 9.96% from ₹2,119.74 million in Fiscal 2019 to ₹2,330.87 million in Fiscal 2020 primarily on account of an increase in salaries, wages and bonus, which increased by 9.12% from ₹1,839.71 million in Fiscal 2019 to ₹2,007.45 million in Fiscal 2020. This increase resulted from a combination of factors *i.e.* an increase in the salaries of employees and addition of employee headcount for the new stores which were opened in Fiscal 2021.

**Finance costs.** Our finance costs increased by 34.77% from ₹467.14 million in Fiscal 2019 to ₹629.55 million in Fiscal 2020. This was primarily due to an increase in interest expense on banking facilities by 78.38% from ₹70.35 million in Fiscal 2019 to ₹125.49 million in Fiscal 2020 on account of working capital facilities availed in Fiscal 2020 and an increase in interest expense on foreign currency term loans by 124.83% from ₹18.69 million in Fiscal 2019 to ₹42.02 million in Fiscal 2020 on account of capitalization of interest expenses in Fiscal 2019 on CWIP.

**Depreciation and amortization expense.** Depreciation and amortization increased by 17.93% from ₹1,580.64 million for Fiscal 2019 to ₹1,864.10 million for Fiscal 2020 primarily due to the opening of 47 new stores in Fiscal 2020.

**Other expenses.** Other expenses increased by 18.0% from ₹3,671.52 million in Fiscal 2019 to ₹4,332.48 million in Fiscal 2020 primarily on account of an increase in sales promotion, packing, freight, clearing and forwarding expenses, security and housekeeping charges and power and fuel expenses, consistent with the growth in our business. Rent increased by 18.81% from ₹331 million in Fiscal 2019 to ₹393.27 million in Fiscal 2020 primarily on account of addition in space. Sales promotion fees increased by 16.74% from ₹593.9 million in Fiscal 2019 to ₹693.29 million in Fiscal 2020 consistent with our marketing strategy. Packing, freight, clearing and forwarding expenses increased by 63.56% from ₹190.74 million in Fiscal 2019 to ₹311.98 million in Fiscal 2020. Power and fuel expenses increased by 27.24% from ₹192.71 million in Fiscal 2019 to ₹245.20 million in Fiscal 2020 and security and housekeeping charges increased by 29.98% from ₹329.22 million in Fiscal 2019 to ₹427.93 million in Fiscal 2020 consistent with the growth of our business.

**(Loss)/Profit before exceptional items and tax.** For the various reasons discussed above, we had a profit before exceptional items and tax of ₹393.91 million in Fiscal 2020 compared with a profit before exceptional items and tax of ₹1,528.29 million in Fiscal 2019.

**Total tax expenses.** Total tax expenses decreased by 92.00% from ₹655.58 million in Fiscal 2019 to ₹52.44 million in Fiscal 2020. This was largely due to decrease in our operating profits.

**Profit after tax.** For the various reasons discussed above, our profit after tax was ₹306.91 million in Fiscal 2020 while we recorded a profit after tax of ₹843.61 million in Fiscal 2019.

**Other comprehensive income/ (loss) for the year.** Our other comprehensive income was ₹4.58 million in Fiscal 2020 compared to other comprehensive loss of ₹20.29 million in Fiscal 2019.

**Total comprehensive (loss)/income for the year.** As a result of the factors above, our total comprehensive income for the year was ₹311.49 million in Fiscal 2020 compared to a total comprehensive income of ₹823.32 million in Fiscal 2019.

## Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our capital expenditure, investment in subsidiaries and working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As of September 30, 2021, we had ₹1,072.44 million in cash and cash equivalents and ₹101.89 million in other bank balances other than cash and cash equivalents. We believe that, after considering the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for the next 12 months.

### Cash Flows

The following table sets forth our cash flows for the periods indicated:

Particulars	Fiscal			Six months ended September 30,
	2019	2020	2021	2021
	(₹ million)			
Net cash generated from/ (used in) operating activities	1,953.13	2,301.69	1,251.48	(174.82)
Net cash generated from/ (used in) investing activities	(949.73)	(778.63)	(291.77)	( 2,893.35)
Net cash generated from financing activities	(1,329.03)	99.12	(2,177.99)	3 ,562.37
Net increase in cash and cash equivalents	(325.62)	1,622.18	(1,218.28)	494.19
<b>Cash and cash equivalents at the end of the year</b>	<b>91.18</b>	<b>1,713.36</b>	<b>495.08</b>	<b>989.27</b>

### Operating Activities

Net cash used in operating activities was ₹174.82 million in the six months ended September 30, 2021. Our loss before tax was ₹720.92 million in the six months ended September 30, 2021, which was primarily adjusted for depreciation and amortization expense of ₹975.88 million, interest expense on lease liabilities of ₹223.30 million, interest expense of ₹166.18 million, provision on impairment of investments ₹2.77 million, provision for impairment on property, plant and equipment of ₹3.59 million and provision movement and non-cash expenses by ₹(115.68) million. Cash used in operating activities amounted to ₹109.35 million and net cash generated from operating activities also included income taxes paid (net of refund received of ₹65.47 million) in the six months ended September 30, 2021.

Net cash generated from operating activities was ₹1251.48 million in Fiscal 2021. Our loss before tax was ₹1,471.00 million in Fiscal 2021, which was primarily adjusted for depreciation and amortization expense of ₹2,022.09 million, interest expense on lease liabilities of ₹441.01 million, interest expense of ₹289.93 million, provision on impairment of investments ₹43.88 million, provision for impairment on property, plant and equipment of ₹18.82 million and provision movement and non-cash expenses (including one time provision on slow moving inventory) of ₹(252.02) million. Cash generated from operating activities amounted to ₹1,342.29 million and net cash generated from operating activities also included income taxes paid (net of refund received of ₹90.81 million) in Fiscal 2021.

Net cash generated from operating activities was ₹2,301.69 million in Fiscal 2020. Our profit before tax was ₹393.91 million in Fiscal 2020, which was primarily on account of depreciation and amortization expense of ₹1,864.10 million, interest expense on lease liabilities of ₹433.48 million, interest expense of ₹196.50 million, movements in other provisions and non-cash expenses by ₹49.81 million. Cash generated from operating activities amounted to ₹2,846.40 million and net cash generated from operating activities also included income taxes paid (net of refund received of ₹544.71 million) in Fiscal 2020.

Net cash generated from operating activities was ₹1,953.13 million in Fiscal 2019. Our profit before tax was ₹1,528.28 million in Fiscal 2019, which was primarily on account of interest expense on lease liabilities of ₹359.50 million, interest expense of ₹107.60 million, movements in other provisions and non-cash expenses by ₹78.68 million. Cash generated from operating activities amounted to ₹2,975.20 million and net cash generated from operating activities also included income taxes paid (net of refund received of ₹842.07 million) in Fiscal 2019.

### ***Investing Activities***

Net cash used in investing activities was ₹2,893.35 million in the six months ended September 30, 2021, primarily on account of purchase of non-current investments of ₹2,637.93 million and proceeds and purchase of property, plant and equipment and intangible assets of ₹307.49 million which was marginally offset by interest received of ₹22.88 million.

Net cash used in investing activities was ₹291.77 million in Fiscal 2021, primarily on account of purchase of property, plant and equipment and intangible assets of ₹255.26 million and investments in bank deposits of ₹95.85 million, which was marginally offset by interest received of ₹32.45 million and proceeds from sale of property, plant and equipment and intangible assets.

Net cash used in investing activities was ₹778.63 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment and intangible assets of ₹876.96 million and purchase of non-current investments of ₹45 million, which was marginally offset by proceeds from bank deposits of ₹93.93 million and government grant received in relation to subsidy of ₹23 million given by the Government of Uttar Pradesh to Organic India.

Net cash used in investing activities was ₹949.73 million in Fiscal 2019, primarily on account of purchase of property, plant and equipment, purchase of non-current investment of ₹1,129.09 million and investment in bank deposits of ₹31.95 million, which was marginally offset by proceeds from sale of non-current investments of ₹92.06 million and proceeds from bank deposits of ₹76.94 million.

### ***Financing Activities***

Net cash from financing activities was ₹3,562.37 million in the six months ended September 30, 2021, primarily on account of proceeds from short term borrowings of ₹4,408.94 million and proceeds from the issue of shares (including share premium) of ₹31.53 million, which was marginally offset by principal payment of lease liabilities ₹278.50 million and repayment of long term borrowings of ₹233.97 million.

Net cash used in financing activities was ₹2,177.99 million in Fiscal 2021 on account of repayment of short-term borrowings of ₹7,395.96 million due to the maturity dates of working capital demand loans and bank overdrafts, principal payment of lease liabilities of ₹431.02 million and interest paid on lease liabilities of ₹441.01 million due to the landlords primarily towards the retail rentals. This was primarily offset by proceeds from short-term borrowings of ₹4,983.92 million.

Net cash generated from financing activities was ₹99.12 million in Fiscal 2020 on account of proceeds of short-term borrowings of ₹2,346.83 million. This was primarily offset by principal payment of lease liabilities of ₹820.46 million.

Net cash used in financing activities was ₹1,329.03 million in Fiscal 2019 on account of principal payment of lease liabilities of ₹751.44 million and interest paid on lease liabilities of ₹359.50 million primarily due to retail outlet rentals. This was primarily offset by proceeds from short-term borrowings of ₹395.84 million.

### ***Capital Expenditures***

Our capital expenditures primarily comprised expenditures relating to building, leasehold improvement, furniture and fixtures, air conditioners and cooling equipment, computers, software, brands, trade marks and right to use asset. In Fiscal 2019, Fiscal 2020, and Fiscal 2021 and in the six months ended September 30, 2021, our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) were ₹1,323.44 million,



₹1,040.92 million, ₹220.54 million and ₹168.84 million respectively. The following table sets forth our fixed assets for the periods indicated:

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Six months ended September 30, 2021
	(₹ million)			
Property, plant and equipment (including CWIP)	3,970.34	4,234.47	3,872.03	3,713.38
Right to use Asset	4,982.00	5,837.47	4,975.72	5,437.05
Intangible Assets (including intangible assets under development)	5,544.34	5,398.95	5,182.46	5,143.72
<b>Total</b>	<b>14,496.68</b>	<b>15,470.89</b>	<b>14,030.21</b>	<b>14,294.15</b>

For more information, see “*Restated Consolidated Financial Statements*” on page 257.

### Indebtedness

As of September 30, 2021, we had total borrowings (consisting of current and non-current borrowings) of ₹7,075.27 million. Our gross debt to equity ratio was 95.90% as of September 30, 2021. For further information on our indebtedness, see “*Financial Indebtedness*” on page 405.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2021, and our repayment obligations in the periods indicated:

	As at September 30, 2021 (₹ million)
Non-Current Borrowings	1,764.44
Current Borrowings	6,033.82
Current maturities of long-term debts	(722.99)
<b>Total borrowings</b>	<b>7,075.27</b>

### Contractual Obligations, Contingent Liabilities and Commitments

#### Contractual Obligations

We have continuing payment obligations under borrowings, commercial contracts and finance leases. The following table sets forth our contractual obligations as of September 30, 2021:

	As at September 30, 2021			
	Less than 1 year	1 to 5 years	More than 5 years	Total
	(₹ million)			
<b>Non-derivatives</b>				
Borrowings	6,033.82	1,041.45	-	7,075.27
Trade payables	1,919.80	-	-	1,919.80
Other financial liabilities	1,314.99	3,324.90	1,420.32	6,060.21
<b>Derivative not designated as hedges</b>				
Foreign exchange forward contracts	2.61	9.07	-	11.68
<b>Total</b>	<b>9,271.22</b>	<b>4,375.42</b>	<b>1,420.32</b>	<b>15,066.96</b>

#### Contingent Liabilities

As of September 30, 2021, our Restated Consolidated Financial Statements disclosed the following contingent liabilities that have not been provided for were as follows:

Particulars	Amount
	(₹ million)
<b><i>Claims against our Company not acknowledged as debts</i></b>	
Income Tax demands under appeal	108.42
Value Added Tax demands under appeal	17.78
Employees' Provident Fund demands under appeal	0.12
FSSAI Demands not provided for	3.00
Labour laws demands under appeal	6.17
Central Excise/ Service Tax demand under appeal	1.31
Others	7.40

For more information, see “Financial Statements – Note 44: Contingent Liabilities and Commitments” on page 346.

### ***Commitments***

The following table sets forth our commitments as of September 30, 2021:

	As at September 30, 2021
	(₹ million)
Capital commitments (total value)	251.38
Lease commitments	-
Sub-Lease commitments	128.98
Revenue commitments	153.10
<b>Total commitments</b>	<b>533.46</b>

For more information, see “Financial Statements – Note 44: Contingent Liabilities and Commitments” on page 346.

### **Non-GAAP Measures**

EBITDA, EBITDA Margin, and other non-GAAP measures, (together, “**Non-GAAP Measures**”), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, such Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance.

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus are set out below for the periods indicated:

### ***Reconciliation for EBITDA***

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	September 30, 2021
	(₹ million)			
Restated profit for the period/ year (A)	843.64	306.91	(1,171.37)	(517.25)
Tax expense (B)	655.58	52.44	(314.66)	(203.67)
Finance costs (C)	467.14	629.55	733.08	396.32
Depreciation and amortization expense (D)	1,580.64	1,864.10	2,022.09	975.88
Exceptional items (E)	29.07	34.56	15.03	-
Other income (F)	(71.87)	(163.73)	(277.70)	(100.28)
<b>EBITDA (G=A+B+C+D+E+F)</b>	<b>3,504.20</b>	<b>2,723.83</b>	<b>1,006.47</b>	<b>551.00</b>

**Reconciliation for EBITDA Margin**

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	September 30, 2021
	(₹ million)			
EBITDA (A)	3,504.20	2,723.83	1,006.47	551.00
Revenue from operations (B)	14,743.07	15,080.47	10,596.43	5,560.40
<b>EBITDA Margin (A/B)</b>	<b>23.77%</b>	<b>18.06%</b>	<b>9.50%</b>	<b>9.91%</b>

**Reconciliation for Return on Net Worth and Net Asset Value per Equity Share**

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	September 30, 2021
	(₹ million)			
Equity share capital (A)	23.90	144.66	147.36	147.78
Other equity (B)	8,601.90	8,358.22	7,424.90	5,055.40
Capital Reserve (C)	139.25	139.94	81.37	(1,823.91)
Revaluation Reserve (D)	1,053.43	1,008.83	1,008.83	1,008.83
<b>Net worth* ( E= A+B-C-D)</b>	<b>7,433.12</b>	<b>7,354.11</b>	<b>6,482.06</b>	<b>6,018.26</b>
Restated profit attributable to equity shareholders of the parent company (F)	833.29	417.07	(1,078.95)	(456.46)
<b>Return on net worth (%) (G=F/E)</b>	<b>11.21%</b>	<b>5.67%</b>	<b>(16.65)%</b>	<b>(7.58)%</b>
<b>Number of Equity Shares outstanding during the period/year** (H)</b>	<b>144,447,910</b>	<b>144,660,900</b>	<b>147,363,780</b>	<b>147,779,475</b>

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	September 30, 2021
	(₹ million)			
<b>Net asset value per Equity Share (I=G/H)</b>	51.46	50.84	43.99	40.72

\* Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as on September 30, 2021 and 2020 and March 31, 2021, 2020 and 2019.

\*\* Calculations for Fiscal 2019 have been adjusted for bonus issue and sub-division. Calculations for Fiscal 2020 and Fiscal 2021 have been adjusted for sub-division.

### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that we believe have or are reasonably likely to have a current or future material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to Directors and Key Managerial Personnel. For further information relating to our related party transactions, see “Financial Statements – Note 42: Related Party Disclosures” on page 332.

### Changes in Accounting Policies in the last three Fiscals

There have been no changes in the accounting policies of the Company during the last three financial years, except with respect to (i) Ind AS 116, which was effective for accounting periods beginning on or after April 1, 2019 (for further information in relation to the effect of adoption of Ind AS 116, see “Financial Statements – Note 1: Notes to Adjustments” on page 270.

### Auditor’s Observation

The auditors have included a matter of emphasis related to the provision of ₹308.80 million and ₹1.80 million towards ‘provision for slow and non-moving stock’ and ‘allowance for credit losses’, respectively, made by our Company in assessing the impact of COVID-19 on our operations, financial performance and position as at and for the Fiscal 2021.

Other than the above, there have been no reservations/ qualifications/ adverse remarks/ highlighted by our statutory auditors in their auditor’s reports on the audited financial statements as of and for the years ended March 31, 2019, 2020 and 2021 and as of and for the six months ended September 30, 2021.

### Quantitative and Qualitative Disclosures about Market Risk

Our financial risk management is an integral part of how to plan and execute its business strategy. Our Board of Directors sets our financial risk management policy. Our business activities expose us to a variety of financial risks, namely, credit risk, liquidity risk and market risk. The key risks and mitigating actions are also placed before our Board of Directors. Our risk management policies are established to identify and analyze the risks faced by us, 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 our activities.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from an adverse change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, receivables, payables and loans.

### ***Foreign Currency Risk***

Changes in foreign currency exchange rates influence our results of operations. Our reporting currency is the INR and we are exposed to foreign exchange risk arising from various currency exposures on account of borrowings, payables and sale of goods and services, primarily with respect to USD, Euro and AUD. In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2021, 11.96%, 12.19%, 18.73% and 15.36% respectively, of our sales were denominated in currencies other than INR. In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2021, 31.91%, 10.99 %, 14.11% and 3.67%, respectively, of our borrowings were denominated in currencies other than INR.

If our operations in countries outside of the India continues to grow, our results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. In addition, because we conduct business in currencies other than INR, but report our results of operations in INR, we also face remeasurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could impact our results of operations.

Our management regular review the currency risk and our exposure to currency risks are mitigated through the foreign currency risk management policy approved by our Board of Directors. We also enter into derivative financial instruments i.e. forward foreign exchange contracts for foreign currency risk mitigation.

The following table sets particulars of unhedged foreign currency exposures as of September 30, 2021:

	As at September 30, 2021					
	USD	INR	Euro	AUD	SGD	NZD
	(million)					
Trade receivables	1.92	211.92	0.58	0.31	-	0.06
Cash and cash equivalents	0.76	84.70	0.04	-	0.46	-
Other receivables	0.15	11.05	-	-	-	-
Other financial assets	-	6.90	-	-	0.13	-

For more information, see “*Financial Statements – Note: 40: Financial Risk Management – (d) Currency Risk*” on page 326.

### ***Liquidity Risk***

Liquidity risk is the risk that we will face in meeting our obligations associated with our financial liabilities. Our approach to managing liquidity is to ensure that we will have sufficient funds through an adequate amount of credit facilities to meet our obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. A material and sustained shortfall in our cash flow could undermine our credit rating and impair investor confidence.

Our Board of Directors regularly monitors the rolling cash flow forecasts and maturity profiles of our financial assets and liabilities to ensure we have sufficient cash on an on-going basis to meet operational needs. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. For more information regarding the exposure to liquidity risk, see “*Financial Statements – Note: 40: Financial Risk Management and Capital Management – (b) Liquidity Risk*” on page 325.

### **Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices will affect our income or the value of our 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. We are 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. Our interest rate risks are covered by interest rate swaps. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

### **Credit Risk**

Credit risk is the risk of financial loss to us if a customer or counter-party fails to meet its contractual obligations. Our highest exposure to credit risk is associated with the trade and other receivables.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, we also consider the factors that may influence the credit risk of our customer base, including the default risk of the industry and country in which our customers operate. If we determine that the credit risk exposure from a particular customer as high, we typically ensure that this is backed by either bank guarantee/ letter of credit or security deposits. In determining the recoverability of trade receivables, we consider any change in the credit quality of trade receivables from the date credit was initially granted up to the reporting date. Our concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, we believe that there is no further credit provision required in excess of the allowance for doubtful debts. For more information regarding the exposure to credit risk, see “*Financial Statements – Note: 40: Financial Risk Management and Capital Management – (a) Credit Risk*” on page 325.

### **Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

### **Total Turnover of each Major Industry Segment**

Our total turnover relation to the sale of products in Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2021 amounted to ₹14,492.21 million, ₹14,602.24 million, ₹9,641.72 million and ₹5,219.00 million, respectively.

Our total turnover in relation to the sale of food and beverages in Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2021 amounted to ₹75.25 million, ₹243.15 million, ₹164.80 million and ₹88.68 million, respectively.

### **Known Trends or Uncertainties**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on income from our continuing operations. For more information regarding trends and uncertainties, please see “—*Significant Factors Affecting Our Financial Condition and Results of Operations*” on page 368 and “*Risk Factors*” on page 37.

### **New Products or Business Segments**

Except as disclosed in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments. For more information regarding new products, please see “*Our Business*” on page 172.

### **Future Relationship between Cost and Income**

Except as disclosed in this Draft Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations and finances. For more information, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 37, 172 and 364, respectively.

### **Seasonality of Business**

Our business is subject to seasonal variations, which include the holidays and festivals.

### **Significant Dependence on a Single or Few Customers or Suppliers**

We do not have any significant dependence on a single or few customers or suppliers.

### **Significant Economic Changes**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. See “*Risk Factors*” and “*—Significant Factors Affecting Our Financial Condition and Results of Operations.*”

### **Competitive Conditions**

We expect competition in our industry from existing and potential competitors to intensify. See “*Risk Factors – We operate in highly competitive markets in each of our product segments in both the offline and online channels and an inability to compete effectively may adversely affect our business, results of operations and financial condition*” on page 46.

### **Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three Fiscals are as described in “*– Fiscal 2021 compared to Fiscal 2020*” and “*– Fiscal 2020 compared to Fiscal 2019*” above on pages 391 and 393, respectively.

### **Significant Developments subsequent to September 30, 2021**

Except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

## CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Consolidated Financial Statements for the financial year ended and as at September 30, 2021, and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” on pages 364, 257 and 37, respectively.

Particulars	Pre-Offer as at September 30, 2021 (in ₹ million)	As adjusted for the proposed Offer*
<b>Borrowings</b>		
Short term borrowings (A)	6,033.82	[●]
Long term borrowings (Refer Note 2) (B)	1,041.45	[●]
<b>Total Borrowings (C = A+B)</b>	<b>7,075.27</b>	<b>[●]</b>
<b>Shareholders' Funds</b>		
Share Capital		
147,779,475 Equity Shares of ₹ 1 each	147.78	[●]
<b>Total Share Capital (D)</b>	<b>147.78</b>	<b>[●]</b>
<b>Reserves and Surplus</b>		
i) Statutory Reserves	-	[●]
ii) Securities Premium	2,190.57	[●]
iii) General Reserve	3,071.00	[●]
iv) Capital Reserve	(1,823.91)	[●]
v) Employees Stock Options Outstanding	37.89	[●]
vi) Balance of Profit and Loss Account (Retained Earnings)	1,576.84	[●]
vii) Export profits reserve	6.72	[●]
viii) Foreign currency translation reserve	42.14	[●]
ix) Remeasurements of the net defined benefit plans (net of tax)	(45.81)	[●]
x) Treasury Shares	(0.04)	[●]
<b>Total Reserves &amp; Surplus (E)</b>	<b>5,055.40</b>	<b>[●]</b>
<b>Total Shareholder's Funds (F = D+E)</b>	<b>5,203.18</b>	<b>[●]</b>
<b>Long Term Borrowings/ Total Shareholder's Fund (G = B/F)</b>	<b>20.02%</b>	<b>[●]</b>
<b>Total Borrowings/ Shareholder's Fund (H = C/F)</b>	<b>135.98%</b>	<b>[●]</b>

\* Post-Offer capitalisation will be determined after finalisation of Offer Price.

### Notes:

- 1) As per Restated Consolidated Financial Statements.
- 2) The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.
- 3) Borrowings with original contractual maturity of more than 1 year are classified as Long Term, per RBI Regulations. All other borrowings have been classified as Short Term.



## FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries have availed credit facilities in their ordinary course of business for purposes such as, amongst other things, meeting the working capital requirements, financing of capital expenditure, reimbursement of capital expenditure, hedging foreign currency exposure, etc.

For details of the borrowing powers of our Board, see “*Our Management – Borrowing Powers of our Board*” on page 235.

As on September 30, 2021, the aggregated outstanding borrowings of our Company and our Subsidiaries amounted to ₹ 7,082.10 million, and a brief summary of such borrowings is set forth below:

Category of borrowing <sup>^</sup>	Sanctioned Amount (₹ in million)	Outstanding amount (₹ in million)
<b>Secured</b>		
<b>Term loans*</b>	<b>4,720.00</b>	<b>1,645.23</b>
<b>Non-convertible debentures</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Working capital facilities:</b>		
-Fund based	4,852.43	2,810.83
-Non-fund based	200.00	0.00
<b>Total</b>	<b>5,052.43</b>	<b>2,810.83</b>
<b>Unsecured</b>	-	-
<b>Term loans</b>	<b>126.04</b>	<b>126.04</b>
<b>Total</b>	<b>12,398.47</b>	<b>7,082.10</b>

<sup>^</sup>As certified by the Independent Chartered Accountant, pursuant to their certificate dated January 21, 2022

\*We are yet to file Form CHG-1 with the Registrar of Companies for the term loan amounting to ₹ 830 million availed from HDFC Bank Limited.

### Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

- Interest/ Commission:** In terms of the facilities availed by our Company and our Subsidiaries, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies between different facilities. The interest rate for the working capital facilities and term loan facilities availed by our Company typically varies from 2.90% to 8.55% and 7.85% to 8.25%, respectively.
- Security:**

In terms of our Company's and our Subsidiary's borrowings where security needs to be created, our Company and our Subsidiaries are typically required to:

- create charge by way of hypothecation on current assets such as inventories, receivables and book debts of our Company, both present and future;
- demand promissory note and letter of continuity equivalent to the working capital facility amount sanctioned by Citi Bank to our Company and our Subsidiaries;
- create charge by way of hypothecation over moveable fixed assets of our Company, both present and future; and
- create charge by way of mortgage on the immovable fixed assets and stores owned by our Company.

Our Company has advanced a financial guarantee to Citibank N.A. amounting to ₹ 150 million for the term loan availed by Fabcafe Foods Private Limited. Further, Organic India Private Limited has advanced financial guarantee to Citibank N.A. amounting to ₹ 222.43 million for the working capital facilities availed by Organic India USA, LLC.

Please note that the above-mentioned lists are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

3. **Penal Interest:** The terms of certain facilities availed by our Company and our Subsidiaries prescribe penalties for overdue, delay or default in payment of outstanding interest or principal amounts non-payment of interest or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically ranges from one percent to four percent *per annum* on the outstanding loan or the sanctioned amount of the facility or any other amount at the discretion of the bank.
4. **Prepayment:** The terms of certain facilities availed by our Company and our Subsidiaries typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties and such other conditions as laid down in the facility agreements, on giving notice and/or obtaining prior approval from the concerned lender, as the case may be. The prepayment premium for the facilities availed, where specified, is typically charged at the rate two percent of the amount prepaid or the principal outstanding or at an amount decided at the discretion of such lender.

For the working capital facilities availed by our Company from Kotak Mahindra Bank, prepayment prior to expiry of the facility by way of takeover by another lender would attract prepayment penalty at the rate of 2% on the limits sanctioned. Further, in case of the working capital and term loan facilities availed from Citi Bank, prepayment is not allowed for the first 12 month period from the sanction and thereafter no prepayment penalty shall be levied, subject to our Company fulfilling the condition of giving a 15 days prior written notice to the bank. For the working capital facilities availed by our Subsidiaries from Citi Bank N.A. the prepayment penalty is at the rate of 2% of the principal outstanding or at the discretion of the lender. In respect of the working capital facilities availed by Fabcafe Foods Private Limited from Citi Bank N.A., there shall be no prepayment penalty on the agreed break clause date at the discretion of the bank. For the working capital and term loan facilities availed from Standard Chartered Bank, our Company and our Subsidiaries can prepay the loan facilities subject to payment of a prepayment penalty at the rate of 2% on the amount prepaid and providing a prior notice of two banking days from the date of prepayment and the prepayment amount being at least equivalent to 5% of the initial utilisation. For working capital facilities availed by our Subsidiaries from HDFC Bank, the bank is entitled to charge a prepayment penalty at the rate of 4% of the total limits sanctioned, in case such facilities are taken over by another bank during the tenure of the loan.

5. **Repayment:** Working capital facilities of our Company and our Subsidiaries are either repayable on demand or on their respective due dates within the maximum tenor. While the term loan is typically repayable in structured instalments, other financing arrangements are repayable depending on the tenor stipulated in their respective facility agreements. The working capital facilities are revolving in nature and are available for utilization until the availability period mentioned in the sanction letters/ facility agreements. The term loan facilities availed by our Company and our Subsidiaries are typically repayable in 4 to 5 years.
6. **Key terms of the NCDs:**

Our Company has pursuant to the approval of its Board of Directors held on August 27, 2021 approved issuance and allotment of 25,000 secured, unlisted, unrated, redeemable and non-convertible debentures of face value of ₹ 100,000 each, aggregating to an amount of ₹ 2,500 million by way of private placement to Azim Premji Trust represented by its trustee, Azim Premji Trustee Company Private Limited (the “**Debenture Holder**”), an affiliate of the Investor Selling Shareholders, PI Opportunities Fund I and Prazim Trading and Investment Company Private Limited. Our Company vide a Debenture Trust Deed dated September 6, 2021 (“**Debenture Trust Deed**”) appointed Vistra ITCL (India) Limited as the debenture trustee for the benefit of the Debenture Holder (the “**Debenture Trustee**”) and for purposes relating to *inter alia*, holding the security created by our Company, securing repayment of the principal/ interest due on the debentures from our Company, *etc.* The key terms relating the issue of NCDs are provided below:

**Coupon:** The coupon rate shall be fixed which shall be payable on each NCD at the rate of 9.25% per annum on such date as prescribed in the Debenture Trust Deed.

**Tenor:** The NCDs have been issued for a period of 12 months from the date of allotment.

**Security:** In consideration of the Debenture Holder subscribing to or purchasing the NCDs, our Company has created the following security in favour of the Debenture Trustee for the benefit of the Debenture Holder:

- First ranking *pari passu* pledge over 1,06,27,432 equity shares of Organic India Private Limited owned by our Company (“**Pledged Shares**”);
- 2 cheques dated 9 months and 12 months respectively from the date of allotment of the NCDs for an amount of ₹ 1,250 million; and
- Any additional security as may be mutually agreed between our Company and the Debenture Holder.

Our Company and the Debenture Trustee have executed an unattested deed of pledge dated September 6, 2021 to pledge the Pledged Shares in favour of the Debenture Trustee.

**Redemption:** Our Company may at any time after 9 months from the date of allotment partially redeem the NCDs by giving a prior written notice of 7 days to the Debenture Holder on a pro-rata basis with the minimum redemption of ₹ 1,250 million. However, the redemption of the NCDs shall not take place prior to the maturity date.

**Default Interest:** an interest at the rate of 2% over and above the coupon rate, which shall be payable over and above the payment obligations in relation to the NCDs.

**7. Restrictive covenants:** Several of financing arrangements entail various restrictive covenants and conditions restricting certain corporate actions, and we are required to take the lender’s prior written consent and/or intimate the respective lender before carrying out such actions, including for:

- enter into any merger/amalgamation or consolidation or any scheme of arrangement or compromise for the benefit of creditors or reduction, return, purchase, repay, cancellation or redemption or buy back any of our Company’s share capital or issuance of any shares, securities, share equivalents, debentures or convertible instruments;
- amending our Company’s Memorandum of Association or Articles of Association, or alter capital structure or shareholding pattern or management or control;
- reducing or changing the shareholding of our Promoters or change in Promoters’ directorship resulting in change in management control below 26%, changing shareholding of our Promoters by more than 5% in a Financing Year and creating a pledge on the shareholding of the Promoters, which may change the management and control, if enforced;
- entering into any borrowing arrangement (secured or unsecured basis) with any other bank/ financial institution or sharing the charge created over the securities in favour of the existing lenders;
- create or agree to create security interest or permit to subsist any security interest except as subsisting as of date of the sanction of facilities;
- undertaking further capital expenditure, except being funded by our Company’s own resources;
- create, incur or assume any further indebtedness of any nature whether for borrowed money or otherwise, except any indebtedness for its working capital requirement in the ordinary course of business;
- diversifying into non-core business areas viz. its business other than the current business;
- repaying subordinate loans availed from directors or group companies;
- effecting any dividend payout, capital withdrawal in case of delays in debt servicing or breach of financial covenants;
- undertaking any guarantee obligation on behalf of any other company, person, trust or third parties;
- issue of personal guarantees by our Promoters or promoter directors;
- change in equity, management and operating structure;
- selling, assigning, mortgaging or otherwise disposing off any fixed assets;
- permitting any transfer of the controlling interest or making any drastic change in the management set up;
- investing in, extending any advances or loans to any group companies, associates, subsidiary or any third party;
- the acquisition or formation of any new subsidiary or of any non-trading subsidiary commencing to trade or acquiring assets; and
- if existing unsecured loans and advances from promoter/ directors’ are proposed to be repaid.

Please note that the above-mentioned list is indicative and there may be additional restrictive covenants and conditions where we may be required to take prior written consent or intimate the respective lender under the various borrowing arrangements entered into by our Company.

8. **Events of default:** In terms of borrowing arrangements for the facilities availed by our Company, the occurrence of any of the following, among others, constitute an event of default:
- (a) failure to pay/repay any monies in respect of the facilities or any other facilities on the due dates;
  - (b) failure to create and/or perfect security within such period as contemplated under the respective facility agreements;
  - (c) breach in performance of any other obligation, covenant or undertaking, under or in connection with the facilities, guarantee or security;
  - (d) misuse of the sanctioned facilities for purposes other than those sanctioned by the lenders;
  - (e) any indebtedness of the borrower becoming due and payable or capable of being declared due and payable, prior to the date of maturity by reason of occurrence of an event of default;
  - (f) failure to pay any amount under any court order or decree, or judgment against our Company;
  - (g) changing the line of business or suspension or ceasing to carry on business which results into material adverse effect on the lenders;
  - (h) change in the control or constitution of the borrower;
  - (i) any representation, warranty, undertaking or statement made or information provided which proves to be misleading in any material aspect in the bank's opinion;
  - (j) security or any part thereof being jeopardised or becoming unenforceable;
  - (k) bankruptcy, insolvency, liquidation, reorganization or winding up of our Company or appointment of a liquidator;
  - (l) failure to comply with financial covenants;
  - (m) inadequate security or insurance or non-creation of any security or failure of our Company to comply with any security stipulation;
  - (n) there occurs a change in control of Organic India Private Limited;
  - (o) breach of any statement, representation, warranty, covenant or confirmation which cannot be cured within the stipulated time;
  - (p) any other event or material change which may have a material adverse effect on the lenders;
  - (q) distress, execution, attachment or other legal process being levied against the assets of our Company; and
  - (r) all or substantially all of the undertaking, assets or properties of our Company are seized, nationalised, expropriated or compulsory acquired by the authority of government.

Please note that the above-mentioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

9. **Consequences of occurrence of events of default:** In terms of borrowing arrangement for the facilities availed by our Company, upon the occurrence of events of default, the lenders/ Debenture Trustee may:
- (a) declare the facilities, together with accrued interest and other monies, to be immediately due and payable and upon such declaration, the same shall become immediately payable;
  - (b) exercise any or all rights and recourses available to the lender including enforcement of security under the respective facility agreement;
  - (c) appoint from time to time nominee directors on the Board of Directors to look after the lender's interest;
  - (d) disclose or publish the name of our Company and Directors as defaulters in such manner and through such medium as the lenders in their absolute discretion may think fit;
  - (e) demand cure of any material default under any of the finance documents;
  - (f) exercise all other remedies as available under applicable law;
  - (g) invoke pledge on the Pledged Shares and/or transfer the Pledged Shares and register itself as the beneficial owner of the Pledged Shares;
  - (h) exercise any or all voting and other consequential rights pertaining to the Pledged Shares;
  - (i) receive all amounts and dividends payable in respect of the Pledged Shares and apply all such amounts towards the payment of outstanding obligations;
  - (j) review the management set up of our Company and restructure it as may be considered necessary;
  - (k) undertake any new project, modernisation, diversification or substantial expansion of any project; and
  - (l) buy back, cancel, re-purchase or otherwise acquire any of its share capital now or outstanding or set aside any funds for the foregoing purposes.

Please note that the above-mentioned list is indicative and there may be additional consequences on the occurrence of an event of default under the various borrowing arrangements entered into by our Company. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "Risk Factors – *We and our Subsidiaries are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations and financial condition*" on page 63.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings (ii) actions taken by regulatory or statutory authorities; (iii) claims related to any direct or indirect tax liabilities (in a consolidated manner giving the total number of claims and the total amounts involved.; (iv) other pending civil litigation as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, our Subsidiaries, our Promoters or our Directors (“**Relevant Parties**”); or (v) legal proceedings involving our Group Companies, outcome of which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus including any outstanding action.*

*For the purposes of (iv) above, in terms of the Materiality Policy adopted by our board of directors pursuant to a resolution dated January 15, 2022:*

- A.** *Any pending civil litigation / arbitration proceedings the Relevant Parties shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:*
- a.) The aggregate monetary claim involved whether by or against the Relevant Parties in any such pending litigation (individually or in aggregate), is equivalent to or above 0.2% of consolidated revenue of operations as at March 31, 2021, as per the Restated Consolidated Financial Statements (0.2% of ₹ 10,596.4 million, amounting to ₹ 21.19 million). All pending consumer cases will be treated as civil cases.; or*
  - b.) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in A(a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.*
- B.** *Any pending litigation / arbitration proceedings (other than litigations mentioned in points (i) to (iii) above) involving the Group Companies shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company as per the requirements of SEBI ICDR Regulations.*

*It is clarified that for the purposes of the above, pre-litigation notices received by Relevant Parties or Group Companies from third parties (other than show cause notices issued by statutory/regulatory/ tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered as material litigation until such time that respective Relevant Parties or Group Companies, as the case may be, are impleaded as a defendant/s in proceedings before any judicial / arbitral forum.*

*Further in terms of the Materiality Policy, creditors of our Company to whom amount due by our Company is equal to or in excess of 5% of the consolidated trade payables of our Company as at the end of the latest fiscal year included in the Restated Consolidated Financial Statements, would be considered as material creditors. Accordingly, a creditor has been considered ‘material’ by our Company if the amount due to such creditor exceeds ₹ 96.00 million.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that litigation only.*

#### **A. Litigation involving our Company**

##### ***Litigation against our Company***

##### ***Criminal Litigations***

Nil

*Actions by statutory or regulatory authorities against our Company*

1. The Inspector Legal Metrology, Kolkata confiscated and seized 15 personal care products from our Company store displayed for retail sale alleging that the same do not contain red/ brown/ green dot to identify the cosmetics, soaps or the toiletries as vegetarian or non-vegetarian origin as per the requirement of the Legal Metrology (Packaged Commodities) Rules, 2011. Our Company received seizure memo on January, 2019 after which we replied to the department requesting them for an opportunity to compound the offence. Subsequently, on September 7, 2019 our Company received a summon from Chief Judicial Magistrate, District Court, Alipore to appear in the said matter. This matter is currently pending before the Chief Judicial Magistrate, District Court, Alipore.
2. A Panchanama was issued on May 10, 2018 by the Legal Metrology Inspector, Hyderabad alleging that some packages of tulsi green classic do not contain the name and address of the person or office to address the consumer complaints, thereby violating certain provisions of the Legal Metrology Act and rules framed thereunder. In view of the above, the packages of tulsi green classic were seized. Subsequently, our Company applied for compounding and paid a compounding fee of ₹ 10,000 on October 5, 2018. We are yet to receive a confirmation from the Legal Metrology Inspector, Hyderabad on the above and therefore the matter is currently pending.
3. A notice was received from Bruhath Bengaluru Mahanagara, Paalike on January 24, 2019 for acquisition of 9.15 sq. mt of our Company's property situated at Inner Ring Road, Koramangala Bengaluru and to offer transferrable development right as compensation for the said acquisition. Consequently our Company vide letter dated February 15, 2019 replied to the said notice seeking monetary compensation for the surrendered part of the property and further clarifying that it is not interested either in grant of development rights or proportionate land in lieu of the surrendered parcel of the subjected property. This matter is currently pending before the Bruhath Bengaluru Mahanagara, Paalike.
4. A notice was issued by Bruhath Bengaluru Mahanagara, Paalike (the "Authority") to our Company on June 26, 2019 (the "Notice") alleging that installation of diesel generator sets at the premises surrounding our store situated at, Hoysala Nagar, Bengaluru was visible beyond the prescribed residential area boundaries and was causing noise pollution, thereby violating certain provisions of the Karnataka Municipal Corporation Act, 1976. Further, it was alleged that our Company had failed to obtain a shops and establishment license for the aforementioned store and our Company was directed to close the store within three days of receiving the Notice. Subsequently, our Company by a letter dated July 1, 2019 replied to the Notice stating that the diesel generator sets installed at the premises were owned by the landlord and therefore the maintenance of such generator sets was not the responsibility of our Company. We further clarified that an application for obtaining a trade license for the year 2019-2020 was pending before the concerned authorities and a copy of the said license was awaited. We have not received any further communication from the Authority and therefore the matter is currently pending.
5. A notice dated September 29, 2020 was received by our Company from the Office of the Assistant Director, Industrial Safety & Health Circle – II, Faridabad, Labour Department, Government of Haryana alleging that our Company is not compliant with the Building & Other Construction Workers Welfare Cess Act, 1996. Subsequently, our Company replied to the notice stating that adherence to such rules is the responsibility of the landlord of our premises and requested the labour department to withdraw the notice against us and direct it to the landlord. This matter is currently pending with the South Delhi Municipal Corporation.
6. A notice dated September 30, 2020 was directed to our Company by the South Delhi Municipal Corporation, Advertisement Department alleging unauthorized advertisement displays in the premises and non-compliance of the Delhi Municipal Corporation Act, 1957. Our Company replied to the notice vide letter dated November 9, 2020 apprising the department that provisions have been duly regularized and complied with. This matter is currently pending.
7. Our Company received a notice dated December 7, 2020 from Estate-II Department, New Delhi Municipal Council for allegedly constructing a washroom in an open verandah on an intermediate floor level at the shop located at shop no. 20-21, Khan Market, New Delhi. Our Company replied to the notice by letter dated October 29, 2020 stating that compliance to such rules is the responsibility of the owner/builder of our premises and requested the authority to withdraw the notice against our Company and direct it to the

landlord. Our Company also mentioned that a copy of the notice has been shared with the landlord through email dated October 27, 2020. This matter is currently pending with the New Delhi Municipal Council.

8. A show cause notice bearing number 279 was served on our Company by the Controller of Uttar Pradesh Legal Metrology alleging that we have incorrectly displayed the size of our cotton Ikat draw string mask priced at ₹ 120/- on our website, thereby contravening certain provisions of the Legal Metrology Act, 2009. Our Company on January 21, 2021 replied to the aforementioned notice stating that the mask is an adjustable one available in one size and the same has also been mentioned on our website. Further, our Company mentioned that we were not aware of any standard unit for such an article and urged the department to withdraw the notice and provide guidance on the standard unit for future compliance. We have not received any further communication from the Controller of Uttar Pradesh Legal Metrology and therefore the matter is currently pending.

#### *Other pending material litigation against our Company*

Khadi and Village Industries Commission (“**Plaintiff**”) initiated a suit bearing case number Commercial Suit No. 781 of 2018 against our Company before the High Court of Judicature at Bombay alleging unauthorised use of the trademark “KHADI” in advertisements and products of our Company and demanding ₹ 5,250 million as compensation and an order permanently restraining our Company from using the word “KHADI”. The High Court *vide* its order dated August 27, 2018, recorded that our Company is not presently using the word “KHADI” and in the event we are desirous of using the word “KHADI”, we shall be required to provide a four week’s written notice to Khadi and Village Industries Commission for such usage. The suit is currently pending before the Bombay High Court.

#### *Litigation by our Company*

##### *Criminal Litigations*

1. Our Company filed a first information report dated June 25, 2014 against Aman Gupta, Sandeep Kumar Singh and Akashdeep, ex-employees of our Company in the local police station at Saket under sections 120B, 420, 461 and 471 of the Indian Penal Code, 1860 for forging the gift certificates issued by our Company amounting to ₹ 0.93 million. This matter is currently pending.
2. Our Company filed a complaint on July 5, 2019 with the Commissioner of Police, New Delhi and with the local police station at Okhla by our Company against Rachit and his anonymous female accomplice (the “**Accused**”) under the provisions of the Indian Penal Code, 1860 read with Section 66D of the Information Technology Act, 2000 for defrauding young students on the pretext of offering jobs or internships in our Company and accepting a certain amount of fee for the same. Further our Company also sent a letter dated July 5, 2019 to UCO Bank having its branch at Haryana, to close the bank account which was fraudulently opened in the name of our Company by the Accused. The case is currently pending.
3. A first information report dated December 21, 2019 was filed by our Company with the local police station at Amritsar against Jasbir Kaur (“**Accused**”), a security guard deployed in one of our stores in Amritsar for reporting theft of 131 valuable goods amounting to ₹ 0.11 million from our store. The Accused admitted to the commission of theft in writing and requested to be pardoned. This matter is currently pending for investigation.
4. Our Company requested for investigation and lodging of a first information report against unknown persons (“**Accused**”) with at Vasant Kunj Police Station under Sections 379, 403, 411, 420, 465, 468 read with section 120(B) of the Indian Penal Code, 1860 and under Section 43 read with Sections 66 and 66B of the Information Technology Act, 2000, alleging that the Accused gained unauthorised access to our Company’s official email address and several customer mobile numbers by tampering with the computer source code of the Fabfamily loyalty programme. It was also alleged that the Accused replaced the mobile numbers of the customers with a different mobile number and redeemed 51,692 gift cards through 19 identified transactions of such customers against gift cards online. The aforesaid act was done multiple times by the Accused between December 9, 2021 to December 13, 2021. The matter is currently pending for investigation.

##### *Other Material Litigations*

Nil

***B. Litigation involving our Promoters***

***Litigation against our Promoters***

*Criminal Litigations*

Nil

*Actions taken by regulatory/statutory authorities*

For details in respect of actions taken by regulatory and statutory authorities against our Promoter, William Nanda Bissell, please refer to “*Litigation involving our Subsidiaries - Actions by statutory or regulatory authorities against Organic India Private Limited*” on page 413.

*Other Material Litigations*

Nil

***Litigations by our Promoters***

*Criminal Litigations*

Nil

*Other Material Litigations*

Nil

***Disciplinary action taken (including outstanding action) against our Promoters in the five Financial Years preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange***

NIL

***C. Litigation involving our Directors***

***Litigation against our Directors***

*Criminal Litigations*

Nil

*Actions taken by regulatory/statutory authorities*

1. A complaint was filed by Labour Enforcement Officer (Central), Bangalore pertaining to certain alleged Contract Labour (Regulation & Abolition) Act, 1970 (“**CLRA Act**”) violations by Wipro at UIDAI site situated at Kodihalli, Bangalore and our Non-Executive Director, Tekkethalakal Kurien Kurien, was the then chief executive officer of Wipro when he was made a party to the complaint. While submitting a reply to the Metropolitan Magistrate Court III, Bangalore, Wipro stated that there had been no violations under the CLRA Act. Simultaneously, Wipro also filed an application under Section 305 Code of Criminal Procedure substituting name of Tekkethalakal Kurien Kurien. While the Court passed order allowing a different employee name to be added but it denied removing Tekkethalakal Kurien Kurien’s name. Hence, Wipro moved to the High Court of Karnataka to quash this order and the High Court of Karnataka has quashed the criminal proceedings C.C. No. 296/2014 before Metropolitan Magistrate Court III, Bangalore *vide* order dated 07.12.2021. Once the certified copy of the said order is received, the same will be produced before Metropolitan Magistrate Court III, Bangalore to formally close the proceedings in C.C. No. 296/2014.
2. A suit was filed by the Food Safety Officer, Delhi (“**FSO**”) under the Food Safety and Security Act before Mr. Dharmendra Kumar, District Magistrate and Adjudicating Officer, Delhi (“**AO**”) against Max Hypermarket India Private Limited and Mr. Viney Singh, its Managing Director alleging Max Hypermarket



India Private Limited was selling sub-standard food products in their store. The application was filed on the ground that the petitioner/FSO had, during the regular inspection, taken the “sugar powder” product for sampling and the same has been reported as “sub-standard” by their Food Analyst. Subsequently, based on the aforesaid application made by the FSO, the AO issued notice to all parties to appear in person or through representative on January 27, 2022. The matter is currently pending before the AO.

3. Prakash Parthasarathy was a nominee Director on the Board of Carnation Auto India Private Limited (Carnation) which had obtained secured credit facilities from Punjab National Bank (PNB). Carnation defaulted on obligations under its Loan Agreement with PNB. PNB reached the NCLT, New Delhi, Bench VI against Carnation Auto India Private Limited on account of such default, under the Insolvency and Bankruptcy Code 2016 (IBC). PNB in its application dated 22-08-2019 had inter alia sought directions against the erstwhile directors of Carnation and persons related to them to make good the loss suffered by the secured financial creditor, PNB due to an alleged breach of the loan agreement by Carnation, and restitution of “the amounts withdrawn by them by way of preferential payments”. The application further sought direction against them to make various contributions to the assets of the company on account of certain transactions undertaken by the company (without any reference to whether any respondent was a director of the company at the time the transaction was undertaken). An order was passed by the Hon’ble NCLT, New Delhi Bench VI on July 24.07.20 dismissing the said application filed by the applicant under sections 43, 45, 50 and 66 of IBC. Thereafter, aggrieved by the order, an appeal to the case was filed on 27.10.20 by the Official Liquidator under section 61(1) of the IBC in the liquidation process of the corporate debtor, Carnation. The case and the appeal of the case are pending before the Hon’ble NCLT, bench VI.

For further details in respect of actions taken by regulatory and statutory authorities against our Directors, please refer to “*Litigation involving our Subsidiaries - Actions by statutory or regulatory authorities against Organic India Private Limited*” on page 413.

#### *Other Material Litigations*

Nil

#### ***Litigations by our Directors***

##### *Criminal Litigations*

Nil

##### *Other Material Litigations*

Nil

#### ***D. Litigation involving our Subsidiaries***

##### ***Litigation against our Subsidiaries***

##### *Criminal Litigations*

Nil

##### *Actions by statutory or regulatory authorities against Organic India Private Limited*

1. A notice dated December 3, 2019 was issued by the Assistant Commissioner of Food Safety, Palakkad under the Food Safety and Standards Act, 2006 alleging that as per the findings of the report issued by the food analyst, the sample of organic honey collected from Organic India, was substandard and that Organic India has sold, processed and packed misbranded and substandard food under the Food Safety and Standards Act, 2006. An adjudication application dated June 8, 2020 was filed before the Adjudicating Officer, Revenue Divisional Officer, Palakkad by the Food Safety Officer, Palakkad Circle against several respondents including the chief operating officer of Organic India to adjudicate the matter. Subsequently, Organic India received an adjudication application dated April 15, 2021 from the Adjudicating Officer & Revenue Divisional Officer, Palakkad directing it to appear before the Revenue Divisional Officer, Palakkad. This matter is currently pending.

2. A notice dated September 18, 2021 was issued by the Designated Officer, Food Safety and Drug Administration, Varanasi under the Food Safety and Standards Act, 2006 alleging that the findings of the report dated August 11, 2021 issued by the food analyst, the sample of “saunf” collected from Organic India, was misbranded as the label mentioning the relevant details was detachable and therefore in violation of the Food Safety & Standard (Packaging and Labelling) Regulations, 2011. Organic India, filed a reply dated October 22, 2021 stating that food analyst has erred in coming to such conclusion as the label on the package could not have been easily separated from the package and therefore the finding of the food analyst is arbitrary and irrational. This matter is currently pending.
3. A notice dated September 20, 2019 was issued by the Assistant Director, Directorate of Enforcement informing Organic India that an investigation was being initiated under the provisions of Foreign Exchange Management Act, 1999 against it and the directors and accordingly sought certain documents for the same. Organic India through letters dated September 27, 2019, November 18, 2019 and June 4, 2020 submitted the requisitioned documents, subsequent to which summons dated October 27, 2020 were issued by the Assistant Director, Directorate of Enforcement directing Organic India to appear. This matter is currently pending.
4. A notice dated July 8, 2020 was received from the Tamil Nadu Food Safety and Drug Administration Department, informing Organic India that a sample of Organic India Tulsi Green tea Classic collected from its vendor was reported as substandard. Consequently, a complaint was filed before the Adjudication Officer and District Revenue Officer, Chennai. Thereafter, a summon was issued to Organic India by the Adjudication Officer and District Revenue Officer, Chennai for appearance. This matter is currently pending before the Adjudication Officer and District Revenue Officer, Chennai.
5. A notice dated July 5, 2021 was issued by the Office of the Joint Food Commissioner, Food and Drugs Administration, Nashik, to Organic India alleging that the claims made by Organic India in its Certified Organic Tulsi Green Tea Ashwagandha seemed to be misleading. Organic India filed a reply clarifying that the claims made on the label of the product are properties/characteristic feature of the individual ingredient used in the product. These claims were made on the basis of the characteristic feature of the ingredient used in the product and the same are also mentioned in the famous Ayurvedic Texts as well. This matter is currently pending.
6. A notice dated November 1, 2021 was issued by the Office of the Joint Food Commissioner, Foods and Drugs Administration, Nashik to Organic India for allegedly contravening with the provision of Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011 by selling and supplying various food articles to one of its stores which did not possess a valid food license. Organic India filed a reply to the notice stating that due to the imposition of complete lockdown in Maharashtra there was a delay in renewal of the food license, however the same was renewed and issued by the licensing authority on June 21, 2021. Subsequently, a notice for first enquiry dated January 11, 2022 was issued by the Adjudicating Officer, Food and Drug Administration, Nashik to Organic India and its directors namely, William Nanda Bissel, Dinesh Kumar, Yoav Lev, Subrata Dutta, Elizabeth Nanda, Mukesh Kumar Chauhan, Alok Kumar, Holly B Lev, Pankaj Pachauri, Vikram Singh and Laurent Arthur Chappuis, alleging contravention of certain provisions of the Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011 and directing them to remain present for submitting their reply. This matter is currently pending.
7. A notice dated July 5, 2021 was issued by the Office of the Joint Food Commissioner, Food and Drugs Administration, Nashik, to Organic India alleging that the claims made by Organic India in its product bearing name “Virgin Coconut Oil” seemed to be misleading and therefore sought scientific justification for the claims. Organic India filed a reply dated July 7, 2021 clarifying that the product did not bear any such claims and the claims were made in an older pamphlet which was not in use. Further, Organic India in its reply also provided the scientific justification for making the claims. This matter is currently pending.
8. Three notices dated April 25, 2013 were issued by the Deputy Collector, Legal Branch Ranchi to Organic India alleging that samples of Tulsi Green Tea, Tulsi Ginger Tea and Tulsi Original Tea tested by the Food Analyst did not meet with the standards and quality prescribed under the Food Safety and Standards Act, 2006. Subsequently, Organic India vide letter dated March 29, 2013 replied stating that the aforementioned products meet the prescribed quality parameters. The matters are currently pending.
9. A notice dated September 8, 2020 was issued by the Office of the Deputy Labour Commissioner, Khapradeeh, Kothi Civil Lines Ayodhya directing Organic India to deposit 1% projects costs as the cess amount for construction of a workshop as mandated by the UP Building and Other Construction Workers Welfare Cess Act 1996. Further the department also directed Organic India to register the construction work

as per rules framed under the Building and Other Construction Workers (Employment and Service Conditions Regulation). Subsequently, Organic India filed a reply dated September 8, 2021 stating that Organic India has deposited the excess amount of cess based on the valuation report given by the registered valuer and requested refund of excess cess to the Company. This matter is currently pending.

10. Organic India, has filed an appeal before the Designated Officer, Food Safety and Drugs Administration Department, Office of the District Magistrate, Sonbhadra challenging the report of the food analyst dated July 26, 2021 and the notice dated August 9, 2021 issued by Designated Officer Food Safety and Drugs Administration Sonbhadra alleging that a sample of Tulsi Green Tea collected for testing was misbranded under the Food Safety and Standard (Packaging & Labelling) Regulation, 2011. The appeal has been filed on the grounds *inter alia* that (i) 'Tulsi Green Tea Classic' being a proprietary product does not fall under the standards of Green Tea as specified in Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011 and (ii) food analyst has failed to give any reason for alleging that 'Tulsi Green Tea Classic' was misbranded and misleading. Organic India *vide* the appeal has prayed for an order to be passed by the Designated Officer setting aside the report of the food analyst dated July 26, 2021. This matter is currently pending.

#### *Other Material Litigations*

Nil

#### *Litigations by our Subsidiaries*

##### *Criminal proceedings by Organic India Private Limited*

1. Seven complaints have been filed by M/s. Singhal Associates on behalf of Organic India before the Judicial Magistrate, 1<sup>st</sup> Class, District Court, Gurugram, Haryana against Amit Kalra, proprietor of M/s. Vidhi Enterprises (the "**Accused**") under Section 138 read with Section 142 of the Negotiable Instrument Act, 1881 alleging dishonour of cheques issued by the Accused to M/s. Singhal Associates for payment of consideration for goods of Organic India supplied aggregating to ₹ 4.92 million. A total of 7 (seven) cheques were issued by the Accused aggregating to an amount of ₹4.92 million. Subsequently, the Judicial Magistrate, 1<sup>st</sup> Class, District Court issued process against the Accused and the matter is currently pending.
2. Organic India has filed a complaint against Rakesh Phad, proprietor of M/s Prathmesh Enterprises ("**Accused**") before the Court of Chief Metropolitan Magistrate, Patiala House, New Delhi under Section 138 of the Negotiable Instrument Act, 1881 alleging dishonour of a cheque issued by the Accused to Organic India for payment of consideration towards goods supplied aggregating to ₹ 0.50 million. The matter is currently pending.
3. Organic India has filed a complaint against M/s Shah Marketing ("**Accused**") before the Court of Additional Chief Metropolitan Magistrate, Patiala House, New Delhi under Section 138 of the Negotiable Instrument Act, 1881 alleging dishonour of cheque issued by the Accused to Organic India towards payment of consideration for goods supplied aggregating to ₹ 1.04 million. The matter is currently pending.
4. Organic India has filed a complaint against M/s Star Sales ("**Accused**") before the Court of Additional Chief Metropolitan Magistrate, Patiala House, New Delhi under Section 138 of the Negotiable Instrument Act, 1881 alleging dishonour of cheque issued by the Accused to Organic India towards payment of consideration for goods supplied aggregating to ₹ 1.00 million. The matter is currently pending.
5. Organic India has filed a criminal complaint against Vivek Mishra, proprietor of Vitul Electronics Private Limited ("**Accused**") before the Court of Chief Judicial Magistrate, Lucknow under Section 138 of the Negotiable Instrument Act, 1881 alleging dishonour of cheque issued by the Accused aggregating to ₹ 0.75 million to Organic India towards return of advance paid under the buy back facility of old servo provided by the Accused. The matter is currently pending.
6. A first information report bearing number 244 dated April 27, 2018 has been filed by Organic India against an ex-employee of Organic India, Nandha Kumar ("**Accused**") before the regional police station at Tamil Nadu, for embezzlement cheating and misappropriation of cash, amounting to ₹ 0.27 million. The matter is currently pending for investigation

7. A first information report dated December 7, 2020 was filed by Organic India before the regional police station at Barabanki against Rohit Singh Raghav, proprietor (“**Accused**”) of Mohan Milk Processing Plant for failing to meet FSSAI guidelines in the Organic NPOP certified Ghee supplied by them to Organic India. Organic India alleged that the ghee supplied by them contained heavy metals beyond the permissible limits prescribed under the FSSAI guidelines and thereby contravenes the agreement executed between the parties. The Accused filed a writ petition before the High Court of Judicature at Allahabad at Lucknow challenging the first information report filed by Organic India praying for an order or direction in the nature of certiorari quashing the first information report and an order or direction in the nature of mandamus restraining the relevant authorities from arresting the Accused. The writ petition and the first information report are pending before the relevant authorities.
8. Organic India has filed a complaint on December 11, 2011 before the Court of Additional Chief Judicial Magistrate-III, Lucknow against M/s Fame Incorporation and Mukesh Maheshwari (“**Accused**”) alleging that the Accused after receiving an advance for an amount of ₹ 0.04 million failed to supply a shrink tunnel to Organic India, thereby breaching the terms of the agreement executed between the parties. Organic India requested the Accused to refund the amount and sent several reminder letters to the Accused. Subsequently Organic India filed a criminal complaint under Sections 403, 406, 417, 418, 420 of the Indian Penal Code, 1860. This matter is currently pending before the Additional Chief Judicial Magistrate-III, Lucknow.

*Other material civil proceedings by Organic India*

Nil

**E. Tax proceedings against our Company, Subsidiaries, Promoters and Directors**

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Subsidiaries, Promoters and Directors.

Nature of case	Number of cases	Demand amount involved* (in ₹ million)
<i>Our Company</i>		
Direct tax	10	16.18
Indirect tax	2	1.59
<i>Organic India Private Limited</i>		
Direct tax	3	112.52
Indirect tax	2	17.52
<i>Promoter</i>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<i>Directors</i>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

*\*To the extent quantifiable*

**F. Outstanding dues to creditors**

As per the Materiality Policy, a creditor of our Company, shall be considered to be material (“**Material Creditors**”) for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor by our Company is in excess of, 5% of the consolidated trade payables of our Company as at the end of the latest fiscal year in the Restated Consolidated Financial Statements (*i.e.*, as at September 30, 2021). Accordingly, a creditor has been considered ‘material’ by our Company if the amount due to such creditor exceeds ₹ 96 million as on September 30, 2021. As of September 30, 2021, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors were as follows:

S. No.	Type of creditor	No. of cases*	Amount outstanding* (₹ in million)
1.	Dues to micro, small and medium enterprises	265	546.89
2.	Dues to Material Creditor**	NIL	NIL
3.	Dues to other creditors	2,364	1,193.29
	Total	<b>2,629</b>	<b>1,740.18</b>

*\*excluding period end accruals for expenses*

*\*\*No material creditors have been identified in accordance with the creditor’s materiality policy approved by our Board of Directors*

The details pertaining to outstanding dues to Material Creditors, along with the name and amount involved for each such Material Creditor, are available on the website of our Company at <https://www.fabindia.com/investor-relations>. It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, <https://www.fabindia.com/investor-relations> would be doing so at their own risk.

***G. Litigation involving the Group Companies***

Nil

***H. Material Developments***

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 364, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of approvals obtained by our Company and Material Subsidiaries which are considered material and necessary for the purpose of undertaking our business activities. In view of these key approvals, our Company can undertake this Offer, and can undertake its business activities. Other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. In addition, certain of our key approvals may have expired or may expire in the ordinary course of business, from time to time and our Company and Material Subsidiaries have either already made an application to the appropriate authorities for renewal of such key approvals or are in the process of making such renewal applications. For details in connection with the applicable regulatory and legal framework, see “Key Regulations and Policies” and “Risk Factors” on page 205 and 37.*

### (A) Our Company

#### I. Incorporation details of our Company

1. Certificate of incorporation dated December 14, 1976, issued by the Registrar of Companies, Delhi & Haryana, to our Company under the name of Fabindia Overseas Private Limited.
2. Fresh certificate of incorporation dated October 13, 2021, issued by the Registrar of Companies, for change of our name to ‘Fabindia Private Limited’.
3. Fresh certificate of incorporation dated October 22, 2021, issued by the Registrar of Companies, for change of our name to ‘FABINDIA LIMITED’ pursuant to conversion of our Company from a private company into a public company.
4. The Legal Entity Identifier code of our Company is 3358002ZUDPFXPTUH459.

#### II. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 420.

#### III. Material approvals in relation to our business and operations

In order to operate our retail and wholesale stores in India, our Company and Material Subsidiaries require approvals and/or licenses under various state and central laws, rules, and regulations. These approvals and/or licenses, amongst others, include licenses under the respective shops and commercial establishment acts of those states, wherever enacted or in force, Food Safety and Standards Act, 2006, Legal Metrology Act, 2009 and fire NOC from regional authorities and trade licenses of respective states. Our foreign Material Subsidiary, Organic India USA, LLC also requires registration with Food and Drug Administration (FDA) with respect to its business and operations. Pursuant to the letter dated March 23, 2021, our Indian Material Subsidiary, Organic India Private Limited has received access to different biological resources for commercial utilization under the Biological Diversity Act, 2002 and Biodiversity Rules, 2004 from the National Biodiversity Authority.

Our Company and Material Subsidiaries have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our stores. Certain approvals may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such licenses and approvals or are in the process of making such applications.

For details in connection with this, please see “Risk Factors - Failure to renew our current leases or licenses or locate desirable alternatives for our stores, offices, FabCafes, warehouses, procurement centres, manufacturing facility, or increasing lease rentals could adversely affect our business” on page 59.

#### IV. Material labour/employment related approvals

Our Company has obtained registrations under several employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

#### **V. Tax related and other approvals**

Our Company has obtained registrations under central and state specific tax laws such as the Income Tax Act, 1961, goods and services tax acts. Our Company has also obtained the Importer – Exporter Code from the Ministry of Commerce and Industry.

#### **VI. Intellectual property rights**

Our Company and our Material Subsidiaries have (i) 182 registered trademarks. Further, our Company and our Material Subsidiaries have filed applications for (i) 1 patent, and (ii) 31 trademarks, which are pending as on the date of this Draft Red Herring Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated December 22, 2021 and by our Shareholders have authorized the Fresh Issue pursuant to a resolution passed at their meeting dated January 15, 2022, and this DRHP has been approved by our Board on January 20, 2022 and by our IPO Committee on January 21, 2022. Further, our Board of Directors have taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on January 15, 2022.

Each of the Selling Shareholders has, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

Sr. No.	Name of Selling Shareholder	Date of consent letter	Date of board resolution	Maximum amount of Offered Shares
<b>Promoter Selling Shareholders</b>				
1.	Bimla Nanda Bissell	January 17, 2022	N.A.	Up to 200,000 Equity Shares aggregating up to ₹ [●] million
2.	William Nanda Bissell	January 17, 2022	N.A.	Up to 1,477,795 Equity Shares aggregating up to ₹ [●] million
3.	Madhukar Khera	January 17, 2022	N.A.	Up to 1,500,000 Equity Shares aggregating up to ₹ [●] million
<b>Total</b>				<b>Up to 3,177,795 Equity Shares aggregating up to ₹ [●] million</b>
<b>Promoter Group Selling Shareholders</b>				
4.	Vijai Kumar Kapoor	January 17, 2022	N.A.	Up to 20,000 Equity Shares aggregating up to ₹ [●] million
5.	Mini Kapoor	January 17, 2022	N.A.	Up to 40,000 Equity Shares aggregating up to ₹ [●] million
<b>Total</b>				<b>Up to 60,000 Equity Shares aggregating up to ₹ [●] million</b>
<b>Investor Selling Shareholders</b>				
6.	PI Opportunities Fund-I	January 19, 2022	October 27, 2021	Up to 12,047,528 Equity Shares aggregating up to ₹ [●] million
7.	Prazim Trading and Investment Company Private Limited	January 19, 2022	June 29, 2021	Up to 2,730,420 Equity Shares aggregating up to ₹ [●] million
<b>Total</b>				<b>Up to 14,777,948 Equity Shares aggregating up to ₹ [●] million</b>
<b>Other Selling Shareholders</b>				
8.	India 2020 Fund II, Limited	January 21, 2022	October 21, 2021	Up to 2,141,280 Equity Shares aggregating up to ₹ [●] million
9.	Bajaj Holdings and Investment Limited	January 21, 2022	January 20, 2022	Up to 1,126,140 Equity Shares aggregating up to ₹ [●] million
10.	Kotak India Advantage Fund-I	January 21, 2022	October 26, 2021	Up to 384,660 Equity Shares aggregating up to ₹ [●] million
11.	NRJN Family Trust <sup>&amp;</sup>	January 21, 2022	N.A.	Up to 260,000 Equity Shares aggregating up to ₹ [●] million
12.	IFIS Corporate Advisory Services Private Limited	December 17, 2021	October 14, 2021	Up to 75,000 Equity Shares aggregating up to ₹ [●] million
<b>Total</b>				<b>Up to 3,987,080 Equity Shares aggregating up to ₹ [●] million</b>
<b>Individual Selling Shareholders</b>				
13.	Arjun Sharma	January 17, 2022	N.A.	Up to 855,000 Equity Shares aggregating up to ₹ [●] million
14.	Charu Sharma	January 17, 2022	N.A.	Up to 300,000 Equity Shares aggregating up to ₹ [●] million
15.	Rohini Nilekani	January 21, 2022	N.A.	Up to 260,000 Equity Shares aggregating up to ₹ [●] million
16.	Geeta Amar Lulla	January 17, 2022	N.A.	Up to 180,000 Equity Shares aggregating up to ₹ [●] million



Sr. No.	Name of Selling Shareholder	Date of consent letter	Date of board resolution	Maximum amount of Offered Shares
17.	Sanjay Kalra (Jointly with Jyotika Kapoor)	January 17, 2022	N.A.	Up to 180,000 Equity Shares aggregating up to ₹ [●] million
18.	Rama Puri	January 17, 2022	N.A.	Up to 164,000 Equity Shares aggregating up to ₹ [●] million
19.	Elizabeth Nanda	January 17, 2022	N.A.	Up to 150,890 Equity Shares aggregating up to ₹ [●] million
20.	Subrata Dutta	January 17, 2022	N.A.	Up to 100,000 Equity Shares aggregating up to ₹ [●] million
21.	Sunil Chainani (Jointly with Kiran Chainani)	January 17, 2022	N.A.	Up to 100,000 Equity Shares aggregating up to ₹ [●] million
22.	Agnello Oswin Dias	January 17, 2022	N.A.	Up to 90,000 Equity Shares aggregating up to ₹ [●] million
23.	Kartik Ganapathy	January 17, 2022	N.A.	Up to 90,000 Equity Shares aggregating up to ₹ [●] million
24.	Nehal Abhay Vakil	January 17, 2022	N.A.	Up to 90,000 Equity Shares aggregating up to ₹ [●] million
25.	William Sean Sovak	January 17, 2022	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
26.	Ajay Bahl	January 21, 2022	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
27.	Mukesh Kumar Chauhan	January 17, 2022	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
28.	Kavita Mitter	January 17, 2022	N.A.	Up to 35,000 Equity Shares aggregating up to ₹ [●] million
29.	Rajesh Ramaiah	January 17, 2022	N.A.	Up to 26,250 Equity Shares aggregating up to ₹ [●] million
30.	Prableen Sabhaney	January 17, 2022	N.A.	Up to 40,000 Equity Shares aggregating up to ₹ [●] million
31.	Damini Narain	January 17, 2022	N.A.	Up to 3,000 Equity Shares aggregating up to ₹ [●] million
32.	Rekha Mehrotra Menon	January 17, 2022	N.A.	Up to 18,000 Equity Shares aggregating up to ₹ [●] million
33.	Saurabh Naithani	January 17, 2022	N.A.	Up to 17,460 Equity Shares aggregating up to ₹ [●] million
34.	Tekkethalakal Kurien Kurien	January 17, 2022	N.A.	Up to 14,000 Equity Shares aggregating up to ₹ [●] million
35.	Ruchira Puri Pujari (Jointly with Ashutosh Prabhakar Pujari)	January 17, 2022	N.A.	Up to 10,000 Equity Shares aggregating up to ₹ [●] million
36.	Lakshminarayana R Kollengode	January 17, 2022	N.A.	Up to 7,300 Equity Shares aggregating up to ₹ [●] million
37.	Dilpreet Sokhi Singh	January 17, 2022	N.A.	Up to 5,000 Equity Shares aggregating up to ₹ [●] million
38.	Smita Mankad	January 17, 2022	N.A.	Up to 5,000 Equity Shares aggregating up to ₹ [●] million
39.	Suzanne Jane Spink	January 17, 2022	N.A.	Up to 5,000 Equity Shares aggregating up to ₹ [●] million
40.	Manoj Kumar Jaiswal	January 17, 2022	N.A.	Up to 2,300 Equity Shares aggregating up to ₹ [●] million
41.	Chaman Singh Bisht	January 17, 2022	N.A.	Up to 1,000 Equity Shares aggregating up to ₹ [●] million
42.	Tingmuankim Vaiphei	January 17, 2022	N.A.	Up to 1,000 Equity Shares aggregating up to ₹ [●] million
43.	Bertha Beck (earlier known as Jyoti Beek)	January 17, 2022	N.A.	Up to 1,000 Equity Shares aggregating up to ₹ [●] million
44.	Rahul Garg	January 17, 2022	N.A.	Up to 30,000 Equity Shares aggregating up to ₹ [●] million
45.	Ramanan Venkateswaran (Jointly with Kala Ramanan)	January 17, 2022	N.A.	Up to 6,500 Equity Shares aggregating up to ₹ [●] million
46.	Anuradha Kumra	January 17, 2022	N.A.	Up to 23,000 Equity Shares aggregating up to ₹ [●] million
47.	Sashikanth Balachandar (Jointly with Ganga Sashikanth)	January 17, 2022	N.A.	Up to 10,000 Equity Shares aggregating up to ₹ [●] million
48.	Ajay Kapoor	January 17, 2022	N.A.	Up to 12,000 Equity Shares aggregating up to ₹ [●] million

Sr. No.	Name of Selling Shareholder	Date of consent letter	Date of board resolution	Maximum amount of Offered Shares
		2022		up to ₹ [●] million
49.	Poonam Singh Chauhan	January 17, 2022	N.A.	Up to 20,000 Equity Shares aggregating up to ₹ [●] million
50.	Premkumar G	January 17, 2022	N.A.	Up to 6,000 Equity Shares aggregating up to ₹ [●] million
51.	Vaishali Bahel	January 17, 2022	N.A.	Up to 3,000 Equity Shares aggregating up to ₹ [●] million
52.	Roopali Gupta	January 17, 2022	N.A.	Up to 4,200 Equity Shares aggregating up to ₹ [●] million
53.	Raja Ghosh	January 17, 2022	N.A.	Up to 1,020 Equity Shares aggregating up to ₹ [●] million
54.	Usha Rawat	January 17, 2022	N.A.	Up to 800 Equity Shares aggregating up to ₹ [●] million
<b>Total</b>				<b>Up to 3,047,720 Equity Shares aggregating up to ₹ [●] million</b>

<sup>&</sup>Held through its corporate trustee, Entrust Family Office Legal and Trusteeship Services Private Limited

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

#### **Prohibition by SEBI, RBI or other Governmental Authorities**

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Corporate Promoter are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Except for Prakash Parthasarathy, our Independent Director, who is associated with JM Financial Services Limited, none of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the past five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have neither been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI nor as fraudulent borrower.

Our Individual Promoters or Directors have not been declared as fugitive economic offenders.

The Selling Shareholders severally and not jointly confirm that they have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court. Our Company or our Promoters, members of the Promoter Group or Directors are not declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016

#### **Confirmation under Companies (Significant Beneficial Owners) Rules, 2018**

Our Company, our Promoters, our Directors, members of Promoter Group and the Selling Shareholders severally and not jointly confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

#### **Eligibility for the Offer**

Our Company is eligible for undertaking the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states the following:

*“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”*

We are an unlisted company not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Not less than 75% of the Net Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the full Bid Amounts shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

Each of the Selling Shareholders has, severally and not jointly, confirmed that it has held its respective portion of Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

Each of the Selling Shareholders confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with the conditions specified in Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall be not less than 1,000 failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and other applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to undertake the Offer, in terms of Regulation 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable.

The details of compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) None of our Company, the Selling Shareholders, our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) None of our Company, our Promoters or Directors is a wilful defaulter or a fraudulent borrower.
- (d) None of our Individual Promoters or Directors has been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).
- (e) Except for the issue of any Equity Shares pursuant to ESPS 2021, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;
- (f) Our Company, along with the Registrar to the Company, has entered into tripartite agreements dated November 21, 2011 and September 28, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- (g) The Equity Shares of our Company held by our Promoters are in dematerialised form; and
- (h) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. ICICI SECURITIES LIMITED, CREDIT-SUISSE SECURITIES (INDIA) PRIVATE LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, SBI CAPITAL MARKETS LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, ICICI SECURITIES LIMITED, CREDIT-SUISSE SECURITIES (INDIA) PRIVATE LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, SBI CAPITAL MARKETS LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 21, 2022 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

**Disclaimer from our Company, our Promoters, Directors and Book Running Lead Managers**

Our Company, our Promoters, Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website <https://www.fabindia.com>, or the respective websites of our Subsidiaries, Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, each of the Selling Shareholders and the Book Running Lead Managers to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, Subsidiaries, the Selling Shareholders and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its directors, the Promoters, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer from the Selling Shareholders**

The Selling Shareholders accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website <https://www.fabindia.com>, or the respective websites of our Subsidiaries, Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholders, their respective directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and its portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

#### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

#### **Important Information for Investors – Eligibility and Transfer Restrictions**

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”), in private transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where such offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States. The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

#### ***Eligible Investors***

The Equity Shares are being offered and sold

1. in the United States, to U.S. QIBs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities; and
2. outside the United States, in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

#### ***Equity Shares Offered and Sold within the United States***

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to complete the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly, unless so registered, may not be offered or

sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more persons, each of which is a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or the Selling Shareholders or a person acting on behalf of an affiliate of the Company or the Selling Shareholders;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred, only (i) to a person reasonably believed to be a U.S. QIB in a transaction meeting the requirements of Rule 144A, or (ii) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
6. is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;
7. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;
8. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank;
9. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S in the United States with respect to the Equity Shares or any “general solicitation” or “general advertising” (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;
10. the purchaser is not acquiring the Equity Shares as a result of any form of “general solicitation” or “general advertising” (within the meaning of Rule 502(c) under the U.S. Securities Act) or any “directed selling efforts” (as that term is defined in Regulation S under the U.S. Securities Act);
11. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**“THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

**THE EQUITY SHARES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THE EQUITY SHARES AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET**

**FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.”**

12. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions;
13. the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase;
14. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and
15. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States.

***All other Equity Shares Offered and Sold in the Offer***

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser is not an affiliate of our Company or the Selling Shareholders or a person acting on behalf of an affiliate of the Company or the Selling Shareholders;
5. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
6. the purchaser is not acquiring the Equity Shares as a result of any “directed selling efforts” (within the meaning of Rule 902(c) under the U.S. Securities Act);
7. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and



8. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

#### **Disclaimer clause of BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

#### **Disclaimer clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If the Company does not Allot the Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

#### **Consents**

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, legal counsels appointed for the Offer, the Book Running Lead Managers, the Investor Selling Shareholders and the Other Selling Shareholder, namely Bajaj Holdings and Investment Limited, the Registrar to the Offer, Statutory Auditors, the Independent Chartered Accountant, in their respective capacities, have been obtained; (b) consents of the Monitoring Agency; the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents, which have been obtained, have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent dated January 12, 2022, from EY, for inclusion of EY Report in this Draft Red Herring Prospectus.

## **Experts to the Offer**

Except as stated below, our Company has not obtained any expert opinions:

- i. Our Company has received written consent dated January 21, 2022 from MSKA & Associate and A Puri & Associates, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated January 20, 2022 on our Restated Consolidated Financial Statements; and (ii) their report dated January 21, 2022 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act;
- ii. Our Company has received written consent dated January 17, 2022, from the independent chartered accountant, namely AKGVG & Associates, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.
- iii. Our Company has received written consent dated December 17, 2021, from the chartered engineer, namely Prabhat Srivastava, to include its name in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

The above-mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

## **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issue during the last five years.

## **Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years**

Other than as disclosed in “*Capital Structure*” on page 94, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed group companies, subsidiaries or associate companies.

## **Commission and Brokerage paid on previous issues of the Equity Shares in the last five years**

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years by our Company.

## **Performance vis-à-vis objects – Public/ rights issue of our Company**

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

## **Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company**

The securities of our Promoters and our Subsidiaries are not listed on any stock exchange.

## Price information of past issues handled by the Book Running Lead Managers

### A. ICICI Securities Limited

#### 1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	PB Fintech Limited <sup>^^</sup>	57,097.15	980.00	15-NOV-21	1,150.00	+14.86%, [-4.33%]	NA*	NA*
2	One 97 Communications Limited <sup>^</sup>	1,83,000.00	2,150.00	18-NOV-21	1,955.00	-38.52%, [-4.40%]	NA*	NA*
3	Sapphire Foods India Limited <sup>^^</sup>	20,732.53	1,180.00	18-NOV-21	1,350.00	+3.69%, [-4.39%]	NA*	NA*
4	Latent View Analytics Limited <sup>^</sup>	6,000.00	197.00 <sup>(1)</sup>	23-NOV-21	530.00	+153.58%, [-2.96%]	NA*	NA*
5	Tarsons Products Limited <sup>^</sup>	10,234.74	662.00 <sup>(2)</sup>	26-NOV-21	700.00	-4.16%, [+0.03%]	NA*	NA*
6	Go Fashion (India) Limited <sup>^</sup>	10,136.09	690.00	30-NOV-21	1,316.00	+59.78%, [+1.30%]	NA*	NA*
7	Star Health and Allied Insurance Company Limited <sup>^^</sup>	60,186.84	900.00 <sup>(3)</sup>	10-DEC-21	845.00	-14.78%, [+1.72%]	NA*	NA*
8	Shriram Properties Limited <sup>^^</sup>	6,000.00	118.00 <sup>(4)</sup>	20-DEC-21	90.00	-12.42%, [+9.02%]	NA*	NA*
9	Metro Brands Limited <sup>^</sup>	13,675.05	500.00	22-DEC-21	436.00	+21.77%, [+4.45%]	NA*	NA*
10	Supriya Lifescience Limited <sup>^</sup>	7,000.00	274.00	28-DEC-21	425.00	NA*	NA*	NA*

\*Data not available.

<sup>^</sup>BSE as designated stock exchange

<sup>^^</sup>NSE as designated stock exchange

(1) Discount of Rs. 19 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 197.00 per equity share.

(2) Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 662.00 per equity share.

(3) Discount of Rs. 80 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 900.00 per equity share.

(4) Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.

#### 2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	23	6,69,228.24	-	2	6	5	3	6	-	-	-	2	1	1
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2
2019-20	4	49,850.6	-	-	2	-	1	1	1	-	-	2	-	1

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\*This data covers issues up to YTD

**Notes:**

1. Data is sourced either from [www.nseindia.com](http://www.nseindia.com) or [www.bseindia.com](http://www.bseindia.com), as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is “NIFTY 50” where NSE is the designated stock exchange and “S&P BSE SENSEX” where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the previous trading day

**B. Credit Suisse Securities (India) Private Limited**

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Credit Suisse Securities (India) Private Limited*

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
a)	Metropolis Healthcare Limited	12,042.90	880.00	April 15, 2019	958.00	3.73%, [-4.08%]	21.30%, [-0.44%]	45.84%, [-2.00%]
b)	Sterling and Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.67%, [-2.05%]	-48.56%, [8.11%]	-64.74%, [10.53%]
c)	Home First Finance Company India Limited	11,537.19	518.00	February 03, 2021	618.80	4.98%, [1.97%]	-5.64%, [-1.05%]	15.86%, [6.58%]
d)	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.17%, [0.53%]	93.40%, [11.97%]	140.26%, [5.93%]
e)	Krishna Institute of Medical Sciences Limited	21,437.44	825.00	June 28, 2021	1,009.00	47.90%, [-0.30%]	48.24%, [13.87%]	61.83%, [7.95%]
f)	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	83.22%, [4.44%]	81.97%, [15.64%]	75.07%, [9.81%]
g)	Chemplast Sanmar Limited	38,500.00	541.00	August 24, 2021	550.00	2.06%, [5.55%]	12.68%, [6.86%]	NA*
h)	Star Health & Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78%, [1.72%]	NA*	NA*
i)	MedPlus Health Services Limited	1,3983.00	796.00	December 23, 2021	1,015.00	NA*	NA*	NA*

Source: NSE and BSE for the price information and prospectus for issue details.

\*Data not available

**Note:**

1. 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the previous trading date.
2. % of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
3. Designated stock exchange Index is considered as the benchmark index

2. Summary statement of price information of past issues handled by Credit Suisse Securities (India) Private Limited:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	6	287,174.83	-	-	1	1	2	1	-	-	-	3	-	-
2020-21	1	11,537.19	-	-	-	-	-	1	-	-	-	-	-	1
2019-20	2	40,852.32	-	-	1	-	-	1	1	-	-	-	1	-

**C. J.P. Morgan India Private Limited**

1. Price information of past issues handled by J.P. Morgan India Private Limited:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	One Communications Limited	97	183,000	2,150	November 18, 2021	1,955.00	(38.5%), [-4.4%]	NA
2	Nuvoco Vistas Corporation Limited	50,000	570	August 23, 2021	471.00	(5.8%), [+6.5%]	(9.7%), [+7.7%]	NA
3	Sona BLW Precision Forgings Limited	55,500	291	June 24, 2021	302.40	+45.2%, [+0.4]	+93.4%, [+11.2%]	+140.3%, [+5.2%]
4	Macrotech Developers Limited	25,000	486	April 19, 2021	439.00	+30.2%, [+5.2%]	+75.6% [+10.9%]	+146.9% [+27.7%]

Source: SEBI, Source: www.nseindia.com and www.bseindia.com

1. Price on the designated stock exchange is considered for all of the above calculation for individual stocks
2. In case 30th/90th/180th day is not a trading day, closing price on Stock Exchange of the previous trading day has been considered.
3. Closing price of 30th, 90th, 180th calendar day from listing day has been taken as listing day plus 29, 89 and 179 calendar days respectively
4. Pricing Performance for the company is calculated as per the final offer price
5. Pricing Performance for the benchmark index is calculated as per the close on the day of the listing date
6. Benchmark index considered is NIFTY 50
7. Issue size as per the basis of allotment

2. Summary statement of price information of past issues handled by J.P. Morgan India Private Limited

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing					No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing					No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing					No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing				
			Over 50%	Between 50% and 25%	Between 25% and 50%	Less than 25%	Over 50%	Between 50% and 25%	Between 25% and 50%	Less than 25%	Over 50%	Between 50% and 25%	Between 25% and 50%	Less than 25%	Over 50%	Between 50% and 25%	Between 25% and 50%	Less than 25%	Over 50%	Between 50% and 25%	Between 25% and 50%	Less than 25%
2021-2022	4	3,13,500	NA	1		1	NA	2		NA	NA	NA		NA	2		NA		NA		NA	
2020-2021	NA	NA	NA	NA		NA	NA	NA		NA	NA	NA		NA	NA		NA		NA		NA	
2019-2020	NA	NA	NA	NA		NA	NA	NA		NA	NA	NA		NA	NA		NA		NA		NA	

Note: In the event that any day falls on a holiday, the price/ index of the previous trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

#### D. Nomura Financial Advisory and Securities (India) Private Limited

##### 1. Price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Nomura Financial Advisory and Securities (India) Private Limited:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	MedPlus Health Services Limited	13,982.95	7961	December 23, 2021	1,015.00	+53.22% [+3.00%]	Not applicable	Not applicable
2	Shriram Properties Limited	6,000.00	1182	December 20, 2021	90.00	-12.42% [+9.02%]	Not applicable	Not applicable
3	RateGain Travel Technologies Limited	13,357.35	4253	December 17, 2021	360.00	+11.99% [+7.48%]	Not applicable	Not applicable
4	Fino Payments Bank	12,002.93	577	November 12, 2021	548.00	-30.55% [-3.13%]	Not applicable	Not applicable
5	Sansera Engineering	12,829.78	744	September 24, 2021	811.35	+0.30% [+1.29%]	+1.57% [-5.19%]	Not applicable
6	CarTrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31% [+5.75%]	-32.68% [+8.80%]	Not applicable
7	Sona BLW Precision Forgings Limited	55,500.00	291	June 24, 2021	302.40	+45.17% [+0.53%]	+93.40% [+11.97%]	+140.26% [+5.93%]
8	Nazara Technologies Limited	5,826.91	1,1014	March 30, 2021	1,990.00	+62.57% [+0.13%]	+38.22% [+6.84%]	+96.19% [+20.26%]
9	Gland Pharma Limited	64,795.45	1,500	November 20, 2020	1,701.00	+48.41% [+7.02%]	+57.20% [+17.82%]	+104.26% [+14.38%]
10	Computer Age Management Services Limited	22,421.05	1,2305	October 1,	1,518.00	+5.52%	+49.52%	+43.67%

			2020		[+2.37%]	[+23.04%]	[+26.65%]
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Source: [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com)

1. Discount of INR78.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
2. Discount of INR11.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
3. Discount of INR40.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
4. Discount of INR110.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
5. Discount of INR122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion

**Notes:**

- a. For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue.
- b. For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations.
- c. In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered.
- d. Not applicable – Period not completed.

## 2. Summary statement of price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	7	143,658.14	-	1	2	1	1	2	-	-	-	1	-	-
2020-2021	4	100,063.57	-	-	-	2	1	1	-	-	-	3	1	-
2019-2020	2	107,997.88	-	1	-	-	-	1	-	-	-	1	-	1

Source: [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com)

**Notes:**

- a) The information is as on the date of this document.
- b) The information for each of the financial years is based on issues listed during such financial year.

## E. SBI Capital Markets Limited

### 1. Price information of past issues handled by SBI Capital Markets Limited:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Star Health and Allied Insurance Company Ltd <sup>(1)</sup>	64004.39	900.00	December 10, 2021	845.00	-14.67% [+1.72%]	NA	NA
2	Tarsons Products Limited <sup>(2)</sup>	8,738.40	662.00	November 26, 2021	630.00	-4.16% [+0.03%]	NA	NA
3	Aditya Birla Sun Life AMC Limited	27682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.88% [-0.74%]	NA
4	Nuvoco Vistas Corporation Limited	50,000.00	570.00	August 23, 2021	471.00	-5.83% [+6.21%]	-9.74% [+7.34%]	NA
5	Windlas Biotech Limited	4,015.35	460.00	August 16, 2021	439.00	-18.02% [+4.79%]	-34.42% [+9.18%]	NA

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
6	Glenmark Life Sciences Limited	15,136.00	720.00	August 06, 2021	751.10	-6.38% [+7.10%]	-12.94% [+10.12%]	NA
7	G R Infraprojects Limited <sup>(3)</sup>	9,623.34	837.00	July 19, 2021	1,700.00	90.61% [+6.16%]	138.67% [+16.65%]	132.16% [+16.50%]
8	Shyam Metalics and Energy Limited <sup>(4)</sup>	9,085.50	306.00	June 24, 2021	367.00	41.08% [+0.53%]	22.88% [+11.97%]	0.96% [+5.93%]
9	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	439.00	30.19% [+4.68%]	75.62% [+10.83%]	146.92% [+27.86%]
10	Barbeque-Nation Hospitality Limited	4,528.74	500.00	April 07, 2021	489.85	18.77% [-0.64%]	76.97% [+6.85%]	122.53% [+18.31%]

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

**Notes:**

\* The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.

\* \*The information is as on the date of this document.

\*The information for each of the financial years is based on issues listed during such financial year.

1 Price for eligible employee was Rs 820.00 per equity share

2 Price for eligible employee was Rs 621.00 per equity share

3 Price for eligible employee was Rs 795.00 per equity share

4 Price for eligible employee was Rs 291.00 per equity share

**2. Summary statement of price information of past issues handled by SBI Capital Markets Limited:**

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	10	2,17,814.28	-	-	6	1	2	1	-	-	-	3	-	1
2020-21	7	1,05,087.00	-	-	5	-	2	-	-	1	3	-	2	1
2019-20	3	138,283.86	-	1	1	1	-	-	1	-	-	1	-	1

\* The information is as on the date of this Offer Document.

# Date of Listing for the issue is used to determine which financial year that particular issue falls into

**Track record of past issues handled by the BRLM's**

For details regarding the track record of the BRLMs, as specified under circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLM mentioned below.

BRLM	Website
SBI Capital Markets Limited	<a href="http://www.sbicans.com">www.sbicans.com</a>

**F. Equirus Capital Private Limited**



1. Price information of past issues handled by Equirus Capital Private Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Antony Waste Handling Cell Limited <sup>#</sup>	2,999.85	315.00	January 01, 2021	430.00	-10.14% [-3.31%]	-22.57% [+3.43%]	+2.22% [+9.78%]
2.	G R Infraprojects Limited <sup>#</sup>	9,623.34	837.00 <sup>1</sup>	July 19, 2021	1700.00	+90.61% [+6.16%]	+138.67% [+16.65%]	+132.16% [+16.50%]
3.	Rolex Rings Limited <sup>\$</sup>	7,310.00	900.00	August 9, 2021	1,250.00	+22.28% [+6.79%]	+31.50% [+10.20%]	N.A.
4.	Krsnaa Diagnostics Limited <sup>\$</sup>	12,133.35	954.00 <sup>2</sup>	August 16, 2021	1,005.55	-9.42% [+4.93%]	-27.73% [+9.30%]	N.A.
5.	Anand Rathi Wealth Limited <sup>#</sup>	6,593.75	550.00 <sup>3</sup>	December 14, 2021	602.05	+12.38% [+5.22%]	N.A.	N.A.
6.	Metro Brands Limited <sup>#</sup>	13,675.05	500.00	December 22, 2021	436.00	+21.77% [+4.45%]	N.A.	N.A.

Source: www.bseindia.com and www.nseindia.com for price information and prospectus for issue details

Notes:

1. A discount of ₹ 42 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of G R Infraprojects Limited IPO
  2. A discount of ₹ 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Krsnaa Diagnostics Limited IPO
  3. A discount of ₹ 25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Anand Rathi Wealth Limited IPO
  4. Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.
  5. In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
  6. N.A. (Not Applicable) – Period not completed.
- # The S&P BSE SENSEX is considered as the Benchmark Index  
\$ The S&P CNX NIFTY is considered as the Benchmark Index

2. Summary statement of price information of past issues handled by Equirus Capital Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022*	5	49,335.49	-	-	1	1	-	3	-	-	-	1	-	-
2020 -2021	1	2,999.85	-	-	1	-	-	-	-	-	-	-	-	1
2019 -2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*\* The information is as on the date of this Offer Document.*

*The information for each of the financial years is based on issues listed during such financial year.*

#### **Track record of past issues handled by the Book Running Lead Managers**

For details regarding the track record of the Book Running Lead Managers, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the Book Running Lead Managers, as set forth in the table below:

<b>Sr. No.</b>	<b>Name of Book Running Lead Managers</b>	<b>Website</b>
1.	ICICI Securities Limited	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
2.	Credit Suisse Securities (India) Private Limited	<a href="https://www.creditsuisse.com/in/en/investment-bankingapac/investment-banking-in-india/ipo.html">https://www.creditsuisse.com/in/en/investment-bankingapac/investment-banking-in-india/ipo.html</a>
3.	J.P. Morgan India Private Limited	<a href="http://www.jpmmpl.com">www.jpmmpl.com</a>
4.	Nomura Financial Advisory and Securities (India) Private Limited	<a href="http://www.nomuraholdings.com/company/group/asia/india/index.html">www.nomuraholdings.com/company/group/asia/india/index.html</a>
5.	SBI Capital Markets Limited	<a href="http://www.sbicaps.com">www.sbicaps.com</a>
6.	Equirus Capital Private Limited	<a href="http://www.equirus.com">www.equirus.com</a>

## **Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## **Mechanism for redressal of Investor Grievances**

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances (other than from Anchor Investors) in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Book Running Lead Managers, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in accordance with the provisions of the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications for the stipulated period. In an event there is a delay in redressal of investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, the Book Running Lead Managers shall be liable to compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

### **Disposal of Investor Grievances by our Company**

Our Company has obtained authentication on the SCORES and is in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Monika Uppal Arora, as the Company Secretary and Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see “*General Information*” on page 83.

Our Company has also constituted a Stakeholders’ Relationship Committee comprising of Vijai Kumar Kapoor, Richard Frank Celeste and Mukesh Kumar Chauhan as members, to review and redress shareholder and investor grievances. For further details, see “*Our Management*” on page 227.

The Selling Shareholders have severally and not jointly authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of the Offered Shares.

### **Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

An exemption application dated January 21, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from considering and disclosing East Lifestyle Limited, United Kingdom as a Group Company in accordance with the SEBI ICDR Regulations.

## SECTION VII – OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

#### The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in “*Objects of the Offer - Offer Expenses*” on page 129.

#### Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares Allotted in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA, and shall rank pari passu with the existing Equity Shares in all respects including dividends. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 472.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 256 and 472, respectively.

#### Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 1 and the Offer Price at Floor Price is ₹ [●] per Equity Share and at Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper, [●] editions of [●] a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

#### Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and our AoA and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 472.

### **Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Company:

- Tripartite agreement dated November 21, 2011 amongst our Company, NSDL and Registrar to the Company.
- Tripartite agreement dated September 28, 2021 amongst our Company, CDSL and Registrar to the Company.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see “*Offer Procedure*” on page 451.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or

- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

### Withdrawal of the Offer

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

### Bid/ Offer Programme

<b>BID/ OFFER OPENS ON</b>	<b>[●]<sup>(1)</sup></b>
<b>BID/ OFFER CLOSES ON</b>	<b>[●]<sup>(2)</sup></b>

- (1) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers may, consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations
- (2) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. From the date of receipt of complaint from the Bidder, in addition to the compensation to be paid by the SCSBs as above, the post-Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of on which grievance is received by the BRLMs or Registrar until the date on which the blocked amounts are unblocked.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No:

**The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders and the Book Running Lead Managers.**

Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend reasonable co-operation required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.**

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Offer Period (except the Bid/ Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Bid/ Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs or Eligible Employees under the Employees Reservation Portion.

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 3:00 p.m. IST on



the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days, during the Bid/ Offer Period. Bids and revisions shall not be accepted on Saturdays and public holidays. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

**In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, strike or similar circumstances, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the respective websites of the Book Running Lead Managers and the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and Sponsored Bank, as applicable. In case of revision of price band, the Bid lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI ICDR Regulations, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, (i) Allotment will be first made in the first instance towards subscription for 90% of the Fresh Issue, then (ii) all the Equity Shares held by the Selling Shareholders and offered for sale shall be Allotted on a proportionate basis (in proportion to the percentage of Offered Shares); and once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion. Further, our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

### **Restrictions, if any, on Transfer and Transmission of Equity Shares and on their consolidation or splitting**

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 94 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For further details, see "*Description of Equity Shares and terms of Articles of Association*" on page 472.

## OFFER STRUCTURE

Initial Public Offering of up to [●] equity shares of face value of ₹ 1 each (“**Equity Shares**”) of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) (“**Offer Price**”) aggregating up to ₹ [●] million (the “**Offer**”) comprising a fresh issue of up to [●] Equity Shares aggregating up to ₹ 5,000 million by our Company (the “**Fresh Issue**”) and an offer for sale of up to 25,050,543 Equity Shares aggregating up to ₹ [●] million, comprising up to 200,000 Equity Shares aggregating up to ₹ [●] million by Bimla Nanda Bissell, up to 1,477,795 Equity Shares aggregating up to ₹ [●] million by William Nanda Bissell and up to 1,500,000 Equity Shares aggregating up to ₹ [●] million by Madhukar Khera (the “**Promoter Selling Shareholders**”), up to 20,000 Equity Shares aggregating up to ₹ [●] million by Vijai Kumar Kapoor and up to 40,000 Equity Shares aggregating up to ₹ [●] million by Mini Kapoor (the “**Promoter Group Selling Shareholders**”), up to 12,047,528 Equity Shares aggregating up to ₹ [●] million by PI Opportunities Fund I and up to 2,730,420 equity shares aggregating up to ₹ [●] million by Prazim Trading and Investment Company Private Limited (the “**Investor Selling Shareholders**”), up to 2,141,280 equity shares aggregating up to ₹ [●] million by India 2020 Fund, II Limited, up to 1,126,140 equity shares aggregating up to ₹ [●] million by Bajaj Holdings and Investment Limited, up to 384,660 equity shares aggregating up to ₹ [●] million by Kotak India Advantage Fund - I, up to 75,000 equity shares aggregating up to ₹ [●] million by IFIS Corporate Advisory Services Private Limited and up to 260,000 equity shares aggregating up to ₹ [●] million by NRJN Family Trust (the “**Other Selling Shareholders**”) and up to 3,047,720 Equity Shares aggregating up to ₹ [●] million by Individual Selling Shareholders and up to 3,047,720 Equity Shares aggregating up to ₹ [●] million by Individual Selling Shareholders as set out under **Annexure A** (“**Individual Selling Shareholders**”), the Promoter Selling Shareholders, Promoter Group Selling Shareholders, Investor Selling Shareholders, Other Selling Shareholders and Individual Selling Shareholders, collectively referred as “**Selling Shareholders**” and such offer for sale by the selling shareholders, the “**Offer For Sale**”). This Offer includes a reservation of up to [●] Equity Shares aggregating up to ₹ [●] million (constituting up to [●]% of the post-offer paid-up equity share capital of our Company) for purchase by eligible employees (the “**Employee Reservation Portion**”). The Offer and the Net Offer would constitute [●] % and [●] % of our post-offer paid-up Equity Share Capital.

For more information in respect of the participation of the Selling Shareholders in the Offer, please refer **Annexure A**.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of an aggregate amount not exceeding ₹ 1,000 million, to certain investors. Any Pre-IPO Placement to investors will be at a price to be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers. The Pre-IPO Placement, if undertaken, will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Offer Size complying with Rule 19 (2) (b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / Allocation <sup>*(2)</sup>	Up to [●] Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs.	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and NIBs.
Percentage of Offer available for Allotment/allocation	The Employee Reservation Portion shall constitute upto [●]% of the post-Offer paid-up Equity Share capital of our Company	Not less than 75% of the Net Offer shall be available for allocation to QIB Bidders.  However, up to 5% of the QIB Portion shall be available for allocation	Not more than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs	Not more than 10% of the Net Offer or the Net Offer less allocation to QIB Bidders and NIBs

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
		proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be added to the Net QIB Portion.		
Basis of Allotment if respective category is oversubscribed	Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 (net of Employee Discount, if any), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount if any).	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and</p> <p>(b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.</p>	Proportionate.	Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For further details, see “Offer Procedure” beginning on page 451.
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in	Such number of Equity Shares in multiples of [●] not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the	Such number of Equity Shares in multiples of [●] so that the Bid Amount does not exceed ₹ 200,000.

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	Eligible Employee Portion does not exceed ₹500,000, less Employee Discount, if any		Offer (excluding the QIB Portion), subject to applicable limits	
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can Apply <sup>(3)</sup>	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SIs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the karta) and Eligible NRIs.
Terms of Payment	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup>.</p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors). In case of RIBs, ASBA process will include the UPI mechanism.			

\* Assuming full subscription in the Offer.

# Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

<sup>(1)</sup> *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see “Offer Procedure” on page 451.*

<sup>(2)</sup> *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

*Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see “Terms of the Offer” on page 441.*

<sup>(3)</sup> *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories, subject to applicable laws.*

<sup>(4)</sup> *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

*Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on page 456 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.*

*Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

*Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, if any, at the time of making a Bid.*

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form,) designated date, disposal of applications and electronic registration of bids; (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act relating to punishment for fictitious applications; (x) mode of making refunds; (xi) designated date, (xii) interest in case of delay in allotment or refund; and (xiii) disposal of application.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (“**March 16, 2021**”) has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular and the provisions of this circular, are deemed to form part of this Draft Red Herring Prospectus.

The Book Running Lead Managers shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholders and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

## Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the full Bid Amounts shall be refunded in accordance with SEBI ICDR Regulations and other applicable laws. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for purchase by Eligible Employees not exceeding 5% of our post-Offer paid-up Equity Share capital. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount) in value. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value (net of Employee Discount).

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. In case of an undersubscription in the Net Offer, the Equity Shares proposed for sale by the Selling Shareholders shall be in proportion to the Offered Shares by such Selling Shareholders.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO, subject to applicable law.**

## Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI



payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

### **Bid cum Application Form**

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchanges ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the

relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[•]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[•]
Anchor Investors	[•]
Eligible Employees bidding in the Employee Reservation Portion	[•]

\*Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no.

SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

**Participation by Promoters and member of the Promoter Group of the Company, the Book Running Lead Managers and the Syndicate Members and persons related to Promoter/Promoter Group/the Book Running Lead Managers**

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the Book Running Lead Managers or any associates of the Book Running Lead Managers (except Mutual Funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or AIFs sponsored by the entities which are associate of the Book Running Lead Managers or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the Book Running Lead Managers) nor; (ii) any “person related to the Promoter / Promoter Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoter or Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the Book Running Lead Managers, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Book Running Lead Managers.

The Promoters and the members of the Promoter Group, except to the extent of their respective Offered Shares, will not participate in the Offer.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary (“NRO”) accounts or confirm or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 470.

### **Bids by HUFs**

Hindu Undivided Families or HUFs, are required to be made in the individual name of the *karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall (i) use the PAN

issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. The holding in any company by any individual FVCI or VCF registered with SEBI should not exceed 25% of the corpus of the FVCI or VCF. An FVCI or VCF can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company, the Selling Shareholders or the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form, failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form, failing this, our Company, the

Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% \* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form, failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserves the right to reject any Bid, without assigning any reason thereof.

#### **Bids under power of attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form, failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers may deem fit.

#### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids by Eligible Employees**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be less Employee Discount). Allotment in the Employee Reservation Portion will be as detailed in the section “*Offer Structure*” beginning on page 447.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Issue under the Employee Reservation Portion.
- In case of joint bids, the Sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

### **Bids by Anchor Investors**

In accordance with the SEBI Regulations, the key terms for participation by Anchor Investors are provided below:

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.



- 5) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 10) Neither (a) the Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.**

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed

to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

## **General Instructions**

### ***Do's:***

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;
12. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI

Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the category and the investor status is indicated;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
22. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website and is also appearing in Annexure 'A' to the SEBI circular no.SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate

Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the Book Running Lead Managers;
28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
21. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;
22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
23. Do not Bid for Equity Shares in excess of what is specified for each category;
24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
27. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
28. Do not Bid if you are an OCB;
29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;
31. Do not submit a Bid cum Application Form with a third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism); and
32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see “*General Information*” on page 83.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, for helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, “*General Information–Book Running Lead Managers*” beginning on page 85.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the Book Running Lead Managers and the Registrar to the Offer, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Payment into Escrow Account(s) for Anchor Investors**

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a widely circulated English national daily newspaper; and (ii) [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

### **Allotment Advertisement**

Our Company, the Book Running Lead Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) [●] editions of [●], a widely circulated English national daily newspaper; and (ii) [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest,

any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

### **Undertakings by our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Selling Shareholders subsequently decide to proceed with the Offer; and
- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

### **Undertakings by the Selling Shareholders**

Each of the Selling Shareholders severally and jointly undertake that:

- the Equity Shares offered for sale by the Selling Shareholders are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale; and
- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

### **Utilisation of Offer Proceeds**



Our Company and the Selling Shareholders, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Further, details of all utilised monies out of the Fresh Issue shall be disclosed, and continued to be disclosed till any part of the Offer proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised or invested.

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“**DPIIT**”), issued the FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

As per the FDI Policy, under the “Manufacturing (Garment)” and “Pharmaceuticals” sectors, FDI of up to 100% foreign investment under the automatic route is currently permitted for greenfield investments. For brownfield investments, up to 74% is permissible under the automatic route and government approval route beyond 74%. For further details, see “*Key Regulations and Policies*” on page 205.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 456 and 456, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 451.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”), in private transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where such offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

*This set of Articles of Association has been adopted by the shareholders of the Company by way of passing of a special resolution passed at their Extra-Ordinary General Meeting held on December 18, 2021 in substitution and exclusion of the previous Articles of Association of the Company.*

### THE COMPANIES ACT, 2013 COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION

OF

FABINDIA LIMITED

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The Articles of Association of the Company comprises of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provision of Part II shall prevail over Part I of these Articles, subject to applicable law. In case of inconsistency between the provisions of Part II and the provisions of the Restated Shareholder's Agreement dated June 30, 2016 along with schedules as amended by the addendum and amendment no. 1 dated May 11, 2017 ("Shareholders' Agreement") which have been included in part II, the provisions of the Shareholders' Agreement shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognised Stock Exchange in India, pursuant to an initial public offering of the Equity Shares of the Company without any further action including any corporate action by the company or by the shareholders.

### PART – I

#### 1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the Company and for the observance of the shareholders thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

#### 2. INTERPRETATION

##### A. DEFINITIONS

*In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.*

- a. "Act" means the Companies Act, 2013 and all rules, notifications, circulars and clarifications issued thereunder and shall include all amendments, modifications and re-enactments of the foregoing.
- b. "Affiliate" shall have the meaning ascribed to it in the Shareholders' Agreement.
- c. "Article" or "Articles" means these articles of association of the Company as originally framed or as altered from time to time or applied in pursuance of the Act.
- d. "ADRs" shall mean American Depository Receipts representing ADSs.

- e. **“ADR Facility”** shall mean an ADR facility established/which may be established by the Company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- f. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- g. **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.
- h. **“Capital” or “Share Capital”** shall mean the share capital, for the time being comprising the Equity Share Capital and preference share capital, as may be the case, raised or authorised to be raised by the Company in terms of these Articles, the Act and the Memorandum of Association of the Company.
- i. **“Consummation of the IPO”** shall mean the receipt of final listing and trading approval from each of the stock exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.
- j. **“Company”** means Fabindia Limited, a company incorporated under the laws of India (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns)
- k. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- l. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- m. **“Equity Shares”** shall mean the issued, subscribed and fully paid-up equity shares of the Company;
- n. **“GDRs”** shall mean the registered Global Depository Receipts, representing GDSs.  
  
**“GDSs”** shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.
- o. **“IPO”** means the initial public offering of the Equity Shares of the Company;
- p. **“Independent Director”** means an ‘independent director’ as defined under the Act and the applicable laws;
- q. **“Investor”** refers to PI Opportunities Fund-I, a trust incorporated and existing under the laws of India, with its principal office at #134, Next to Wipro Corporate Office, Doddakannelli, Sarjapur Road, Bangalore-560 035, of which, Hasham Premji Private Limited (a company incorporated and existing under the laws of India and having its registered office at Hasham Premji House, #5, Janmabhoomi Marg, Fort, Mumbai-400 023, India) is the trustee, and which is an Alternative Investment Fund registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations 2012, represented by its investment manager Hasham Investment and Trading Company Private Limited (a company incorporated and existing under the laws of India and having its registered office at No: 134, Doddakannelli, next to Wipro Corporate Office, Sarjapur Road, Bangalore-560 035, India).;
- r. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- s. **“Member”** shall mean:
  - (i) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;

- (ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company;
- (iii) every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository
- t. **“Minimum Ownership”** with respect to Investor, means the ownership of 8% of the share capital of the Company or 5% of the share capital of the Company if the reduction in the Investor ownership is on account of dilution rather than active sale by any of the investors.
- u. **“Person”** shall mean any natural person, sole proprietorship, partnership, Company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- v. **“Register of Members”** shall mean the register of members to be maintained as per the Act.
- w. **“Seal” or “Common Seal”** shall mean the common seal(s) for the time being of the Company.
- x. **“Securities”** shall have the meaning assigned to the term in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time.
- y. **“Key Managerial Personnel”** – means (i) Managing director or Chief Executive Officer (CEO) or Manager, (ii) Company Secretary, (iii) whole time director, (iii) Chief Financial Officer (CFO); and (iv) such other officers as may be prescribed under the Act and the relevant Rules.
- z. **“Ownership”** shall have the meaning ascribed to it in the Shareholders’ Agreement.
- aa. **“Share Equivalents”** shall mean any debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

### 3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

### 4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Share Capital of the Company may be classified into: (i) Equity Shares with voting rights; (ii) Equity shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time; and (iii) preference shares, convertible or non-convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act and Law, from time to time.
- (c) Subject to Article 4(b), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (d) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered, to the Company in the conduct of its business, and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. However, the aforesaid shall be subject

to the approval of members under the relevant provisions of the Act and Rules.

- (e) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (g) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (h) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- (i) The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- (j) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Act and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Law from time to time.

## **5. PREFERENCE SHARES**

Subject to the provisions of Section 55 and other applicable provisions of the Act and applicable Law, the Company shall have power to issue any Preference Shares, which are liable to be redeemed / convertible into securities on such terms and in such manner as the Company may determine before issue of such preference shares.

## **6. POWER TO ISSUE SECURITIES**

The Company shall, subject to the applicable provisions of the Act and Rules and Regulation, have the power to issue debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other securities or rights which are by their terms convertible or exchangeable into equity shares.

### **6.A SHARE EQUIVALENT**

The Company shall, subject to the applicable provisions of the Act and the terms of these Articles, compliance with applicable law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

## **7. ADRS/GDRS**

The Company shall, subject to the applicable provisions of the Act, compliance with all Law and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

## **8. ALTERATION OF SHARE CAPITAL**

The Company shall power to alter its share capital in the manner permitted under the provisions of Section 61 of the Act.

## **9. REDUCTION OF SHARE CAPITAL**

The Company may, subject to Section 66 and other applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

### **9.A POWER TO MAKE COMPROMISE AND ARRANGEMENTS**

Subject to the provisions of Section 230 to 240 of the Act and other applicable provisions of these Articles, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws. This Article is not to derogate any power the Company would have under law, if it were omitted.

## **10. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board or the shareholders as the case may, the Company may purchase its own Equity Shares or other Securities, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and regulations formulated by any statutory/regulatory authority as may be applicable from time to time.

## **11. VARIATION OF CLASS OF SHAREHOLDERS' RIGHTS**

Where the Capital is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

## **12. REGISTERS TO BE MAINTAINED BY THE COMPANY**

- (a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, cause to be kept the following registers in terms of the applicable provisions of the Act:
  - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
  - (ii) A register of Debenture holders; and
  - (iii) A register of any other security holders.
- (b) The register(s) and index of beneficial owners maintained by a depository under the Depositories Act, 1996, as amended, shall be deemed to be the corresponding register(s) and index required under (a) above and the Act.
- (c) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

## **13. SHARES AND SHARE CERTIFICATES**



- (a) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders. Such share certificates shall also be issued in the event of consolidation or sub-division of Shares of the Company.
  - (b) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
  - (c) A duplicate certificate of shares may be issued, if such certificate:
    - i. is proved to have been lost or destroyed; or
    - ii. has been defaced, mutilated or torn and is surrendered to the Company.
  - (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
  - (d) A certificate, issued under the Common Seal, if any, of the Company and signed by two Directors or by a Director and the Company Secretary, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in dematerialized form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
  - (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Board / Committee of the Board so decide or on payment of such fees (not exceeding Rupees fifty for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- Provided that notwithstanding what is stated above, the Board shall comply with the applicable provisions of the Act, rules or regulations or requirement of any Stock Exchange and rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act or rules applicable in this behalf.
- (f) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
  - (g) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
  - (h) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively

machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

#### **14. SHARES AT THE DISPOSAL OF THE BOARD**

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, preferential offer or private placement, subject to and in accordance with the Act, Rules and other applicable provisions of law.
- (b) Every Shareholder, or his heir(s), Executor(s), or Administrator(s) shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (c) The Company shall comply with the Companies (Share capital and Debentures) Rules 2014 in respect of issue, re –issue, sub – division, consolidation, renewal of share certificate, sealing and signing of certificates and the records to be maintained of certificates issued by the Company. The Company shall deliver the certificates of all securities as per Section 56 (4) of the Act.

#### **15. Further Issue of Shares**

- 1. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, either out of unissued share capital or out of increased share capital, then :
  - (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares at that date by sending a letter of offer, subject to the following conditions, namely:-
  - (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
  - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.
- 2. Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever:

- (a) If a special resolution to that effect is passed by the Company in general meeting, or
  - (b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
3. Nothing in sub-clause (c ) of (1) hereof shall be deemed :
- (a) To extend the time within which the offer should be accepted; or
  - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
4. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company:
- (a) To convert such debentures or loans into shares in the Company; or
  - (b) To subscribe for shares in the Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (c) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (d) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

## **16. UNDERWRITING AND BROKERAGE**

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Act, Companies (Prospectus and Allotment of Securities) Rules, 2014 and regulations prescribed by SEBI for this purpose as amended from time to time.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

## **17. CALLS ON SHARES**

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

- (b) Such days' notice in writing as permitted under the Act, at the least shall be given by the Company of every call (otherwise than on allotment) specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree, to and receive from any Member willing to advance the same, the whole or any part of the moneys due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or

satisfied in advance, or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls on any Share may carry interest but then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

- (k) No Member shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

## 18. COMPANY'S LIEN

- (a) The Company shall have a first and paramount lien:
  - (i) on every share / debentures (not being a fully paid shares / debentures), and on the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of such share / debenture whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that this Article is to have full effect. The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares;
  - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person (whether solely or jointly with others), for all money presently payable by him or his estate to the Company; and
  - (iii) on the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.
  - (iv) Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures.

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) The fully paid-up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- (c) No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (d) The Company may sell, in such manner, as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:
  - (i) unless a sum in respect of which the lien exists is presently payable; or
  - (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- (e) To give effect to any such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser

shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- (f) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.
- (g) The provisions of this Article shall *mutatis mutandis* apply to the Debentures of the Company.

## **19. FORFEITURE OF SHARES**

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all

Persons claiming to be entitled to the shares.

- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

## **20. TRANSFER AND TRANSMISSION OF SHARES**

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form. The Company shall also use a common form of transfer.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. All provisions of Section 56 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registrations thereof.
- (c)
  - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
  - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and the transferor or to the person giving

intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- (g) Subject to the applicable provisions of the Act and these Articles, the Board shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any member or members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (m) A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.



Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (Ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (o) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (p) No fee shall be charged by the Company in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (r) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

Provided that any physical transfer shall be allowed by the Company, unless the same is permitted under the Act or rules made thereunder.

## **21. TERM OF ISSUE OF DEBENTURE**

Subject to the applicable provisions of the Act and other applicable law, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

## 22. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles but subject to the provisions of Law, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the dematerialized form and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, the Company may exercise an option to issue, dematerialize, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) If a Person opts to hold his Securities in dematerialized form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(d) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(g) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial

Owners in the records of a Depository.

- (ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(h) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(i) Certificate Number and other details of Securities in Depository:

All the provisions in the Act or these Articles regarding the necessity to have certificate number/distinctive numbers for Securities issued by the Company shall not apply to Securities held with a Depository.

(j) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

## **23. NOMINATION BY SECURITY HOLDERS**

A holder of a security may appoint a nominee for his securities subject to the provisions of Section 72 of the Act and subject to the provisions of the Rules as may be prescribed in this regard.

## **24. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

## **25. BORROWING POWERS**

- (a) Subject to the provisions of Section 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
  - (i) accept or renew deposits from Shareholders;
  - (ii) borrow money by way of issuance of Debentures;
  - (iii) borrow money otherwise than on Debentures; and
  - (iv) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as

the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- (c) Any bonds, Debentures, debenture-stock or other Securities, may if permissible in Law, be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Provided that Debentures with rights to allotment of shares or conversion into shares shall not be issued except with, the sanction of the Company in a General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

## **26. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

## **27. QUORUM FOR GENERAL MEETING**

The quorum for the members' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

## **28. CHAIRMAN OF THE GENERAL MEETING**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he is not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Members present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

## **29. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

## **29.A POSTAL BALLOT AND E-VOTING**

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended from time to time, or other law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time and other applicable laws.
- (c) The Company shall also provide e-voting facility to the shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other applicable law.

## **30. DIRECTORS**

- (a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (Fifteen), provided that the Company may appoint more than 15(Fifteen) directors after passing a special resolution in a General Meeting.
- (b) Nominee Director: Subject to receipt of approval of the public shareholders post listing, by way of a special resolution, at the first shareholders meeting held by the Company post-listing of its Equity Shares pursuant to an IPO, as long as the Ownership of PIOF is not less than the Minimum Ownership and is at least 18% the Investor shall have the right to appoint two Directors on the Board and if the Ownership of the Investor Group is between the Minimum Ownership and 18%, the Investor shall be entitled to nominate one Board seat.
- (c) The first Directors of the Company are:
  - 1) Lt. Gen. (Rtd.) Har Krishan Sibal

- 2) Mrs. Meena Chowdhury
- 3) Mr. Madhukar Khera

### **31. CHAIRMAN OF THE BOARD OF DIRECTORS**

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

### **32. APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

### **33. CASUAL VACANCY AND ADDITIONAL DIRECTORS**

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 27. Any Person so appointed as an additional Director shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

### **34. DEBENTURE DIRECTORS**

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

### **35. NOMINEE DIRECTORS**

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The

nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

### **35.A INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on its Board, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other law, as may be applicable.

### **36. REMUNERATION OF DIRECTORS**

- (a) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act for each meeting of the Board or any Committee thereof attended by him.
- (b) The sitting fees payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (c) The Directors shall be paid such further remuneration (if any), as the Company in General Meeting shall from time to time determine, and such further remuneration shall be paid to or divided among the Directors or some or any of them in such proportion and manner as the Directors may from time to time determine;

### **37. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

Subject to the provisions of the Act and Law, if any Director is called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

### **38. CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 30 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

### **39. VACATION OF OFFICE BY DIRECTOR**

The office of a Director, shall *ipso facto* be vacated on the grounds as mentioned in Sections 167 of the Act.

### **40. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S) / MANAGER**

- a) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole time Director/s and/or Special Director like Technical Director, Financial Director etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors / Whole-time Director(s), Technical Director(s) and Financial Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine.
- b) The Managing Director shall not be liable to retire by rotation.

- c) A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a Resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.
- d) Subject to the provisions of Section 197 of the Act, a Managing Director / Whole Time Director or Special Directors shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such additional remuneration as may from time to time be approved by the Board and Company. The remuneration of such Directors may be by way of monthly remuneration and/or Performance Bonus/Incentive and/or participation in profits or by any or all of those modes, or of any other mode not expressly prohibited by the Act. The payment of overall managerial remuneration shall not exceed the maximum limits prescribed under the Act. In case of absence or inadequate profits, the payment of the managerial remuneration shall be subject to necessary statutory approvals.
- e) Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may from time to time entrust to and confer upon the Managing Director or Managing Directors for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think fit and they may confer such powers, either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**41. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**42. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED**

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

**43. ELECTION OF CHAIRMAN OF BOARD**

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

**44. POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.



- b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- c) The Board of Directors of the Company shall exercise certain powers as mentioned in the Section 179 of the Act only by resolutions passed at the meeting of the Board any other matter which may be prescribed under the Act and Companies (Meetings of Board and its Powers) Rules, 2014 or any other applicable law.

#### **45. COMMITTEES AND DELEGATION BY THE BOARD**

- (a) The Company shall constitute such Committees as may be required under the Act and applicable provisions of Law.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

#### **46. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTS IN APPOINTMENT**

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

#### **47. CHARGE OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

#### **48. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

#### **49. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY**

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

## **50. KEY MANAGERIAL PERSONNEL**

- a) The Company shall have the following whole time Key Managerial Personnel: (a) Managing Director, or Chief Executive Officer, or Manager, and in their absence a whole-time director; (b) Company Secretary and (c) the Chief Financial Officer. Such individuals who shall be identified as whole time Key Managerial Personnel (whole time KMP). Every whole time KMP shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
- b) A whole time KMP shall not hold office in more than one company except in its subsidiary company at the same time. Provided that nothing contained herein shall disentitle a KMP from being a director of any company with the permission of the Board.
- c) If the office of any whole time KMP is vacated the resulting vacancy shall be filled up by the Board at the Meeting of the Board within a period of six months from the date of such vacancy

## **51. THE COMPANY SECRETARY**

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Company Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Company Secretary) to maintain the Registers required to be kept by the Company.

## **52. SEAL**

- (a) The Board may provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, if any, for the time being.
- (b) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board, and except in the presence of at least one (1) Director or of the Company Secretary or such other person as the Board or Committee of the Board may appoint for the purpose; and those one (1) Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

## **53. BOOKS OF ACCOUNTS**

- i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors as per the provisions of the Act.
- ii) No member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

## **54. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA**

Each registered Shareholder from time to time shall notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

## **55. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Members who does not have registered address in India, has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

**56. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Members by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

**57. NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

**58. DIVIDEND AND RESERVE**

- (a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- (c) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (d) The Board may also carry forward any profits which it may consider necessary not to distribute, without setting them aside as a reserve.
- (e) (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.  
  
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  
  
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (f) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

- (g) (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (h) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- (i) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- (j) No dividend shall bear interest against the company.
- (k) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “\_\_\_\_\_ Unpaid Dividend Account” as per the applicable provisions of the Act.
- (l) Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (m) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the “Investors Education and Protection Fund” subject to the provisions of the Act and Rules.
- (n) No unclaimed or unpaid dividend shall be forfeited by the Board.

## **59. CAPITALISATION OF PROFITS**

Subject to the provisions of Section 63 of the Act and rules made thereunder and the applicable laws, the Company in its General Meeting may resolve to issue the bonus shares to its Members and capitalize its profit or free reserves for the purpose of issuing fully paid up bonus shares.

## **60. WINDING UP**

Subject to the applicable provisions of the Act and the Rules made thereunder–

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **61. DIRECTOR’S AND OTHER’S RIGHTS TO INDEMNITY**

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and the company shall pay out its funds all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all the claims.

## **62. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality of the foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

## **63. INSPECTION BY MEMBERS**

The register of charges, register of investments, register of members, books of accounts and the minutes of the meeting of the board and members shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each Business Day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

## **64. AMENDMENT TO ARTICLES OF ASSOCIATION**

- (a) The Members shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (b) The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

## **65. SECRECY**

- a) No shareholder shall be entitled to inspect the Company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the Company to communicate to the public.
- b) Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration

pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

## **66. BRAND PROTECTION**

- a) India has a rich tradition of art, craft and culture and lot of the same resides in various rural clusters of this country, which has been passed on over generations by the families. The founders of the Company wanted to build a global brand based on this ecosystem to help preserve, develop and nurture this rich tradition of India. The promoters and the shareholders of the Company have always held this vision sacrosanct and will always make it the guidepost for all its operating decisions. Thus, the Company resolves necessarily to adhere to and remain true to at all times in its operations to its founding Vision, Mission and Core principles.
- b) The founding Vision, Mission and Core Principles which the Company will always adhere to are as follows:
  - (i) We Celebrate India and endeavor to bring all that we love about India to customers around the world.
  - (ii) We are India's lifestyle Brand celebrating India's Traditions and diversity.
  - (iii) We will create mutually reinforcing business models to strengthen and support our community of franchisees, designers, artisans, farmers, makers and entrepreneurs inspired by India.
  - (iv) We bring products with rich heritage and traditional knowledge that resides in India's arts and crafts.
  - (v) We support livelihoods and work to develop the crafts clusters across India.
  - (vi) A true promise to support an extensive network of artisans, craftsmen and weavers who are truly the spirit of India to be celebrated. That was the origin of our Company and that should remain the distinctive feature in its growth trajectory.
  - (vii) Make craft available to the market from remote regions and to preserve India's unique heritage, be it indigenous crafts, particular ways of production and reviving dying traditional techniques and support small and marginal farmers.
  - (viii) To be true to our commitment and history as an ethical and trust-worthy brand promoting a stake-holder based community model of inclusive capitalism.
  - (ix) To support small and marginal farmers transition to a more sustainable and regenerative organic agriculture and help them with access to premium global markets.
  - (x) We are committed to regularly assess our environmental and social impact, judging ourselves on the triple bottom line of TRUE ESG.
- c) The Board shall monitor full compliance by the Company with the above Vision, Mission and Core principles and if at any time there is any event or action that could result in the violation or breach of the above Vision, Mission and Core Principles, the Board shall take all appropriate steps to preserve the sanctity of the above Vision, Mission and Core Principles and the trueness of its Brand “Fabindia, Celebrate India”.

## **67. GENERAL POWER**

Wherever in the Companies Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

## PART II

### PART-A

#### I. PRELIMINARY

- 1.1 The regulations contained in Table 'F' of the Schedule I to the Companies Act, 2013 shall apply to the Company, subject to and except in so far as they are amended or altered by these Articles.

#### II. DEFINITIONS AND INTERPRETATION

- 2.1 In these Articles, unless there is anything inconsistent with the subject or context the following terms shall have the following meaning. Any of the other terms used in the Articles which are not specifically defined in these Articles shall have the meaning ascribed to them in the Restated Shareholders Agreement and/or the Transaction Documents:

- (a) **“Act”** means the Companies Act, 2013. Provided that if the relevant Government Authority appoints different dates for the coming into force of different provisions of the Companies Act, 2013, then the term “Act” will refer to those provisions of the Companies Act, 2013 as are in force at the time of such notification and in all other cases, the term “Act” will refer to the Companies Act, 1956, as amended from time to time and shall include any statutory replacement or re-enactment thereof.
- (b) **“Affiliate”** with respect to any Party means any Person which is a holding company or Subsidiary of such Party, or any Person which, directly or indirectly, (a) Controls such Party, (b) is Controlled by such Party, (c) is Controlled by the same Person who, directly or indirectly, Controls such Party, or (d) is a subsidiary of the same Person of which such Party is a subsidiary, and in the case of an individual, includes a relative within the meaning of Section 2(77) of the Act.

Without prejudice to the generality of the foregoing, “Affiliate”, in respect of the Investor Group shall be deemed to include, without limitation, any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership only of constituents of the investment group which manages the Investor Group), special purpose or other vehicle, or any subsidiary or Affiliate of any of the foregoing, which is exclusively managed or advised by the investment group to which the Investor Group belongs, whether on the date of this Agreement or in the future.

- (c) **“Agreement”** means the Restated Shareholders Agreement dated June 30, 2016, executed by and between the Investor Group, the Promoters and the Company, as may be amended from time to time in accordance with its terms including the First Addendum.
- (d) **“Applicable Law(s)”** means the laws of the Republic of India or where applicable any political subdivision thereof and all rules, regulations, notifications, ordinances, policies, applicable laws, by-laws, orders, protocols, codes, guidelines, notices, directions, judgments, decrees or other requirements, whether in effect on the date of the Agreement or thereafter, and modifications thereof in effect from time to time, including the Prevention of Corruption Act, 1988 and other similar enactments in India from time to time.

- (e) **“Articles”** mean these articles of association of the Company, as amended from time to time.
- (f) **“Board”** means the board of directors of the Company.
- (g) **“Brand”** means the brand “Fabindia” and all connected brands/ trademarks/ intellectual property rights as registered under laws of respective jurisdictions.
- (h) **“Business”** means the business of the Company, i.e. designing, logistic support, contract manufacturing, procurement and/or sale by way of retailing of Products, at the relevant time in such territories or countries in which the Company and/or International HoldCo then operates.
- (i) **“Business Day”** means any day other than Saturday and Sunday, on which banks are open for normal banking business in New Delhi and Bangalore.
- (j) **“Change in Control”** means, with respect to the Company, (a) if the aggregate Shares held by the Promoters, either directly or indirectly (through intermediate entities), in the Company fall below 26% of the Share Capital of the Company, or (b) a third party (along with its Affiliate(s)) acquires Shares in the Company such that its Ownership in the Company exceeds the Ownership of the Promoters, or (c) such third party (along with its Affiliate(s)) becomes entitled to appoint a majority of Directors on the Board.
- (k) **“Closing”** has the same meaning as ascribed to it in SPA 2016 and **“Closing Date”** means the date on which Closing under SPA 2016 occurred.
- (l) **“Company”** means Fabindia Limited.
- (m) **“Control”** or **“Controlling”** or **“Controlled by”** with respect to any Person, means: (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than half of the directors, partners or other individuals exercising similar authority with respect to such Person, or (b) the possession, directly or indirectly, of a voting interest of more than 50%, or (c) a contractual shareholder or director having veto right in management matters by law or contract.
- (n) **“Consummation of the IPO”** shall mean the receipt of final listing and trading approval from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.”
- (o) **“Director”** means a director of the Board.
- (p) **“EAST Ltd.”** means EAST Lifestyle Limited, a company incorporated under the laws of United Kingdom, having its registered office at 55, Kimber Road, London, SW18 4NX, United Kingdom.



- (q) **“Financial Investor”** means any financial investor engaged in the business of making financial investments (excluding, for the avoidance of doubt, any Person who owns 26% or more of an entity running and operating any retail business which receives more than 3% and/or INR 50 million of its annual revenues from such activities and any Affiliate established by such excluded Person or a promoter of such excluded Person), and shall include the following:
- (i) a banking company within the meaning of the Banking Regulation Act, 1949;
  - (ii) foreign banks regulated by a banking supervisory authority in the country of their incorporation;
  - (iii) financial institutions including non-banking financial companies, incorporated in India, which are in the business of lending as their primary business;
  - (iv) foreign institutional investor/their sub-accounts registered with the Securities and Exchange Board of India;
  - (v) a fund (including equity, mutual fund, venture capital, bond, balanced, private equity, buy-out or any other investment style);
  - (vi) pension funds or corporate funds set up to explicitly make financial investments or any entity whose primary purpose is to invest capital;
  - (vii) any investment entity or special purpose vehicle controlled, directly or indirectly, by persons referred in (a) through (f) above.
- (r) **“First Addendum”** shall refer to Addendum and Amendment No. 1, dated May 11, 2017, to the Restated Shareholders Agreement of June 30, 2016 executed by and between parties to the Restated Shareholders Agreement.
- (s) **“FIPB”** means the Foreign Investment Promotion Board of India.
- (t) **“Fully Diluted Basis”** means the calculation of the Share Capital, allotted (whether fully or partly paid up) on the date of such calculation, being the sum of (a) all subscribed and issued Share Capital, (b) all other warrants, options and other convertible securities on an as converted basis, and (c) any unallotted stock as held in trust by the Employee Welfare Trust of the Company or any other Person on an as converted basis.
- (u) **“Indian GAAP”** means the generally accepted accounting principles applicable in India.
- (v) **“Independent Director”** shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.
- (w) **“International HoldCo”** means Fabindia International Pte. Ltd., Singapore.
- (x) **“Investor Director(s)”** has the meaning assigned to it in Article 23.8(a).
- (y) **“Investor Group”** or **“Investor”** refers to PI Opportunities Fund-I, a trust incorporated and existing under the laws of India, with its principal office at #134, Next to Wipro Corporate Office, Doddakannelli, Sarjapur Road, Bangalore-560 035, of which, Hasham Premji Private Limited (a company incorporated and existing under the laws of India and having its registered office at Hasham Premji House, #5, Janmabhoomi Marg, Fort, Mumbai-400 023, India) is the

trustee, and which is an Alternative Investment Fund registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations 2012, represented by its investment manager Hasham Investment and Trading Company Private Limited (a company incorporated and existing under the laws of India and having its registered office at No: 134, Doddakannelli, next to Wipro Corporate Office, Sarjapur Road, Bangalore-560 035, India).

- (z) **“Investor Shares”** mean all Shares of the Company held by the Investor Group in the Company at any point upon or after Closing, either directly and/or through Affiliates.
- (aa) **“IPO”** means an initial public offering of Shares of the Company, as per Applicable Law, culminating in its listing on the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. or any other recognized major stock exchange.
- (bb) **“Material Adverse Change”** means: (i) a material adverse change in the assets, business, properties, liabilities, financial condition, results, operations or prospect of the Company, or Applicable Laws, (ii) any event that would render the representations and warranties of the Company, Promoters or the Transferors, as the case may be, under any of the Transaction Documents false, and (iii) any material adverse change in the ability of Company, the Promoters or the Transferors to perform all their obligations under this Agreement or any other Transaction Document, as the case may be.
- (ab) **“Material Subsidiary(ies)”** means any new Subsidiary whose turnover or assets is more than 15% of the consolidated turnover or the consolidated assets, as the case may be of the Company, determined based on the audited consolidated financial statements during the financial year immediately preceding the financial year in which such determination is made.
- (ac) **“Memorandum”** means the memorandum of association of the Company, as amended from time to time.
- (ad) **“Minimum Ownership”** with respect to the Investor Group, means the Ownership of 8% of the Share Capital of the Company or 5% of the Share Capital of the Company if the reduction in the Investor Group’s Ownership is on account of dilution rather than active sale by the Investor.
- (ae) **“Ordinary Course of Business”** means the usual, regular and normal course of business consistent with past industry custom and practice, but only to the extent consistent with Applicable Law.
- (af) **“Organic India Brand”** shall mean the brands of Organic India Private Limited and all connected brands/ trademarks/ intellectual property rights as registered under laws of respective jurisdictions.
- (ag) **“Organic India Private Limited”** means Organic India Private Limited, a company incorporated and existing under the laws of India with its registered office at Plot No. 266, Faizabad Road, Kamta, P.O. Chinhat, Lucknow, Uttar Pradesh-227 105, India, and shall include its subsidiaries.

- (ah) **“Ownership”** means, as of any date of determination with respect to a Party, without double counting, the percentage sum of the effective (i) direct ownership interest in the Share Capital, if any, of such Party, and (ii) indirect ownership interest in the Share Capital held by such Party and/or any of its Affiliates through any intermediate entities calculated on a proportionate basis for such intermediate entities, as of such date of determination on a Fully Diluted Basis.
- (ai) **“Party”** has the meaning as ascribed to it in the Agreement.
- (aj) **“Products”** mean any crafts and fabrics, garments and accessories, home furnishings, furniture, organic goods, personal care products and other similar products sourced or sold by the Company, including adjunct products and services to which the Brand or Organic India Brand extends.
- (ak) **“Promoters”** mean the promoters of the Company, being Mr. William Nanda Bissell, Mrs. Bimla Nanda Bissell, Ms. Monsoon Latane Bissell, Ms. Sara Kamla Bissell, Mr. John Varun Bissell and JLB Partners Holding Inc. (formerly known as JLB Canton LLC).
- (al) **“Related Party”** has the meaning as ascribed to it under the Act or as provided in the applicable accounting standards.
- (am) **“Seal”** means the common seal of the Company.
- (an) **“Share(s)”** means one or more equity shares of the Company, including ordinary shares of any face value together with all rights, differential rights, obligations, title, interest and claim in such shares and includes all subsequent issue of shares of whatever face value or description, bonus shares, conversion shares and shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.
- (ao) **“Share Capital”** means the total issued and fully and partly paid-up equity share capital of the Company, determined on a Fully Diluted Basis.
- (ap) **“SPA 2016”** means Share Purchase Agreement dated May 20, 2016, executed by and between WCP Mauritius Holdings, Hasham Investment and Trading Company Private Limited, the Company and the Promoters.
- (aq) **“Strategic Investor”** means a potential acquirer of any of the Shares held by the Investor Group in the Company, who or whose Affiliates, (a) has a shareholding interest of more than 10% in a company carrying on activities akin to the retail business or organic food, supplements and other wellness products business and/or receives more than 3% and/or INR 50 million of its annual revenues from activities akin to the retail business or organic food, supplements and other wellness products business and/or; (b) is a person who has representation on the board of any company in the retail business. It is clarified that under no circumstances can the potential acquirer be any person directly or indirectly acting on behalf of the Reliance group or its Affiliates. It is clarified that for countries/ territories outside India product lines that contribute to less than 5% of the Company’s total revenues, at the relevant time, are excluded from the purview of ‘retail business’ and organic food,

supplements and other wellness products business for the purposes of this definition. For the avoidance of doubt, a Strategic Investor shall not include a Financial Investor or a person/ entity who is only a financial investor with less than 10% shareholding in a listed company engaged in the same Business.

- (ar) **“Subsidiaries”** has the meaning as assigned to it in the Act and in the context of these Articles of Association will mean the “Subsidiaries” of the Company and includes such companies which are Controlled by the Company, from time to time.
- (as) **“Transaction Documents”** has the meaning as ascribed to it in the Agreement.
- (at) **“Transfer”** means to sell, offer to sell, gift, give, assign, transfer, transfer of any interest in trust, mortgage, alienation, hypothecate, pledge, encumber, grant a security interest in, or suffer (whether by operation of Applicable Law or otherwise) any encumbrance on, any Shares or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily.
- (au) **“Transferee”** has the meaning as ascribed to it in SPA 2016.
- (av) **“Transferor(s)”** has the meaning as ascribed to it in SPA 2016.
- (aw) **“SEBI”** mean the Securities and Exchange Board of India.
- (ax) **“SEBI Listing Regulations”** Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (ay) **“Share Equivalents”** shall mean any debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

2.2 In the event of any conflict or inconsistency between the provisions of these Articles and the Agreement, the provisions of the Agreement shall prevail.

2.3 In these Articles, unless the context requires otherwise:

- (a) reference to the singular includes its plural and vice versa;
- (b) reference to a gender includes a reference to all genders;
- (c) reference to an individual includes the individual’s heirs, representatives, successor, executor, administrators and assigns;
- (d) reference to statutory provisions include references also to amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to statutory provisions;

- (e) reference to any statute or regulation made using a commonly used abbreviation, shall be construed as a reference to the title of the statute or regulation;
- (f) Article headings in these Articles are inserted for convenience only and shall not be used in its interpretation;
- (g) Any word or phrase defined in the body of these Articles as opposed to being defined in Article 2 shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context;
- (h) Reference to a number of days herein shall be construed to exclude the first and include the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day which is a Business Day;
- (i) The use of the word “including” shall not be construed as limiting the meaning of the general wording preceding it;
- (j) Reference to a “Person” includes (as the context requires) an individual, proprietorship, partnership firm, company, limited liability company, body of corporate, co-operative society, entity, authority or anybody, association or organization of individuals or persons, whether incorporated or not;
- (k) Reference to any agreement, deed, document, instrument, rule, regulation, notification, statute or the like shall mean a reference to the same as may have been duly amended, modified or replaced. For the avoidance of doubt, a document shall be construed as amended, modified or replaced only if such amendment, modification or replacement is executed in compliance with the provisions of such document(s);
- (l) Words and expressions used but not defined in these Articles shall have the meaning assigned to them in any of the other Transaction Documents, as the case may be.

### **III. PUBLIC COMPANY**

3.1 The company is a public company as defined under Section 2(71) of the Act.

### **IV. SHARE CAPITAL**

4.1 The Authorized Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

The Company shall have the power to increase or reduce its capital and to subdivide the Shares in capital for the time being into Shares of smaller denominations or to consolidate them into Shares of larger denominations or to divide them into several classes of stocks or Shares and to attach thereto respectively, such preferential rights or privileges or condition, as may be determined by or in accordance with these Articles.

4.2 The Shares shall be at the disposal of the Directors and they may allot or otherwise dispose them of

to such persons at such time and generally on such terms and conditions, as they think proper, subject to the provisions of these Articles.

- 4.3 The transfer of the Shares of the Company shall only be made pursuant to any one or more of these Articles.
- 4.4 In case of increase in capital, the Shares may be divided into several classes and there may be attached thereto respectively any preferential, or other special rights, privileges, conditions, or restrictions whether in regard to dividend, voting, return of share capital or otherwise, as the Company may, from time to time, by special resolution determine, subject to the provisions of these Articles and the Agreement.
- 4.5 In case of increase of Share Capital in any case whatsoever, when the Company creates or issues new Shares of any description, the Directors shall have absolute right of allotment of such Shares on such terms and conditions and in such manner as they deem fit, subject to the provisions of these Articles and the Agreement.
- 4.6 If a Share certificate is defaced, lost or destroyed, it may be renewed on such terms, if any, as to evidence and indemnity, as the Board may think fit.
- 4.7 Save and except for the Shares held by Investor, no person shall be recognized by the Company as holding any Shares upon trust, and the Company shall not be bound by or recognize any equitable, contingent or future interest in any Share or fractional part of a Share or any other rights in respect of any Share, except an absolute right to the entirety thereof in the registered holder.
- 4.8 Subject to these Articles and Sections 68, 69 and 70 and other applicable provision, if any, of the Act, the Board is hereby authorized to buy-back from the existing shareholders of the Company, including the employee shareholders, who may be issued Shares under the stock-option or sweat equity scheme, out of its free reserves or other sources as may be permitted under Applicable Law.
- 4.9 The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

## **V. SHARE EQUIVALENT**

- 5.1 The Company shall, subject to the applicable provisions of the Act, the terms of these Articles and the Agreement, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

## **VI. ADRS/ GDRS**

- 6.1 The Company shall, subject to the applicable provisions of the Act, the terms of these Articles and the Agreement, compliance with all Laws and the consent of the Board, have the power to issue American Depositary Receipt(s) issued by a U.S. Bank representing specified number of share(s) in a foreign stock traded on a U.S. stock exchange(s) (“**ADRs**”) or any instrument issued by the Company in the form of a depository receipt, by whatever name called, created by a foreign depository outside India (“**GDRs**”) on such terms and in such manner as the Board deems fit

including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

## **VII. ALTERATION OF SHARE CAPITAL**

7.1 Subject to these Articles, the Agreement and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting, from time to time, alter the conditions of its Memorandum as follows:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

*Provided* that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

## **VIII. REDUCTION OF SHARE CAPITAL**

8.1 The Company may, subject to the applicable provisions of these Articles, the Agreement and Section 66 of the Act, from time to time, by special resolution reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

## **IX. POWER TO MAKE COMPROMISE AND ARRANGEMENTS**

9.1 Subject to the provisions of Section 230 to 240 of the Act and other applicable provisions of these Articles and the Agreement, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws. This Article is not to derogate any power the Company would have under Law, if it were omitted.

## **X. \*\*CAPITALISATION OF PROFITS**

10.1 The Company in general meeting may, upon the recommendation of the Board, resolve –

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards –
  - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub clause (b);
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

10.2 (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall –

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power –
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their



respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

- (iii) Any agreement made under such authority shall be effective and binding on such members.

## **XI. INVESTOR GROUP'S RIGHT TO MAINTAIN SHAREHOLDING**

- 11.1 If the Company proposes an offering of its Shares to a third party (other than an employee stock grant, approved in writing by the Investor Group, acquisition of another company or Shares offered by the Company to the public pursuant to an underwritten IPO in accordance with these Articles or the Agreement), the Investor Group shall, subject to Applicable Laws, have the right to purchase, at the same terms set forth in the offering, a proportion of such offered Shares of the Company equal to its then holding of Shares as a percentage of the Share Capital of the Company in order to maintain its Ownership in the Company.
- 11.2 If the Company issues Shares or securities convertible into Shares to a third party, on or after the Closing Date, at an effective price per Share which is lower than the per Share price at which the Transferee acquired the Shares of the Company as per SPA 2016 ("**Lower Consideration**"), the Company and the Promoters shall take all steps requisite to issue additional Shares to the Investor Group at the lowest possible price and in keeping with Applicable Laws so as to ensure that the average price per Share (calculated on a Fully Diluted Basis) purchased and subscribed to by the Investor Group is no greater than the Lower Consideration.

## **XII. CHARITABLE CONTRIBUTIONS**

- 12.1 The Company shall be at liberty to continue to make annual contributions to the John L. Bissell Foundation, a charitable organization, in any year for an amount not exceeding 0.35% of the Company's profit before tax, subject to the condition that such contributions are made subject to the provisions of the Act and any other Applicable Law.

## **XIII. FUNDAMENTAL BUSINESS PRINCIPLES, OTHER OBLIGATIONS AND EMPLOYEE STOCK OPTION PLAN**

- 13.1 The Company shall continue to be managed in accordance with prudent financial and industry practices, with due diligence and efficiency with a vision to optimize shareholders value.
- 13.2 Subject to prior approval of the Board and the rights of the Investor Group under Article 14 hereof, any Related Party may enter into transactions with the Company, provided that such transactions shall always be on objectively determined market rates, on commercial arms' length basis and shall be entered and performed consistent with Applicable Law.
- 13.3 Subject to Applicable Laws, and save and except for acts done by the Investor Group outside of the Ordinary Course of Business, the Investor Group shall not be required to bear any liability by virtue of its shareholding in the Company, including any liability for any acts or transactions done by or on behalf of the Company, or non-compliance of any statutory requirement or Applicable Law or contractual obligation by the Company.
- 13.4 The Investor Group shall not be required to pledge its shareholding in the Company, provide

other support to any third party or provide any guarantee or security in respect of any present or future liability, borrowing or indebtedness of the Company. In the event the Investor Group is called upon to bear any liability, except for acts occasioned on account of a default by the Investor Group or any Investor Director, the Company shall indemnify the Investor Group in accordance with the provisions of Article 20 of the Agreement.

13.5 The Company shall insure all of their respective material assets against all risks normally insured by companies carrying on the same or similar businesses or owning assets of a similar nature.

13.6 No past or present Investor Director shall be:

- (a) liable for any default or failure of the Company in complying with Applicable Laws,
- (b) identified as officers in default of the Company, or occupiers of any premises used by the Company,

and in all cases, the Company shall hold all past and present Investor Directors harmless and indemnified in accordance with the provisions of Article 20 of the Agreement.

13.7 The Company shall conduct its Business and shall procure that its Subsidiaries conduct their business in accordance with Applicable Laws.

13.8 Promoters shall exercise their rights in all Board and Shareholders meetings in a manner and do all other things necessary to cause the Company to comply with all its obligations contained in the Agreement.

13.9 The Company and any Subsidiaries incorporated in India, shall implement and enforce policies and procedures as enumerated in the Annexure 3 of the Agreement and such other guidelines as the Board may in their judgment prescribe from time to time, that are reasonably designed to prevent employees and duly authorized representatives from (a) offering to make or making any improper payments, gifts or bribes to government officials to secure a business advantage on behalf of the Company or (b) paying any bribes or improper gifts to any other person to secure an improper business advantage on behalf of the Company.

13.10 \*\*The Company could issue additional equity in the form of new equity shares ranking pari passu with existing shares as per these Articles of the Company (not enjoying special rights or privileges as contained in any shareholders agreements) to the extent of 9,00,000 (Nine Lakhs) equity shares to award stock options for employees and working directors covering financial years up to 2020-21.

13.11 The award of stock options as envisaged in Article 13.10 above shall be done as per the terms decided by the Remuneration & Compensation Committee, from time to time.

#### **XIV. MINORITY RIGHTS OF THE INVESTOR GROUP**

14.1 The Investor Group shall have the following minority rights:

- i Fresh capital cannot be created or issued by the Company at a price lower than that paid by

the Transferee as per SPA 2016 (adjusted for any stock splits, bonus and rights issues), or by any Material Subsidiary, without the written consent of the Investor Group and without compliance with Article 11.2 hereof, except for any issuance in connection with an IPO under the terms of the Agreement.

- ii Notwithstanding anything to the contrary stated in these Articles, the written consent of the Investor Group is required prior to the Company or any Subsidiary undertaking any of the following actions so long as the Investor Group's Ownership is equal to at least the Minimum Ownership:
  - a Any material change in the Business activity;
  - b Any action which may take the Company's debt equity ratio higher than 1:1 on a consolidated basis;
  - c All transactions with a Related Party of the Company, any Subsidiary or of the Promoters other than: (A) any transactions between the Company and a Material Subsidiary in the Ordinary Course of Business, and (B) transactions of value less than Rs.10 lacs with any single Related Party in a financial year, provided that the aggregate value of all such transactions with all Related Parties does not exceed Rs.1 Crore in a financial year;
  - d Payment of dividend by the Company where the outflow is in excess of 25% of the Company's profit after tax for the relevant financial year and/or payment of dividend by any Material Subsidiary (only if such Material Subsidiary is not a wholly owned Subsidiary of the Company) where the outflow is in excess of 25% of such Material Subsidiary's profit after tax for the relevant financial year;
  - e Any alteration or modification of Share Capital, or creation or issuance of Shares (including equity shares, preference shares, non-voting shares, warrants, options, etc.) or any instrument/loans convertible into Shares or alteration in the terms and conditions attached to the Shares, in each case by the Company and/or any Material Subsidiary;
  - f Any diversification outside of the Business and related consumer businesses unless such actions enhance the core of the Business;
  - g Any material changes to the Vision 5 Plan, which is available as Annexure-5 to the Agreement ("**Vision 5 Plan**"), that is expected to result in a change greater than 25% of the consolidated projections set out therein;
  - h Change of name of the Company or any Material Subsidiary;
  - i Alteration to the memorandum of association and/or articles of association of the Company, or the articles of association of any Material Subsidiary, which may have an impact on the rights and privileges of the Investor Group in terms of the Agreement or the Transaction Documents;

- j Providing loans (other than: (A) advances to consultants/ suppliers in the Ordinary Course of Business, and (B) loans to employees which in the aggregate, in any financial year, do not exceed 5% of the total employee related costs of the Company in the said financial year) or any guarantee or security which are not incidental to furthering of the retail and related consumer business objectives of the Company;
- k Transfer of shares held by the Company in any Material Subsidiary;
- l Any merger, winding up or liquidation of the Company or any Material Subsidiary;
- m In case of acquisition or capital expenditure in excess of 25% over the budgeted capital expenditure amount as per the respective financial year annual business plan in the Vision 5 Plan;
- n Divestment of the whole or substantially the whole of the assets of the Company or any Material Subsidiary;
- o Licensing the use of the Brand or Organic India Brand other than in the Ordinary Course of Business or franchising either directly or through International HoldCo to any third party, other than for social, educational and charitable activities of the Promoters, which are either non-profitable or have minimal profits;
- p Merger and Acquisitions;
- q Determining the timing, pricing, and place of any IPO.

The prior written consent of the Investor Group shall be required with respect to any action proposed to be taken by EAST Ltd. and Organic India Private Limited (so long as EAST Ltd. or Organic India Private Limited is a Material Subsidiary) to the extent such action requires the affirmative consent of the Company, except those which are in the Ordinary Course of Business.

- iii The prior written consent of the Investor Group is required prior to the Company's Subsidiaries taking any of the following actions:
  - a Any merger, winding up or liquidation of any such Subsidiary;
  - b In case of acquisition or capital expenditure in excess of 25% over the budgeted capital expenditure amount as per the respective financial year annual business plan in the Vision 5 Plan;
  - c Divestment of the whole or substantially the whole of the assets of such Subsidiary except in the Ordinary Course of Business;
  - d Change in the business of any such Subsidiary.

- iv Upon the occurrence of more than 25% under-performance of consolidated revenues or EBITDA, on a cumulative basis from the Vision 5 Plan, written consent of the Investor Group shall be required prior to the Company and/or any Material Subsidiary undertaking any acquisition or divestment of assets which may have a material effect on the Company or any Material Subsidiary.
- v Upon the occurrence of a Change in Control, the written consent of the Investor Group shall be required prior to the Company or any of its Subsidiaries undertaking any of the following actions:
  - a Approving the business plan/ annual budgets/ operating plans of the Company and Subsidiaries;
  - b Incurring of capital expenditure beyond those approved under the business plan/ budgets of the Company and/or the other Subsidiaries;
  - c Acquisitions or divestments of assets by the Company and/or the other Subsidiaries except in the Ordinary Course of Business;
  - d Determining the timing, pricing, and place of any IPO;
  - e Making of any investments by the Company and/or the other Subsidiaries;
  - f Obtaining or providing any indebtedness or guarantee or security by the Company and/or any other Subsidiary;
  - g Entering into or settlement of litigation by the Company and/or any other Subsidiary;
  - h Licensing the use of the Brand or Organic India Brand to any third party other than for social, educational and charitable activities of the Promoters, which are either non-profitable or have minimal profits;
  - i Appointment or removal of executive Directors of the Company and/or any other Subsidiary.

For the avoidance of doubt, the requirement of prior written consent of the Investor Group under this Article 14.1(v) shall be in addition to the requirement of prior written consent of the Investor Group under Articles 14.1(i) to (iv) and Article 14.1(vi), if applicable.

- vi If the Investor Group is not provided an exit as contemplated in the Agreement on or before December 31, 2022, the written consent of the Investor Group shall be required prior to the Company or any Subsidiary undertaking any of the following actions:
  - a Approving the business plan/ annual budgets/ operating plans of the Company and/or any other Subsidiary;

- b Divestments of assets of the Company and/or any Subsidiary except in the Ordinary Course of Business;
- c Determining the timing, pricing, and place/ stock exchange(s) of any IPO;
- d Licensing the use of the Brand or Organic India Brand to any third party other than for social, educational and charitable activities of the Promoters, which are either non-profitable or have minimal profits;
- e Appointment or removal of executive Directors of the Company and/or any Subsidiary;
- f Incurring of capital expenditure which results in a deviation of more than 10% from the limits approved under the business plan/ annual budget;
- g Making of any investments which results in a deviation of more than 10% from the limits approved under the business plan/ annual budget;
- h Obtaining or providing any indebtedness or guarantee or security which results in a deviation of more than 10% from the limits approved under the business plan/ annual budget;
- i Entering into or settlement of litigation, the aggregate value of which is in excess of INR 2 Crore.

For the avoidance of doubt, the requirement of prior written consent of the Investor Group under this Article 14.1(vi) shall be in addition to the requirement of prior written consent of the Investor Group under Articles 14.1(i) to (iv) and Article 14.1(v), if applicable.

Till such time that the Agreement is valid, if the Investor Group's Ownership in the Company is equal to atleast the Minimum Ownership, at all Board meetings and all meetings of the board of directors of a Material Subsidiary at which any of the minority rights matters as stated in Article 14.1 (i) to (vi) are discussed, the Investor Directors nominated by the Investor Group shall be invited to participate and, the Board meeting and meeting of the board of directors of a Material Subsidiary pertaining to such minority rights matters shall only be convened by giving atleast 15 days prior notice to each of the Investor Directors and all others required to constitute a valid quorum.

Unless prior written waiver is otherwise given by the Investor Group, at all such Board meetings or meetings of the board of directors of a Material Subsidiary where any of the minority rights issues are proposed to be discussed, a valid quorum shall only exist if such Investor Director (whose prior written waiver has not been obtained beforehand) is present and voting. However, in such circumstances, if any of the relevant Investor Director is unable to attend the Board meeting or a meeting of the board of directors of a Material Subsidiary, the meeting shall adjourn to the same place and time 7 days later (or if such day is not a Business Day, at the same time on the next following Business Day) ("**Adjourned Meeting**"), provided that notice of such Adjourned Meeting shall have been sent to all Directors at least 5 days prior to the date of such Adjourned Meeting. If the relevant Investor Director(s) or their respective Alternate Directors are not present at such Adjourned

Meeting, the Directors present shall, subject to Applicable Laws, constitute a valid quorum.

Until such time that the Agreement is valid, if the Investor Group's Ownership in the Company is equal to at least the Minimum Ownership, at all Board meetings and all the meetings of the board of directors of a Material Subsidiary at which any Non Routine Matters are discussed, the Investor Directors nominated by the Investor Group shall be invited to participate and, that the Board meeting and meeting of the board of directors of a Material Subsidiary pertaining to such Non Routine Matters shall only be convened by giving at least 5 Business Days' notice to each of the Investor Directors and all other Directors. If any of the relevant Investor Directors or their Alternate Directors is unable to attend the Board meeting or a meeting of the board of directors of a Material Subsidiary, as the case may be, the Directors present shall, subject to Applicable Laws, constitute a valid quorum.

For the purposes of this provision, "**Non Routine Matters**" shall mean matters other than those which pertain to day to day functioning of the Company or other Subsidiaries but shall not include any of the minority rights matters as stated above in Articles 14.1(i) to (vi).

- 14.2 Any and all meetings of the shareholders of the Company shall be held in accordance with these Articles and after giving notice in accordance with the Act. Similarly, any and all meetings of the shareholders of the Material Subsidiaries shall be held in accordance with the articles of association of the Material Subsidiaries and after giving notice in accordance with the Act.
- 14.3 In the conduct of the Business by the Company, the management shall prepare a business plan and an annual budget containing comprehensive details of its plan for the succeeding financial year. The plan and the budget shall be approved by the Board and copies of the same shall be provided to the Investor Group.
- 14.4 Within 45 days of the date of Closing, the Company shall increase (if not already so done) the Directors and Officers Insurance for the members of the Board and the board of directors of all Material Subsidiaries, to an amount of Rupees Twenty Crores as agreed in the Agreement and the Company shall bear all costs in relation to the same.

## **XV. LIEN**

- 15.1 Subject to the terms of these Articles and the Agreement, the Company shall have a first and paramount lien upon all the shares registered in the name of each member (whether solely or jointly with others) for his debts, liabilities and engagement whether solely or jointly with any other person, to or with the Company, whether the period for the payment fulfillment or discharge thereof shall have actually arrived or not.

## **XVI. UNDERWRITING AND BROKERAGE**

- 16.1 The Company may, subject to the terms of these Articles and the Agreement, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares, debentures or any securities in the Company in accordance with the provisions of sub-section (6) of Section 40 of the Act read with Rule 13 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time.
- 16.2 The Company may also, subject to the terms of these Articles and the Agreement, on any issue of shares or debentures, pay such brokerage as may be lawful.

## **XVII. CALLS OF SHARES**

- 17.1 The Directors may, from time to time, make calls upon the members in respect of any money unpaid on their shares.
- 17.2 The joint holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

## **XVIII. TRANSFER AND TRANSMISSION OF SHARES**

- 18.1 Subject to the remaining provisions of these Articles, including Article 20 and except where the transfer is made pursuant of Article 18.6, no Share in the Company held by any shareholder, other than the Investor Group, shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- 18.2 Every member or other Person, other than the Investor Group, who intends to transfer Shares (hereinafter called the “**Transferor**”) shall give notice in writing (hereinafter called the “**Transfer Notice**”), to the Board of his intention to do so. Such notice shall constitute the Board as his agent for the sale of the said Shares in one or more lots at the discretion of the Board. The Board shall determine the price at which the said Shares would be sold.
- 18.3 Upon the price being determined as aforesaid, the Board shall forthwith give notice to all members, excluding the Transferor, of the number and price of the Shares to be sold and invite each of them to state in writing, thirty days from the date of the receipt by such member of the said Transfer Notice, whether he is willing to purchase any, and if so, what maximum number (being not more than the number to which the particular member is entitled, by the proportion of the Shares he holds to the total number of Shares in the Company, in the first issuance of the said shares and also what further number of shares he would be prepared to take in the event of any of the other member or members not accepting the offer made under this Article.



- 184 At the expiration of thirty days referred to in Article 18.3, the Board shall allocate at the first instance, the said Shares to or amongst the members who have expressed their willingness to purchase as aforesaid and allocate the Shares for which the offer is not accepted to and amongst the member or members who have expressed their willingness to purchase further Shares. In the event of applications for further Shares being more than the available Shares, the Board shall allocate the available Shares to such members who have expressed their willingness to purchase further Shares in the proportion in which such members hold Shares in the Company or as early as circumstances permit. In the event of any member or members not taking up the whole or part of the number of Shares offered under Article 18.3 hereof or in the event of there being fractional shares, subject to provisions of this Article, the Board may, in such manner as it thinks fit, decide to whom the Share or Shares not so taken up or fractions or fraction are to be sold and the decision of the Board shall be final and binding on all members.
- 185 Upon such allocation being made, the Transferor shall be bound, on payment of the said price to him, to transfer the Shares to the purchaser or purchasers, and if he makes default in so doing, the Board may receive and give good discharge for the purchase money on behalf of the Transferor and enter the name of the purchaser in the register of members as holder by transfer of the said Share/(s) purchased by him.
- 186 In the event of the whole of the said Shares not being sold to the members under Article 18.4 within a period of three months from the date of the Transfer Notice, the Transferor shall transfer the Shares not so sold or such of them as the Board may specify to any other person or persons named by the Board at the price determined as aforesaid and the provision of Article 18.5 shall mutatis mutandis apply for such transfer or transfers.
- 187 Subject to the provisions of Article 18.6, the Board may within six months after the death a member require his legal representative or the person entitled to the Shares of the deceased by transmission to serve a transfer notice relating to such Shares or such proportions of them as the Board shall think fit and if the legal representative or such person does not comply with such requisition within a period of one month from the date thereof, such legal representative or person, as the case may be, shall on the day next following the expiry of the period aforesaid be deemed to have served the Company with a transfer notice relating to such Shares and all the provisions of Articles 18.2 to 18.6 shall mutatis mutandis apply to such transfer notice.
- 188 The Board may in its absolute discretion, annul operation of the provisions of Articles 18.1 to 18.6 either temporarily or permanently, and either generally or in respect of a specific class or number of Shares, and on such annulment the provisions of the said Articles shall be inoperative and be of no effect.
- 189 By virtue of Section 72 of the Act, every holder of Shares in the Company may at any time nominate in the prescribed manner a Person to whom his Shares shall vest in the event of his death.
- 18.10 Where the Shares in the Company are held by more than one Person jointly, the joint holders may together nominate, in prescribed manner, a Person to whom all the rights in the Shares of the Company shall vest in the event of death of all the joint holders.
- 18.11 Where a nomination has been made in the prescribed manner, the nominee shall on the death of the

shareholder of the Company, or on the death of the joint holders, as the case may be, become entitled to all the rights in the Shares in question of the Company, to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner. However, in case the deceased shareholder was also a Director of the Company, the nominee shall not be entitled to any right to be a Director by virtue of this clause or nomination hereunder.

- 18.12 In case of death of any one or more of the Persons named in the register of members as the joint holder of any Shares, the survivor shall be the only person recognized by the Company as having any title to his interest in the Shares, but nothing herein contained shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.
- 18.13 In the absence of nomination as aforesaid in Articles 18.9 to 18.12, the executors or administrators or holders of a succession certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives, unless such executors, administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in the Union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member, subject to Article 18.7.
- 18.14 The Board shall have power on giving not less than seven days' previous notice by advertisement in a newspaper circulating in the district in which registered office of the Company is situated, to close the register of members at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year, as it may deem expedient as per Section 91 of the Act.
- 18.15 The Board may, in its own absolute and uncontrolled discretion decline to register or acknowledge the transfer of any Share (other than a transfer of the shares held by the Investor Group) to any person whom it shall not approve as transferee (notwithstanding that the proposed transferee be already a member), but in such case it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the Transferor notice of the refusal to register such transfer.
- 18.16 The Company shall not permit the transfer of partly paid shares.
- 18.17 The provisions of Article 18 do not apply to a transfer of Shares held by Investor/(s) belonging to the Investor Group.

## **XIX. DEMATERIALIZATION OF SHARES**

- 19.1 Notwithstanding anything contained in these Articles and subject to the applicable provisions of

the Act, the Company shall be entitled to dematerialize its securities, rematerialize its securities and/or offer securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996.

- 19.2 Subject to the provisions of the Act and other applicable Laws, every Person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a Person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- 19.3 If a Person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on the receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.
- 19.4 All securities held by a depository shall be dematerialized and be in fungible form.
- 19.5 Rights of Depositories & Beneficial Owners:
- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effective transfer of ownership of security on behalf of the beneficial owner.
  - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
  - (c) Every Person holding the securities of the Company and whose name is entered beneficial owner in the records of the depository shall be deemed to be a member Company.
  - (d) The beneficial owner of the securities shall be entitled to all the right benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- 19.6 Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivering of floppies or discs.
- 19.7 Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- 19.8 The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

## **XX. INVESTOR GROUP'S EXIT**

- 20.1 Subject to Applicable Laws, the Company and the Investor Group shall form an Investment Advisory Committee latest by 31 March, 2017 as per the terms stipulated in this Article 20 for the purpose of providing an exit to the Investor Group.
- 20.2 The Investment Advisory Committee shall be responsible for exploring the possibilities of the following:

- (a) Issuance of shares with differential voting rights and their listing on a recognized stock exchange, on or before 31 December, 2017;
- (b) In the event such issuance and listing of shares as mentioned in sub-clause (a) is not carried out, the Investment Advisory Committee will appoint Merchant Banker before 30 June, 2018 to explore and execute partial or full liquidity mechanism to the Shares in any manner considered most appropriate including through IPO or negotiated secondary sales by 31 December, 2018.
- (c) Based on the recommendation of the Merchant Banker, the Company and the Investor Group shall jointly work towards the plan of liquidity for exit of the Investor Group. The Investor Group shall provide a notice by December 31, 2022 (“**Drop Date**”) for IPO.
- (d) In any event, an IPO or offer for sales of Company’s Shares to provide liquidity shall be enabled by the Company and Promoters will provide full support to the Investor Group to provide adequate liquidity for its shares by December 31, 2022, provided the Investor Group wants the exit.

20.3 The Investor Group shall have a right to appoint at least one (1) member in the Investment Advisory Committee.

20.4 The Exit Options envisaged under Article 20.2 by December 31, 2022 above may be either:

- (a) IPO: An IPO of the Shares of the Company comprising of a primary issuance and / or a secondary sale in accordance with the Applicable Law. PIOF shall have the right but not the obligation to offer any of the Shares of the Company held by it at the relevant time in the IPO in the Offer for Sale portion on a pro rata basis..
- (b) Sale by Investor Group: Sale of Shares held by the Investor Group in the Company to a third party at a valuation agreed between the Company and the Investor Group.

20.5 Third Party Sale:

- (a) The Investor Group shall be free to sell either whole or part of the Investor Shares, as applicable, held by it to a third party purchaser at a price to be negotiated between the Investor Group and the potential acquirer without recourse to the Company or its shareholders (the “**Third Party Sale**”) provided the part sale of Investor Shares does not result in substantial time and is at nil cost for the Company or management, subject that the Investor Group shall not thus sell its Shares in the Company: directly or indirectly, to a Strategic Investor without the consent of the Board, except that the aforesaid restriction shall not apply to (i) any non-negotiated sale of the Company’s Shares on the stock exchanges after the IPO, (ii) any sale of Shares of the Company by the Investor Group after a Change in Control has occurred, and (iii) if the Investor Group is not provided an exit as contemplated in Article 20.2 above.

Provided that subject to approvals, if any, required under Applicable Law, the foregoing restrictions shall not be applicable to transfer by the Investor Group of any of its Investor Shares (i) to an Affiliate of the Investor Group, and (ii) as part of any offer for sale in the IPO.

- (b) Where the Investor Group elects to sell its Investor Shares pursuant to a Third Party Sale, the Company shall provide to such potential buyer due diligence access to the Company's records and data.
- (c) Where the Investor Group elects to sell whole or part of its Investor Shares to a third party otherwise than in breach hereof, then, provided that the potential acquirer of such Investor Shares holds the Minimum Ownership, such potential acquirer shall inherit: (a) ONLY the Investor Group's Board seat on the Company, the rights of the Investor Group under Article 20.8 and any such other right as may be mutually agreed between the Investor Group and the Company, and (b) all the rights of the Investor Group if there is any Change in Control or if the Investor Group has not been provided an exit within December 31, 2022. Save and except for the foregoing, the Agreement is not transferable or assignable and such potential third party acquirer will not be entitled to any other benefits including, the minority rights matters as stated in Article 14.1, and/or the exit provisions as described in this Article 20, as may be available to the Investor Group. If any rights as contemplated hereunder are transferred to a transferee by an Investor, such rights shall be exercised either by the transferee or the Investor and not both.
- (d) Except as set out in Article 14 of the Agreement, the rights and obligations of the Investor Group shall not be continued upon completion of an IPO.
- (e) Other than (i) the listing fees, audit fees (not in relation to the IPO), and expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to the IPO) which will be solely borne by the Company; and (ii) fees for counsel to each Selling Shareholder, which shall be solely borne by the respective Selling Shareholders, all fees, costs and expenses in relation to the IPO, as the case may be, shall be borne by the Company and all the Selling Shareholders in proportion to the Equity Securities issued / offered by them in the IPO. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the IPO, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the IPO paid by the Company on behalf of the respective Selling Shareholder directly from the public offer account, in proportion to the Equity Securities issued / offered by them in the IPO.

## 20.6 Tag Along

- (a) If at any time prior to the IPO, the Promoters and/or their Affiliates transfer any Shares in the Company, either directly and/or indirectly to a third party, then Investor Group shall have the right to sell such number of Shares in the Company, on the same terms and conditions, including price, as bears to the total Shares held by the Investor Group in the Company, the same proportion which the Shares proposed to be sold by the Promoters and/or their Affiliates bears to the total shares held by the Promoters and/or their Affiliates, as the case may be, in the Company. Provided, however, that the Investor Group shall not: (i) be required to provide representations, warranties or indemnification (including escrow, hold-back or other similar arrangements to support indemnity) and other than in relation to title and authority to transfer, or (ii) be obligated to provide indemnification in excess of its pre-tax proceeds received in connection with such transfer.
- (b) The above right shall not be available to the Investor Group in a transfer of Shares (in a

single or a series of transactions) by Mr. William Nanda Bissell (“**Mr. Bissell**”) of upto 3% of the Share Capital of the Company as of Closing Date or his Affiliates of up to 5% of the Share Capital of the Company as of Closing Date.

- (c) In computing the number of Shares that the Investor Group shall be entitled to sell to such third party under sub-article (a) above in a transfer of Shares by the Promoters and/or their Affiliates, all the Shares sold by Mr. Bissell and/or his Affiliates under sub-article (b) above shall be taken into account.
- (d) In addition, if the proposed sale by Mr. Bissell or his Affiliates were such that (a) the Ownership of Mr. Bissell directly or indirectly (including through holdings in JLB Partners Holding Inc.) in the Company drops below 26% of the Share Capital or, (b) the Ownership of the Promoters in the Company drops below 35% of the Share Capital, or, (c) there would be a Change in Control, Investor Group shall have the right to sell part or all of its Investor Shares to the same third party acquirer on the same terms at the same time (in each case, including the proportional and full tag rights in this Article 20.6 above, the “**Tag Along Right**”) in accordance with Article 20.7 hereof.

20.7 Where the Tag Along Right is exercised pursuant to Article 20.6:

- (a) Within 14 days of the Promoters or Mr. Bissell, as applicable, receiving an offer from a third party, the Promoters or Mr. Bissell, as applicable, shall send a written notice (the “**Tag Along**

**Notice”)** to the Investor Group setting forth, as to each potential third party purchaser (the **“Potential Purchaser”**) to whom the sale is proposed to be made, all relevant details of such proposed sale.

- (b) Upon receipt of the Tag Along Notice from the Promoters or Mr. Bissell, as applicable, the Investor Group shall have the following options:
  - (i) To exercise the Tag Along Rights, either in full or part, at a price and on the terms and conditions (the **“Terms”**) specified in the Tag Along Notice and sell its respective portion of the Investor Shares to the Potential Purchaser contemporaneously with the Promoters or Mr. Bissell, as applicable, in accordance with Article 20.7(a), or
  - (ii) Not to exercise the Tag Along Rights but permit the Promoters or Mr. Bissell, as applicable, to sell or dispose of their shareholding referred to in the Tag Along Notice.
- (c) Upon receipt of the Tag Along Notice, the Investor Group shall, within 14 days, notify the Promoters or Mr. Bissell, as applicable, in writing of the option it has chosen to exercise and accordingly the Parties shall act. In the event that the Investor Group fails to notify its chosen option within the timeframe prescribed, then it shall be deemed that the Investor Group has exercised the option under Article 20.7(b)(ii).
- (d) Where the Investor Group chooses the option set forth in Article 20.7(b)(i), the Promoters or Mr. Bissell, as applicable, shall not sell their Shares as per Article 20.6 above, unless the Investor Shares are contemporaneously sold and unless the Potential Purchaser has executed a Deed of Adherence in the form as set out at Annexure-4 of the Agreement.
- (e) If the Investor Group does not elect the option under Article 20.7(b)(i), then the Promoters or Mr. Bissell, as applicable, shall have 120 days from the date of the Tag Along Notice to sell the Shares referred to in the Tag Along Notice to the Potential Purchaser at a price not higher than that contained in the Tag Along Notice and on terms and conditions not more favorable than the Terms there included. The Promoters, or Mr. Bissell, as applicable, shall have the right to sell the Shares to the Potential Purchaser in terms of this Article 20.7(e) provided that the Potential Purchaser has executed a deed of adherence in the form as set out at Annexure-4 of the Agreement.
- (f) Promptly after any sale pursuant to Article 20.6, the Promoters or Mr. Bissell, as applicable, shall notify the Investor Group of the consummation thereof and shall furnish such evidence of completion (including time of completion) of such sale and of the terms thereof as the Investor Group may request.
- (g) If at the end of the 120 days period provided in Article 20.7(e), the Promoters or Mr. Bissell, as applicable, has not completed the sale of their Shares, the Promoters or Mr. Bissell, as applicable, shall no longer be permitted to sell any Shares pursuant to Article 20.6 without again fully complying with the provisions of this Article 20.7 and all of the restrictions on sale, transfer, assignment or other disposition contained in these Articles shall again be in effect.

- 20.8 So long as the Investor Group's Ownership is not less than 4% of the Share Capital of the Company (3% in case of dilution not on account of active sales), the Company shall deliver to the Investor Group the following documents:
- (a) as soon as practicable after the end of each fiscal year, and in any event within 90 calendar days thereafter, audited consolidated balance sheets of the Company as per requirements of the Act following Indian GAAP;
  - (b) unaudited quarterly financial statements within 60 days of the end of each financial quarter and monthly management information systems' ("MIS") statements within 1 week of the end of each calendar month (as applicable);
  - (c) as soon as available, monthly MIS or condition which may constitute a Material Adverse Change; and
  - (d) within 30 days from any request, such other information that is part of the Company's usual management information relating to the Business as may be reasonably requested by the Investor from time to time.
- 20.9 The rights of the Investor Group to issue notices and receive information may be exercised directly by it or through an Investor Director.
- 20.10 The restrictions on Transfer set out in this Article 20 shall not be applicable to transfer of Shares by any Party, except Mr. William Nanda Bissell, to such Party's Affiliate(s), provided that such Affiliate has executed a deed of adherence, in the form as set out at Annexure-4 of the Agreement, accepting and agreeing to the terms of the Agreement. Provided that if such transferee ceases to be an Affiliate, such transferee shall and the Party which had transferred Shares to such transferee shall procure that it does, transfer such Shares back to such Party or any other Affiliate of such Party (who shall also be required to execute the deed of adherence, as aforesaid).

## **XXI. PROCEEDINGS AT GENERAL MEETING**

- 21.1 Subject to the provisions of Section 115 of the Act, relating to special notice, twenty one days clear notice atleast specifying the place, the day and the hour of the meeting and the statement of business to be transacted at the meeting shall be given to such persons, who under these Articles and the provisions of the Act, are entitled to receive such notice from the Company, but the accidental omission to give such notice to or the non-receipt of notice by any such persons shall not invalidate the proceedings at any General Meeting. A General Meeting may be called by shorter notice in accordance with the provisions of Section 101(1) of the Act.
- 21.2 No business shall be transacted at General Meeting unless a quorum of members is present both at the beginning and at all times when the meeting proceeds to conduct its business. Save as otherwise provided in these Articles, two members present in person shall form a quorum.
- 21.3 At any General Meeting any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in accordance with the provisions of Section 109 of the Act and



unless a poll is demanded, a declaration by the Chairman that the resolution has, on a show of hands, been carried by a particular majority and an entry to the effect in the minute book containing the proceedings of the meeting of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

21.4 At any General Meeting or the Directors meeting, the Chairman shall not have any casting vote.

21.5 Passing resolutions by Postal Ballot

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended from time to time, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time and applicable Law.

21.6 The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

## **XXII. INDEPENDENT DIRECTORS**

22.1 The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations, if applicable.

## **XXIII. DIRECTORS**

23.1 Unless and until otherwise determined by the Company in a General Meeting, the number of Directors shall not be less than two and not more than fifteen. The Company shall also comply with the provisions of the Act and the provisions of the SEBI Listing Regulations, if applicable to the Company.

23.2 The First Directors of the Company are:

1. Lt. Gen. (Rtd.) Har Krishan Sibal
2. 3. Mr. Madhukar Khera
3. Mrs. Meena Chowdhury

23.2A ^The Board may appoint a Chairman or Vice-Chairman of the Company, whether executive or non-executive, amongst the Board of Directors on such terms and conditions including the tenure, remuneration, commission and carrying such rights, duties, responsibilities and powers as may be prescribed by the Board from time to time.

23.3 Subject to the provisions of the Act, and applicable Law, including the provisions of the SEBI Listing Regulations, as applicable, a Managing Director, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under Section 197 and other applicable provisions of the Act.

23.4 Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

23.5 The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first *proviso* to Section 197 of the Act.

23.6 The Directors shall also be entitled to be paid all traveling and hotel expenses incurred by them respectively in or about the performance of their duties as Directors including their expenses of traveling to and from Board meeting. Till the Board decides to the contrary they shall be paid a fee not exceeding an amount as prescribed by the Act read with the relevant rules thereof.

23.7 Subject to the provisions of these Articles, if any Director, being willing, shall be called upon to perform extra services or to make any special exertion in going or residing elsewhere in India or abroad or otherwise for any of the purposes of the Company, the Company shall remunerate the Director for so doing, either by a fixed sum or by a percentage on profits of commission or otherwise, as may be determined by the Directors, and such remuneration may be either in addition to or in substitution of his or their share in their remunerations above provided, subject, however, to Section 188 of the Act.

23.8 Notwithstanding anything to the contrary contained in these Articles, the Investor Group shall have the following rights:

- (a) Subject to Article 23.8(b) below, for so long as the Ownership of the Investor Group is not less than the Minimum Ownership and is at least 18%, the Investor Group shall be entitled to nominate for appointment two (2) Directors on the Board, who shall not be liable to retire by rotation (“**Investor Directors**”). If the ownership of Investor Group is between the Minimum Ownership and 18%, the Investor Group shall be entitled to one (1) Board seat.

Further, so long as the Ownership of the Investor Group is not less than the Minimum Ownership, the Investor Group shall have the right to nominate one (1) observer to attend any of the board meetings of the Company's Subsidiaries, and the costs of such attendance by the observer shall be to the account of the Investor Group. Each appointment, removal or replacement of any Investor Director shall be implemented without delay and in accordance with Applicable Laws. One (1) Investor Director shall be entitled to be a member of the Audit Committee, Remuneration & Compensation Committee, the IPO Committee and the Investment Advisory Committee of the Board, when such committees are formed.

- (b) The Investor Group shall have rights no less favourable than those available to any other investor, either directly or indirectly, in the Company. In the event that any other Person is provided with more favorable rights (including where any other Person (i) acquires Shares in the Company, and/or (ii) Shares are issued to such Person) than those provided to the Investor Group, such rights shall automatically become available to the Investor Group (provided that in the event of acquisition or subscription of Shares by such Person on more favorable terms, such terms are adjusted for stock splits and bonus and rights issues that the Company may announce in keeping with Applicable Law) and the Articles shall be amended to provide the Investor Group rights no less than those conferred to such other investor.
- (c) The rights of the Investor Group above to nominate a Director ("**Original Director**") for appointment on the Board, includes the right to remove from office any Investor Director nominated by it, as applicable, and from time to time determine the period for which such individuals shall hold office as Director. The right of any Party to nominate a Director also includes the right to nominate an alternate Director ("**Alternate Director**") to attend Board meetings on his/her behalf by writing to the Company at least one (1) week prior to the Board meeting. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the jurisdictional Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in his or her absence. The Investor Group shall also have a right to withdraw its nominated Alternate Director and nominate another in his place. The Promoters shall exercise their voting rights in Board and shareholders' meetings to secure such appointment or removal, as the Investor Group may elect.
- (d) The Investor Group shall have a right to fill in any casual vacancy caused by the resignation, death, removal or otherwise of an Investor Director or his alternate. All nominations made by the Investor Group, shall be in writing and shall take effect on its receipt at the office of the Company.
- (e) Subject to the additional requirements of Article 14.1, quorum for a meeting of the Board shall be at least four (4) members of the Board. Further, quorum for meeting of a committee of the Board shall be determined as per the requirements of the Act.
- (f) If adequate quorum is not achieved at such Board meeting, or meeting of any committee thereof, such meeting shall be adjourned by a week to be held at the same place and at the same time as the original meeting.

- (g) All meetings of the Board shall be held as per the requirements of the Act and Applicable Laws including where permitted, by participation of Directors through video-conference or other permissible electronic mediums.
- (h) The Company shall reimburse all reasonable expenses incurred by Directors in attending meetings of the Board and committees thereof, including air travel, accommodation and miscellaneous costs. However, these expenses shall be adjusted against the commission payable to the Directors.
- (i) All Board decisions shall be in accordance with these Articles and shall be taken by the affirmative vote of a simple majority present and voting at a meeting with a valid quorum and each Director shall have one (1) vote, except where any decision pertains to minority rights matters, as stated in Article 14.1, where provisions of Article 14.1 shall apply.
- (j) The Company shall ensure that any and all minority rights matters as set out in Article 14.1 and pertaining to any Material Subsidiary shall be mandatorily referred to the Board. The Company shall necessarily (i) exercise (at meetings of shareholders of the Material Subsidiary) and (ii) cause its nominee directors on the board of directors of the Material Subsidiary to exercise the voting rights of the Company with respect to such minority rights matters, strictly in accordance with the decision of the Investor Group taken in terms hereof.
- (k) The Company shall ensure that it does not enter into any transaction with any Related Parties without the prior approval of the Board, and all transactions between the Company and Related Parties are at arm's length.

#### **XXIV. ROTATION OF DIRECTORS**

- 24.1 Retirement and re-appointment of Directors shall be as per the provisions contained in Section 152 of the Act read with Table F Schedule 1 to the Act.
- 24.2 A retiring Director shall be eligible for re-appointment.
- 24.3 No holding of shares shall be required of any person to qualify him for the office of Director.

#### **XXV. MANAGEMENT**

- 25.1 Subject to the provisions of Section 203 of the Act, the terms of these Articles and the Agreement, the Board of Directors may, from time to time, appoint any person or persons as Managing Directors or Managers or whole time director(s) or Chief Executive Officer, Company Secretary and Chief Executive Officer of the Company on such terms as to duration of office and remuneration (which may be by way of salary, commission or participation in profits or any other mode not prohibited by the Act or partly in one mode and partly in other) as they may think fit and remove or dismiss him or them from office and appoint another or others in his or their place or places.
- 25.2 The Board of Directors may, from time to time, delegate to the person appointed as Managing Director or Manager such of their powers as they consider proper.

- 25.3 The Directors may, from time to time, elect among themselves from their number an Executive Chairperson and determine the period for which he/she is to hold office and fix his/her remuneration.

## **XXVI. POWERS AND DUTIES OF THE DIRECTORS**

- 26.1 Subject to the terms of these Articles and the Agreement, the Board may, from time to time, and at any time provide through local boards, attorneys or agencies for the management of the affairs of the Company abroad and may appoint any person to be member of such local board or as attorneys or agents and may fix their remuneration.
- 26.2 The Company may exercise the powers conferred by Section 179 of the Act and those powers shall accordingly be exercisable by the Directors.
- 26.3 Subject to the terms of these Articles and the Agreement, the Board may, from time to time, at any time delegate to any Managing Director, Local Boards, General Manager, Secretary, Attorney or Agent, any of the powers, authorities and discretions for the time being vested in the Directors and such appointments or delegation may be made on such terms and subject to such conditions including power to sub-delegate as the Board may think fit and the Board may at any time remove any person so appointed and annul or vary such delegation but no person dealing in good faith without notice of such annulment or variation shall be affected thereby.

## **XXVII. COMMITTEES AND DELEGATION BY THE BOARD**

- 27.1 The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014, as amended from time to time, or any other Law and the provisions of the SEBI Listing Regulations, if applicable to the Company, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.
- 27.2 Subject to the applicable provisions of the Act, the requirements of Law, these Articles and the Agreement, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- 27.3 The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

## **XXVIII. BORROWING POWERS**

- 28.1 Subject to these Articles and the Agreement, the Board may, from time to time, at their discretion

raise or borrow or secure payment of or lend any sum or sums of money for the purpose of the Company. Notwithstanding anything contained above, the Company or its Board of Directors shall not invite or accept deposit from persons other than Company's members, directors or their relatives, subject to applicable provisions of the Act.

- 28.2 The Board may raise or secure the payment or repayment of such sum in such manner and conditions in all respects as they think fit; and in particular by the issue of the Debenture stock of the Company, charged upon all or part of the properties of the Company (both present and future) including its uncalled capital for the time being, subject to the provisions of these Articles and the Act.
- 28.3 Debenture, Debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 28.4 Any Debenture, debenture-stock bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise, subject to the provisions of these Articles and the Act.
- 28.5 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may, by an instrument under the company's seal, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him; to make calls on the members in respect of such uncalled capital and the provisions herein contained in regard to calls shall mutatis mutandis apply to calls made under such authority and may be made exercisable, either conditionally or unconditionally, either presently or contingently and to the exclusion of the Board's powers or otherwise and assignable if expressed so to be.

## **XXIX. PROCEEDINGS OF DIRECTORS**

- 29.1 The office of the Director shall be vacated in the circumstances specified under Section 167 of the Act.
- 29.2 Subject to the provisions of Section 175 of the Act and subject to the provisions of Article 14.1 of these Articles, a resolution circulated in writing to all the Directors at their addresses registered with the Company in India and approved by a majority of Directors, who are entitled to vote on the resolution, shall have the same effect and validity as a resolution of the Board duly passed at a meeting duly convened and constituted.

## **XXX. DIVIDEND**

- 30.1 No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profit including reserves.
- 30.2 Subject to Article 14.1, the Company may declare dividend at any Annual General Meeting or any other General Meeting which has been called inter-alia for the purpose of declaration of dividend. However, the Board may declare interim dividend.
- 30.3 Every dividend warrant may be sent by post to the last registered address of the member

entitled thereto and the receipt of the person, whose name at the date of declaration of dividend appears on the Register of the members, as the owner of any Share(s) or in case of joint holders, of any one of such holders, shall be good discharge to the Company for all payments made in respect of the Shares. No unpaid dividend shall bear interest as against the Company.

- 30.4 Any money, investment or other assets, forming part of the undivided profits of the Company, either in reserve funds or otherwise and available for distribution as dividend or representing premium received on the issue of Shares may, if sanctioned by the Company, in General Meeting, be capitalized and distributed amongst such of the shareholders as are entitled to receive dividend and in the same proportions and all or any part of such capitalized sum, may if sanctioned as aforesaid, be applied on behalf of such shareholders in paying up in full either at par or at a premium any unissued Shares, debentures in or towards the payment of the uncalled liability on any issued shares or debentures or debenture-stock.

### **XXXI. NOTICES AND COMMON SEAL**

- 31.1 Subject to the provisions of Section 101 of the Act, a notice of a meeting may be given by the Company to any member of the Company either in writing or through electronic mode in such manner as may be prescribed in the Act.
- 31.2 The Company shall have a Common Seal and the Board shall provide for the safe custody thereof.
- 31.3 Subject to the provisions of Rule 5 of Companies (Share Capital and Debentures) Rules, 2014, the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorized by it in that behalf, and except in presence of:
- (a) Managing Director of the Company; or
  - (b) Two Directors; or
  - (c) One Director and Secretary/ or a person authorized by the Board and such Managing Director, Director and the person authorized by the Board as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

### **XXXII. SECRECY**

- 32.1 Every Director, Secretary, Manager, Auditor, Trustee, Member of the Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall be pledged to observe strict secrecy respecting all transactions of the Company and state of accounts with individuals and in all matters relating thereto and pledge himself not to reveal any of the matters which may have come to his knowledge in the discharge of his duties, except when required to do so by the Directors or by any meeting of the shareholders and excepting so far as may be necessary in order to comply with any of the provisions of these Articles.
- 32.2 Any officer or employee of the Company proved to the satisfaction of the Directors, to have been

guilty of disclosing the secrets of the Company shall be liable to instant dismissal without notice and to payment of damages.

### **XXXIII. INDEMNITY**

- 33.1 Subject to Section 197 of the Act, the Chairman, Managing Director, Director, Auditor, Manager and other officers for the time being acting in relation to any Company and their heirs, executors and administrators respectively, shall be indemnified out of the assets of the Company from and against all suits, proceedings, costs, charges, losses and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trust except (such if any) as they shall incur or sustain by or through their own willful neglect or default, respectively, and they or any one of them shall not be answerable for the act, receipts, neglects or default of any other officer or trustees or for joining in any receipts for the sake of conformity or for the solvency or honesty of any bankers or other persons with whom any money or effects belonging to the Company may be lodged or deposited for the safe custody or for any insufficiency in or deficiency of security upon which any money of the Company shall be invested or for any other loss or damages due to any such cause as aforesaid or which may happen in or about the execution of the duties of his office or trust, unless the same shall happen through the neglect or default of such officer or trustee.

### **XXXIV. WINDING UP**

- 34.1 In winding up, the Liquidators may, with the sanction of a special resolution distribute all or any of the assets in specie among the contributories in accordance with their rights.

### **XXXV. GENERAL POWER**

- 35.1 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case these Article(s) authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided that all such rights, privileges or authorities shall be exercised subject to the terms of these Articles and the Agreement.



## **PART-B**

Notwithstanding anything to the contrary contained in Table F of the Companies Act, 2013 and/or Part A of these Articles, the provisions of Part B of these Articles shall govern the rights and obligations of the Purchasers (as defined below) in relation to the matters set out in this Part B of these Articles. Part B of these Articles along with the Agreement (as defined below), sets out the entire agreement and understanding between the Parties with respect to the subject matter of Part B. It is agreed and acknowledged that Part B of these Articles along with the Agreement (as defined below) contains all the contractual rights of the Purchasers in relation to the Company arising from the Purchasers becoming shareholders of the Company and the Purchasers shall not have any contractual rights under any other agreement or arrangement, including Part A, in relation to the Company solely by virtue of becoming shareholders of this Company pursuant to the Agreement.

In the event of any inconsistency, conflict or contradiction between the provisions of Part B of these Articles and Part A, the provisions of Part B of these Articles shall override and prevail over the provisions of Part A. The plain meaning of Part B of these Articles shall always be given effect to.

### **26. DEFINITIONS AND INTERPRETATIONS**

#### **26.1. Definitions**

**“Affiliate”**, in respect of (a) any Person other than a natural Person shall mean, a company or entity, that directly or indirectly Controls or is Controlled by, as the case may be, the relevant Party, and (b) any Person being a natural person, any Relatives of such Person;

Provided that with respect to any Seller and any Purchaser, being a fund, Affiliate shall be deemed to include, without limitation any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose vehicle or other vehicle or any subsidiary of any of the foregoing, which is managed and/or advised by the investment manager of such Party or any entity belonging to the group to which such Party belongs, whether on the Execution Date or in the future. It is further clarified that the term Affiliate in respect of such Party shall not include any investee company of the funds managed, advised or administered by the manager of such Party;

For the purposes of this definition, the term “Control” or “Controlled by” with respect to any Person, means: (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than half of the directors, partners or other individuals exercising similar authority with respect to such Person, or (b) the possession, directly or indirectly, of a voting interest of more than 50% (fifty percent), or (c) a contractual shareholder or director having veto right in management matters by law or contract;

**“Agreement”** and **“this Agreement”** shall mean (i) in relation to Purchaser 1, the Agreement dated September 16, 2019 entered into between Seller 1, the Company and Purchaser 1; and (ii) in relation to Purchaser 2, Purchaser 3, Purchaser 4, the Remaining Purchasers and the Other

Purchasers, Agreement dated September 16, 2019 entered into between the Sellers, the Company, Purchaser 2, Purchaser 3, Purchaser 4 and the Remaining Purchasers;

**“Applicable Laws”** shall mean all applicable (a) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, regulations, rule of common law, listing regulations, notifications, guidelines or policies having the force of law of any applicable jurisdiction; (b) administrative interpretation, writ, injunction, directions, bylaws, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or a stock exchange; and (c) international tax treaties, as may be in force in India and applicable to the Parties from time to time;

**“Articles”** shall mean this Part B of the Articles of Association of the Company;

**“Board”** shall mean the board of directors of the Company;

**“Business Day”** shall mean any day of the week (excluding Saturdays, Sundays and public holidays) on which commercial banks are open for business in Mumbai, Bengaluru and New Delhi;

**“Closing Date”** shall have the meaning ascribed to the term in the relevant Agreement;

**“Competitor”** shall mean, any Person that is directly engaged in the same or a similar kind of business as the business of the Company from time to time;

**“Deed of Adherence”** shall mean the deed of adherence set out in Part A or Part B or Part C of Schedule V of the Agreement, as the case may be;

**“Fully Diluted Basis”** shall mean the total of all classes and series of securities assuming that all outstanding options, warrants and other securities (whether issued or un-issued) convertible into or exercisable or exchangeable for Shares (whether or not by their term then currently convertible, exercisable or exchangeable), and the effect of any anti-dilution protection regarding previous financings, have been so converted, exercised or exchanged;

**“Governmental Authority”** shall mean any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law or any court, tribunal, arbitral or judicial body, or any stock exchange any applicable jurisdiction;

**“IPO”** shall have the meaning ascribed to ‘initial public offering’ under Regulation 2(w) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**“Other Purchasers”** shall have the meaning ascribed to the term in the Agreement dated 16th September 2019 entered into between the Sellers, the Company, Purchaser 2, Purchaser 3,

Purchaser 4 and the Remaining Purchasers;

“**Person(s)**” shall mean any individual, sole proprietorship, unincorporated association, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, Governmental Authority or trust or any other entity or organization;

“**Promoters**” shall mean William Nanda Bissell and the persons listed along with his family members and persons listed in Annexure-1 of the Agreement;

“**Purchaser 1**” shall mean Axis New Opportunities AIF-1;

“**Purchaser 2**” shall mean Bajaj Holdings and Limited;

“**Purchaser 3**” shall mean Kotak Securities Limited;

“**Purchaser 4**” shall mean Kotak India Advantage Fund – I;

“**Purchasers**” shall collectively mean Purchaser 1, Purchaser 2, Purchaser 4, the Remaining Purchasers and the Other Purchasers;

“**Relative**” shall have the meaning ascribed to it under the Companies Act, 2013 and rules and regulations thereunder;

“**Remaining Purchasers**” shall mean the persons set out in Part B of Schedule III of the Agreement dated 16th September 2019 entered into between the Sellers, the Company, Purchaser 2, Purchaser 3, Purchaser 4 and the Remaining Purchasers, and shall include the Other Purchasers upon them becoming parties to the aforesaid Agreement by execution of the Deed of Adherence set out in Part D of Schedule V of the aforesaid Agreement;

“**Rs.**” shall mean Indian Rupees, being the official currency of the Republic of India;

“**Sale Shares**” shall have the meaning set out in the relevant Agreement;

“**Seller 1**” shall mean PI Opportunities Fund-I;

“**Seller 2**” shall mean Avian Management Consultants Private Limited;

“**Sellers**” shall collectively mean Seller 1 and Seller 2;

“**Shares**” shall mean equity shares of face value Rs. 1 (Rupees One only) each of the Company;

“**Strategic Investor**” shall mean a Person, who or whose Affiliates, (a) has a shareholding interest of more than 10% (ten percent) in a Competitor and/or receives more than 3% (three percent) and/or Rs. 50 million of its annual revenues from activities akin to the Business of the Company and/or; (b) is a person who has representation on the board of any Competitor.

It is clarified that under no circumstances can a Strategic Investor be any person directly or indirectly acting on behalf of the Reliance group or its Affiliates. It is clarified that for countries/ territories outside India product lines that contribute to less than 5% (five percent) of the Company's total revenues, at the relevant time, are excluded from the purview of 'Competitor' for the purposes of this definition. For the avoidance of doubt, a Strategic Investor shall not include a person/ entity who is only a financial investor with less than 10% (ten percent) shareholding in a listed company engaged in a business similar to the Business of the Company; and

**"Transfer"** shall mean the direct or indirect sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly, whether voluntary or involuntary or by operation of law) of any legal or beneficial interest in any of the Shares or any direct or indirect interest therein.

## **26.2. Interpretation:**

The following principles of interpretation would apply to these Articles:

- (i) headings are used for convenience only and shall not affect the interpretation of these Articles;
- (ii) a reference to a "Party" to any document includes that Party's successors, executors and permitted transferees / assigns, as the case may be;
- (iii) unless the context specifies otherwise, reference to the singular includes a reference to the plural and vice versa, reference to Sellers means reference to the relevant Seller(s) and reference to a gender includes a reference to the other gender;
- (iv) the terms "herein", "hereof", "hereto", "hereunder" and words of a similar purport refer to these Articles as a whole;
- (v) in the computation of periods of time from a specified date to a later specified date, the words "from" and "commencing on" mean "from and including" and "commencing on and including", respectively, and the words "to", "until" and "ending on" each mean "to but not including", "until but not including" and "ending on but not including", respectively;
- (vi) reference to statutory provisions shall be construed as meaning and including references also to all subordinate legislation made from time to time under that provision and any amendment or re-enactment (whether before or after the execution of the Agreement) for the time being in force or to any enactment substituting such statutory provisions and to all statutory instruments or orders made pursuant to such statutory provisions;
- (vii) references to any agreement or other document (including these Articles of the Company) shall unless the context otherwise requires, be deemed to include such agreement or other document as amended or novated from time to time;

(viii) unless otherwise specified, whenever any payment to be made or action to be taken under these Articles, is required to be made or taken on a day other than a Business Day, such payment shall be made, or action be taken on the immediately following Business Day;

(ix) the words “directly or indirectly” mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and “direct or indirect” have the correlative meanings;

(x) if provision in any Article is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision set out in the body of these Articles;

(xi) the words “include”, “includes” and “including” are deemed to be followed by the phrase “without limitation”;

(xii) any payments to be made by a Party pursuant to the provisions of these Articles and the Agreement to any other Party must be in immediately available cleared funds;

(xiii) all notices to be given, approvals and, or consents to be granted by each Party under these Articles and the Agreement shall be deemed to mean notices, approvals and / or consents in writing;

(xiv) any reference to “writing” or “written” means any method of reproducing words in a legible and non-transitory form;

(xv) any references to the share capital or shareholding pattern of a Person shall be, and shall be deemed to be a reference to the share capital or shareholding pattern of such Person on a Fully Diluted Basis;

(xvi) time is of the essence in the performance of each Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;

(xvii) Any term not defined in Article 26.1 above but defined in the body of the Articles below shall have the meaning ascribed to it in such Article.

## **27. PURCHASERS' RIGHTS**

### **27.1. Anti-Dilution**

If the Company proposes an offering of its Shares to a third party by primary allotment (other than an employee stock option, any merger, reorganisation, acquisition by the Company, Shares offered by the Company to the public pursuant to an underwritten IPO or under the terms of these Articles or the Agreement or conversion of any convertible instrument), the Purchasers shall, subject to Applicable Laws, have the right to purchase, at the same terms set forth in the offering a proportion of such offered Shares of the Company equal to their then holding of Shares as a percentage of the share capital of the Company in order to maintain their

proportionate ownership in the Company.

## **28. PURCHASERS' EXIT CONSIDERATIONS**

28.1. As part of any public offering ("**IPO**") of the Shares of the Company which shall occur latest by July 31, 2021, the Purchasers shall have the right to sell the Shares held by them as part of such IPO.

28.2. If the IPO is not completed by July 31, 2021, then the Company shall have the right to, and the Purchasers shall have the right to cause the Company to, appoint a leading investment bank to facilitate a secondary sale of their entire stake in the Company. The cost of all exit processes shall be borne by the Purchasers in proportion to their shareholding in the Company. Any Purchaser who does not exit pursuant to the exit process under this Article 28.2 (it being clarified that the exit being referred here is for the entire stake of the relevant Purchaser, and not for any part thereof) shall not be entitled to any other exit right as contemplated under this Article 28 and the rights of such Purchaser under Article 29 shall cease to apply, provided however that:

- (i) in relation to Purchaser 1, the right under Article 29.2(ii) shall cease to apply only upon the expiry of 1 (one) year from the date of Purchaser 1 declining to exit pursuant to the exit process under this Article 28.2.
- (ii) in relation to Purchaser 2, the right under Article 29.2(ii) shall cease to apply only upon the expiry of 1 (one) year from the date of Purchaser 2 declining to exit pursuant to the exit process under this Article 28.2.
- (iii) Purchaser 4 and the Remaining Purchasers, acting jointly, shall have the Second Tag Along Right under Article 29.2(ii) for a period of 1 (one) year from the date of Purchaser 4 and the Remaining Purchasers declining to exit pursuant to the exit process under this Article 28.2, so long as the cumulative shareholding of Purchaser 4 and the Remaining Purchasers participating in the Second Tag Along Right is greater than 1% (one percent) of the total Shares of the Company on a Fully Diluted Basis.

It is clarified that loss of exit rights under this Article 28 does not imply the loss of rights under Article 28.5 (transfer to an Affiliate). It is further clarified that the relevant Purchaser shall continue to have the right to Transfer their Sale Shares in accordance with Article 30.1, provided however that the consent of the Company for such Transfer by a Purchaser shall not be unreasonably withheld so long as the transferee is not a Competitor or a Strategic Investor and the transferee executes a Deed of Adherence as set out in Part B of Schedule V of the relevant Agreement, accepting and agreeing to the obligations under these Articles and the relevant Agreement.

28.3. In case the Company fails to appoint a leading investment bank or such leading investment bank is unable to facilitate an exit process in terms of Article 28.2. hereof to the Purchasers, the Purchasers shall be free to Transfer whole or part of the Shares held by them to third party investors at a price to be negotiated between the Purchasers and potential acquirer without recourse to the Company or its shareholders ("**Third Party Sale**"), provided the Third Party Sale of the Shares by the Purchasers does not result in substantial time and is at nil cost

for the Company and its management subject to the Purchasers not selling the Shares held by them, to a Competitor or a Strategic Investor.

28.4. Where a Purchaser elects to sell its shares to a third party in terms of either Article 28.2 or Article 28.3 hereof, then, such potential acquirer shall be under an obligation to execute a Deed of Adherence as set out in Part B of Schedule V of the Agreement accepting and agreeing to the obligations under these Articles and the Agreement.

28.5. It is hereby clarified that, the Purchasers may Transfer the Shares to their Affiliate(s), subject to the Purchasers not transferring the Shares held by them, directly or indirectly to a Competitor or a Strategic Investor, provided that such Affiliate has executed a Deed of Adherence as set out in Part A of Schedule V of the relevant Agreement accepting and agreeing to the terms of these Articles and the relevant Agreement.

28.6. The Company and PI Opportunities Fund - I shall make reasonable efforts to enable the Purchasers to sell their Shares in the Company in accordance with the terms of this Agreement and shall provide the Purchasers with all reasonable assistance and support for this purpose, subject to the same not resulting in substantial time being spent by, and being at nil cost to, the Company, PI Opportunities Fund - I and/or its management, as the case may be.

## **29. ADDITIONAL RIGHTS OF THE PURCHASERS**

### **29.1. First Tag Along Right**

(i) In case the Promoters collectively propose to Transfer more than 20% (twenty percent) of the Shares held by them in the Company post the consummation of sale of Sale Shares in one or more tranches between the Closing Date and July 31, 2021 (reckoned cumulatively from the Closing Date), then each of the Purchasers shall have the right to Transfer the Shares held by them which bear the same proportion to the total number of Shares held by each of such Purchasers as the proportion which the Shares sold by the Promoters collectively bear to the total number of Shares held by the Promoters on the Closing Date (“**First Tag Shares**”), on the same terms and conditions including price and at the same time, it being clarified that the Purchasers shall not provide any representations, warranties or covenants, except customary representations and warranties in relation to their title of the Sale Shares and authority to execute the agreement(s) and effect the sale as proposed (the “**First Tag Terms**”, the right being the “**First Tag Along Right**”) in accordance with terms and conditions as laid down below:

- a) In the event of any proposed sale of Shares by the Promoters (“**First Transferring Party**”) to any third party investor (“**Potential Investor**”), the First Transferring Party shall deliver a written notice to the Purchasers within 14 (fourteen) days from the date of offer from the Potential Investor, setting forth all the relevant details of the proposed sale (the “**First Tag Along Notice**”).
- b) Upon receipt of the First Tag Along Notice from the First Transferring Party, the Purchasers shall have the option to exercise the First Tag Along Right, on an inter-se pro rata basis, either in full or part, at a price and on the First Tag Terms specified in the First Tag Along Notice and Transfer the First Tag Shares which they are entitled to

Transfer to the Potential Investor contemporaneously with the First Transferring Party.

Upon receipt of the First Tag Along Notice, the Purchasers shall within 14 (fourteen) days notify the First Transferring Party, in writing of the option it has chosen to exercise the First Tag Along Right. In the event that any of the Purchasers fail to notify their chosen option within the time frame prescribed herein, then it shall be deemed that such Purchasers have opted not to exercise the First Tag Along Right. In this regard, each of the Purchasers shall have a right to seek from the Company such information as may be required for the Purchasers to ascertain if the Transfer of Shares pursuant to the First Tag Along Right is in compliance with Applicable Law, and the time taken by the Company to provide such response (and the time required relating to obtaining any approval from a Governmental Authority for such sale) shall be excluded from the 14 (fourteen) day period referred above.

c) In case the Purchasers exercise the First Tag Along Right:

The sale of offered Shares by the First Transferring Party to the Potential Investor shall be subject to the Potential Investor also simultaneously acquiring the First Tag Shares offered by the Purchasers on the First Tag Terms.

d) In case the Purchasers do not exercise the First Tag Along Right:

The First Transferring Party shall have the right to Transfer the Shares referred to in the First Tag Along Notice at a price not higher than that contained in the First Tag Along Notice and on terms and conditions not more favourable than the First Tag Terms.

To clarify, the Purchasers shall not be entitled to the First Tag Along Right under this Article for any Transfer aggregating up to 20% (twenty percent) of the Shares held on the Closing Date by the Promoters collectively on one or more occasions.

(ii) Notwithstanding anything contained in this Article, no First Tag Along Right shall become available to the Purchasers in case of any sale of Shares by the Promoter/s to the following:

- a) any Affiliates of the Promoters; and/ or
- b) any existing shareholder/s of the Company and/ or their Affiliates

(Article 29.1(ii)(a) and 29(ii)(b) shall together be referred to as “**First Transferee Affiliate/s**”)

It is hereby clarified and agreed upon that the sale of Shares by the Promoter/s under this Article 29.1(ii), shall not be counted for calculation of 20% (twenty percent) as mentioned in Article 29.1(i) above.

It is hereby also clarified that in such a case, the respective First Transferee Affiliate/s shall execute a Deed of Adherence as set out in Part A of Schedule V of the relevant Agreement accepting and agreeing to the terms of the relevant Agreement and shall step into the shoes of the Promoters, vis-à-vis the number of Shares acquired by the First Transferee Affiliate/s from the Promoters (“**First Transferee Affiliate/s Shares**”).



Accordingly, any future sale by the First Transferee Affiliate/s to any Potential Investor of the First Transferee Affiliate/s Shares shall entitle the Purchasers to Tag Along Rights in accordance with Article 29.1(i) above and Article 29.2 below.

29.2. In case the Company is unable to consummate an IPO by July 31, 2021, the Purchasers shall be entitled to the following additional rights:

(i) Board Seat: The Purchasers shall be entitled to jointly appoint 1 (one) Director on the Board of the Company.

(ii) Second Tag Along Right:

a) In case the Promoters collectively propose to Transfer more than 20% (twenty percent) (counted for the Promoters collectively) or PI Opportunities Fund-I proposes to Transfer more than 20% (twenty percent) of the Shares held respectively by them in the Company post the consummation of sale of Sale Shares in one or more tranches (reckoned cumulatively from the Closing Date), then, subject to Article 28.2, each of the Purchasers shall have the right to Transfer the Shares held by them which bear the same proportion to the total number of Shares held by each of such Purchasers as the proportion which the Shares being sold by the Promoters collectively and/ or PI Opportunities Fund-I (as the case may be) bears to the total number of Shares held by the Promoters and/ or PI Opportunities Fund-I (as the case may be) on the Closing Date (“**Second Tag Shares**”), on the same terms and conditions including price and at the same time, it being clarified that the Purchasers shall not provide any representations, warranties or covenants, except customary representations and warranties in relation to their title of the Sale Shares and authority to execute the agreement(s) and effect the sale as proposed (the “**Second Tag Terms**”, the right being the “**Second Tag Along Right**”) in accordance with terms and conditions as laid down below:

A. In the event of any proposed sale of Shares by the Promoters and/ or PI Opportunities Fund-I (“**Second Transferring Party**”) to any third party investor (“**Potential Investor**”), the Second Transferring Party shall deliver a written notice to the Purchasers within 14 days from the date of offer from the Potential Investor, setting forth all the relevant details of the proposed sale (the “**Second Tag Along Notice**”).

B. Upon receipt of the Second Tag Along Notice from the Second Transferring Party, the Purchasers shall have the option to exercise the Second Tag Along Right, on an inter-se pro rata basis, either in full or part, at a price and on the Second Tag Terms specified in the Second Tag Along Notice and Transfer the Second Tag Shares which they are entitled to Transfer to the Potential Investor contemporaneously with the Second Transferring Party.

Upon receipt of the Second Tag Along Notice, the Purchasers shall within

14 (fourteen) days notify the Second Transferring Party, in writing of the option it has chosen to exercise the Second Tag Along Right. In the event that any of the Purchasers fail to notify their chosen option within the time frame prescribed herein, then it shall be deemed that such Purchaser has opted not to exercise the Tag Along Right. In this regard, each Purchaser shall have a right to seek from the Company and PI Opportunities Fund-I such information as may be required for the Purchasers to ascertain if the transfer of shares pursuant to Second Tag Along Right is in compliance with Applicable Law, and the time taken by the Company and/or PI Opportunities Fund-I to provide such response (and the time required relating to obtaining any approval from a Governmental Authority for such sale) shall be excluded from the 14 (fourteen) day period referred above.

C. In case the Purchasers exercise the Second Tag Along Right:

The sale of offered Shares by the Second Transferring Party to the Potential Investor shall be subject to the Potential Investor also simultaneously acquiring the Second Tag Shares offered by the Purchasers on the Second Tag Terms.

D. In case the Purchasers do not exercise the Second Tag Along Right:

The Second Transferring Party shall have the right to Transfer the Shares referred to in the Second Tag Along Notice at a price not higher than that contained in the Second Tag Along Notice and on terms and conditions not more favorable than the Second Tag Terms.

To clarify, the Purchasers shall not be entitled to the Second Tag Along Right under this Article for any Transfer aggregating up to 20% (twenty percent) of the Shares held as on Closing Date by the Promoters collectively or for any Transfer aggregating up to 20% (twenty percent) of the Shares held by PI Opportunities Fund-I on one or more occasions, post the consummation of sale of Sale Shares on the Closing Date.

- b) Notwithstanding anything contained in this Article, no Second Tag Along Right shall become available to the Purchasers in case of any sale of Shares by the Promoter/s and/ or – PI Opportunities Fund-I to the following:

- A. any Affiliates of the Promoters and/ or PI Opportunities Fund-I; and/ or
- B. any existing shareholder/s of the Company and/ or their Affiliates

(Articles 29.2(ii)(b)A and 29.2(ii)(b)B shall together be referred to as “**Second Transferee Affiliate/s**”)

It is hereby clarified and agreed upon that the sale of Shares by the Promoter/s and/ or PI Opportunities Fund-I under this Article 29.2(ii)(b), shall not be counted for calculation of 20% (twenty percent) as mentioned in Article 29.2(ii)(a) above.

It is hereby also clarified that in such a case, the respective Second Transferee Affiliate/s shall execute a Deed of Adherence as set out in Part A of Schedule V of the relevant Agreement accepting and agreeing to the terms of the relevant Agreement and shall step into the shoes of the Promoters and/ or PI Opportunities Fund-I, as the case may be, vis-à-vis the number of Shares acquired by the Second Transferee Affiliate/s from the Promoters and/ or PI Opportunities Fund-I (“**Second Transferee Affiliate/s Shares**”).

Accordingly, any future sale by the Second Transferee Affiliate/s to any Potential Investor of the Second Transferee Affiliate/s Shares shall entitle the Purchasers to Second Tag Along Rights in accordance with Article 29.2(ii)(a) above.

### **30. TRANSFER OF SHARES**

#### **30.1. Restriction on Transfer of Shares**

The Purchasers shall not, directly or indirectly, Transfer any of the Sale Shares held by them or any legal or beneficial interest therein other than as permitted under Article 28 and Article 29 of these Articles, without the prior written consent of the Company and subject to the third party transferee executing (i) a Deed of Adherence as set out in Part C of Schedule V of the relevant Agreement in case of a transfer prior to July 31, 2021 by Purchaser 1 or Purchaser 2, holding at least 1% (one percent) of the total Shares of the Company respectively, on a Fully Diluted Basis, of the entire Sale Shares (in one transaction to a single purchaser) acquired by it under this Agreement, (ii) a Deed of Adherence as set out in Part C of Schedule V of the relevant Agreement in case of a transfer prior to July 31, 2021 by Purchaser 4 and the Remaining Purchasers cumulatively holding at least 1% (one percent) of the total Shares of the Company on a Fully Diluted Basis, of the entire Sale Shares (in one transaction to a single purchaser) acquired by them under this Agreement or

(i) a Deed of Adherence as set out in Part B of Schedule V of the relevant Agreement in any other case.

Any purported Transfer or attempt to Transfer any of the Sale Shares by the Purchasers in violation of this Agreement, shall be null and void ab initio. The Company shall not recognize or record any Transfer of the Sale Shares that is not in accordance with the terms of this Agreement.

Notwithstanding anything contained in this Agreement, the Purchasers shall not, at any time, directly or indirectly, Transfer any legal or beneficial interest in the Shares to a Competitor or a Strategic Investor. Any Person to whom a Purchaser Transfers his / her / its Shares shall also be prohibited from transferring any Shares to a Competitor or a Strategic Investor.

### **31. FALL AWAY OF RIGHTS**

The provisions of this Part B of the Articles and the provisions of the relevant Agreement shall cease to apply with respect to a Purchaser if such Purchaser, Affiliates of such Purchaser, or any Transferee of such Purchaser who has executed a Deed of Adherence in Part A or Part C of Schedule V of the relevant Agreement, after the relevant Closing Date, cease to hold at least 50% (fifty percent) of the Sale Shares acquired by such Purchaser under the relevant

Agreement. Provided however that if the Purchaser has participated in the First Tag Along Right under Article 29.1, the number of Shares Transferred pursuant to exit(s) under Article 29.1 shall be reduced from the numerator and denominator for making the determination, for termination during any period prior to July 31, 2021, of 50% (fifty percent) of Sale Shares acquired by the Purchaser under this Agreement.

Provided further that with respect to (i) Purchaser 4 and the Remaining Purchasers acting jointly, (ii) Purchaser 1, or (iii) Purchaser 2 alone, if such termination takes place after July 31, 2021 due to participation by them in the Second Tag Along Right, the Second Tag Along Right shall continue to be available to them: (a) in accordance with Article 28.2(i) (in the case of Purchaser 1 and Purchaser 2) or Article 28.2(iii) (in the case of Purchaser 4 and the Remaining Purchasers) or, (b) if Article 28.2 is not applicable, (x), with respect to Purchaser 1 and Purchaser 2, for a period of 1 (one) year from the date that Purchaser 1 or Purchaser 2 (as the case may be) cease to hold at least 50% (fifty percent) of the Sale Shares acquired by such Purchaser under this Agreement; and (y) with respect to Purchaser 4 and the Remaining Purchasers, for a period of 1 (one) year from the date that such of Purchaser 4 or the Remaining Purchasers who have participated in the Second Tag Along Right cease to hold at least 50% (fifty percent) of the Sale Shares acquired by such Purchaser under this Agreement, so long as the cumulative shareholding of Purchaser 4 and the Remaining Purchasers participating in the Second Tag Along Right is greater than 1% (one percent) of the total Shares of the Company on a Fully Diluted Basis.

### **32. INFORMATION RIGHTS**

32.1. Till such time that the Purchasers hold any Shares in the Company, the Purchasers shall have the right to be provided the following information:

- (i) audited consolidated financial statements of the Company;
- (ii) quarterly and annual management information systems (MIS); and
- (iii) any other similar information which the Parties may mutually agree upon from time to time.

### **33. GOVERNING LAW AND DISPUTE RESOLUTION**

33.1. These Articles Agreement and all questions of its interpretation shall be construed in accordance with the laws of the Republic of India, without regard to its principles of conflicts of laws. Subject to Article 33.2 below, the courts of New Delhi shall have the exclusive jurisdiction.

33.2. All disputes will be settled by an arbitration panel comprising of 3 (three) arbitrators, with the Seller and/or the Company (depending on the disputing Party/Parties) appointing the first arbitrator and all the disputing Purchasers, acting together, appointing the second arbitrator. The two arbitrators shall then appoint the third presiding arbitrator.

33.3. The proceedings of such arbitration shall be governed by the Arbitration and Conciliation Act, 1996 and rules issued thereunder.

33.4. The venue and seat for arbitration shall be New Delhi, India.

S. No.	Names, addresses and description of the subscribers	Signatures of the Subscribers	Name and address of Witness
1.	Mrs. Meena Chowdhury W/o Mr. Morad Chowdhury Business Executive  IB-Mathura Road, Jangpura New Delhi	Sd/-	I witness the Signature of both the subscribers Vikas Vig S/o Shri Inder Dev Vig Chartered Accountant 120-B, Gujranwala Town, G.T. Road, Delhi
2.	Lt. Gen. Harkrishen Sibal S/o Diwan Chand Sibal Business Executive  D-387, Defence Colony New Delhi	Sd/-	

New Delhi

Dated this 24<sup>th</sup> day of Nov 1976

[\* Article I to XXV inserted vide Special Resolution passed at EGM held on February 21, 2012

# New set of Articles of Association adopted from Article I to XXV vide Special Resolution passed at 39<sup>th</sup> Annual General Meeting held on September 29, 2016.

@ New set of Articles of Association adopted from Article I to XXV vide Special Resolution passed at 40<sup>th</sup> Annual General Meeting held on August 18, 2017.

^ Article 15.2A inserted vide Special Resolution passed at 41<sup>st</sup> Annual General Meeting held on September 18, 2018.

\*\* Insertion of Articles 4.10 and 4.11, and substitution of Article 7.10 vide Special Resolution passed in an Extra-ordinary General Meeting held on 1<sup>st</sup> October, 2019.

^^ New set of Articles of Association adopted consisting of Part A and Part B vide Special Resolution passed in an Extra-ordinary General Meeting held on 30<sup>th</sup> June, 2020 through audio-visual mode as per MCA circulars dated 08<sup>th</sup> April 2020 and 13<sup>th</sup> April 2020.

^^^ and ^^^ i.e. Article 4.1 and 26.1 replaced vide Special Resolution passed at Extra-Ordinary General Meeting held on June 08, 2021.]

@@ Alterations made pursuant to Special Resolution passed at the 44th Annual General Meeting of the Company held on September 30, 2021 to change the name of the Company from Fabindia Overseas Private Limited to Fabindia Private Limited.

\*\*\*\* Alterations made pursuant to Special Resolution passed at the 44th Annual General Meeting of the Company held on September 30, 2021 to convert the Company from Private Limited to Public Limited Company. 545

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts, which have been entered or are to be entered into by our Company which are, or may be, deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and contracts, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date and will also be available at the website of our Company at [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

#### A. Material Contracts for the Offer

1. Offer Agreement dated January 21, 2022 between our Company, the Selling Shareholders and the Book Running Lead Managers.
2. Registrar Agreement dated January 21, 2022 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.
4. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank(s) and the Refund Bank(s).
5. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent.
6. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members.
7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

#### B. Material Documents

1. Certified copies of the MoA and AoA of our Company, as amended.
2. Certificate of incorporation dated December 14, 1976 issued by Registrar of Companies, NCT of Delhi in the name of 'Fabindia Overseas Private Limited'.
3. Fresh certificate of incorporation dated October 13, 2021 issued by the RoC to our Company for change in name of our Company to 'Fabindia Private Limited'.
4. Fresh certificate of incorporation dated October 22, 2021 issued by the RoC to our Company for change in name of our Company to 'FABINDIA LIMITED' pursuant to conversion from a deemed public company into a public company.
5. Resolution of the Board and Shareholders dated December 22, 2021 and January 15, 2022, respectively, in relation to the Offer and other related matters.
6. Resolutions of our Board and IPO Committee dated January 20, 2022 and January 21, 2022, respectively approving the Draft Red Herring Prospectus.

7. Copies of the annual reports of our Company for the Financial Years 2021, 2020 and 2019.
8. The independent auditors' examination report dated January 20, 2022 of the Statutory Auditor, on our Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus.
9. The statement of possible special tax benefits dated January 21, 2022 issued by the Statutory Auditors.
10. Resolution of the Board of Directors dated November 24, 2021 passed for approving the revised terms and conditions of appointment of William Nanda Bissell as the Executive Vice-Chairman and Director of the Company.
11. Resolution of the Board of Directors dated November 24, 2021 passed for approving the revised terms and conditions of appointment of Mukesh Kumar Chauhan as the Executive Director (Whole-time Director) of the Company.
12. Resolution of the Board of Directors dated November 24, 2021 passed for approving the revised terms and conditions of appointment of Viney Singh as the Managing Director of the Company.
13. Consent in writing of Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, legal counsels appointed for the Offer, the Book Running Lead Managers, the Investor Selling Shareholders, the Other Selling Shareholder namely, Bajaj Holdings and Investment Limited, the Registrar to the Offer, Joint Statutory Auditors, the Independent Chartered Accountant, Monitoring Agency, the Syndicate Members, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company, as referred to in their specific capacities.
14. Written consent dated January 21, 2022 from MSKA & Associates, Chartered Accountants and A Puri & Associates, Chartered Accountants, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated January 20, 2022 on our Restated Consolidated Financial Statements; and (ii) their report dated January 21, 2022 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act;
15. Our Company has received written consent dated January 17, 2022 from Independent Chartered Accountant, to include its name as an "expert" as defined under Section 2(38) of the Companies Act, 2013;
16. Our Company has received written consent dated December 17, 2021, from the chartered engineer, namely Prabhat Srivastava, to include its name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.
17. Our Company has received written consent dated January 12, 2022, from EY, for inclusion of EY Report in this Draft Red Herring Prospectus.
18. Scheme of Amalgamation and Arrangement made between our Company and AHIPL Management Consulting Private Limited.
19. Convertible Preferred Stock Purchase Agreement dated December 1, 2017 entered into between our Company and Fabcafe Foods Private Limited and Addendum dated October 1, 2018 to the Stock Purchase Agreement dated December 1, 2017 and Convertible Preferred Stock Purchase Agreement dated December 1, 2018 entered into and between Fabcafe Foods Private Limited and our Company and Addendum dated April 1, 2020 to the Stock Purchase Agreement, 2018.
20. Joint Venture cum Shareholders' Agreement dated June 23, 2018 between our Company, Sunil Chauhan and Fabcafe Foods Private Limited

21. Joint Venture and Shareholders' Agreement dated April 27, 2013 entered into by and amongst our Company, OI (India) Holdings, LLC and Organic India Private Limited and Share Subscription Agreement dated March 05, 2013 entered into between Holly B. Lev, Yoav Lev, Steven Bookoff, Christopher Dean, Laurent Chappuis, Krishan Gupta, OIPL and our Company and Addendum and Amendment No. 1 dated March 5, 2013 to the OIPL JV Agreement.
22. Share Purchase Agreement dated February 10, 2012 by and between our Company, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell and WCP Mauritius Holding and PI Opportunities Fund-I.
23. Share Subscription Agreement dated February 10, 2012 amongst our Company, William Nanda Bissell, Bimla Nanda Bissell, Monsoon Latane Bissell, JLB Partners Holding Inc. (formerly known as JLB Canton LLC), Sara Kamla Bissell and Master John Varun Bissell and PI Opportunities Fund-I
24. Share Transfer Agreement dated August 19, 2021 entered into by and amongst OI (India) Holdings, LLC, Organic India Private Limited and our Company
25. Letter of Intent dated January 9, 2022 executed between OI (India) Holdings, LLC, Organic India Private Limited, Holly B Lev and Yoav Lev and our Company.
26. Share Sale Agreement dated March 22, 2017 entered into by and amongst our Company, Hasham Investment and Trading Company Private Limited and PI Opportunities Fund I.
27. Restated Shareholder's Agreement dated June 30, 2016 amongst our Company, William Nanda Bissell, PI Opportunities Fund I and Hasham Investment and Trading Company Private Limited as amended by an Addendum and Amendment No. 1 dated May 11, 2017 and the Amendment Agreement dated December 18, 2021.
28. Fibonacci Investment Agreement dated September 16, 2019 between our Company, PI Opportunities Fund I; Avian Management Consultants Pvt. Ltd.; William Nanda Bissell; Bajaj Holdings and Investment Limited; Kotak Securities Limited; Kotak India Advantage Fund-I and Purchases.
29. Investment Agreement dated October 28, 2016 entered between William Nanda Bissell, JLB Partners Holding Inc., India 2020 Fund II, Limited and our Company.
30. Fibonacci Investment Agreement dated September 16, 2019 between our Company, PI Opportunities Fund I, William Nanda Bissell, Axis New Opportunities AIF – I.
31. Agreement dated September 28, 2019 executed by and between Avian Management Consultants Private Limited and Sanjeev Bikhchandani and Deed of Adherence dated September 28, 2019 executed by and between the Seller, the Purchaser and our Company.
32. Report titled "Assessment of the Fashion, Lifestyle and Organic Products" dated December 20, 2021 issued by Ernst & Young Global Limited
33. Consent letters from the Promoter Selling Shareholders, Promoter Group Selling Shareholders, Other Selling Shareholders and Individual Selling Shareholders, authorising their respective participation in the Offer.
34. Resolution dated October 27, 2021 passed by the board of directors of Hasham Premji Private Limited (trustee of PI Opportunities Fund I) authorising participation of PI Opportunities Fund I in the Offer.
35. Resolution dated June 29, 2021 passed by the board of directors of Prazim Trading and Investment Company Private Limited authorising its participation in the Offer.
36. Waiver and consent letter dated December 21, 2021 issued by Axis New Opportunities AIF – I in relation to the 2019 Fibonacci Investment Agreement- I;
37. Waiver and consent letter dated November 26, 2021 issued by Sanjeev Bikhchandani in relation to AMCPL Agreement;



38. Waiver and consent letter dated January 21, 2022 issued by India 2020 Fund II, Limited in relation to Investment Agreement;
39. Waiver and consent letter dated January 21, 2022 issued by Bajaj Holdings and Investment Limited in relation to 2019 Fibonacci Investment Agreement - II;
40. Search Report dated January 18, 2022 issued by M/s. Arun Kumar Gupta & Associates, Company Secretaries.
41. Due diligence certificate dated January 21, 2022, addressed to SEBI from the Book Running Lead Managers.
42. In – principle approvals dated [●] and [●] issued by BSE and NSE, respectively.
43. Tripartite agreement dated November 21, 2011 between our Company, NSDL and the Registrar to the Company.
44. Tripartite agreement dated September 28, 2021 between our Company, CDSL and the Registrar to the Company.
45. SEBI observation letter bearing reference number [●] and dated [●].

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Gyanendra Nath Gupta**  
Chairman and Independent Director

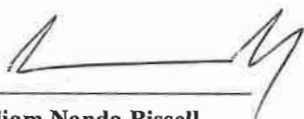
**Place:** Gurugram

**Date:** January 21, 2022

### DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY



**William Nanda Bissell**  
Executive Vice Chairman and Director

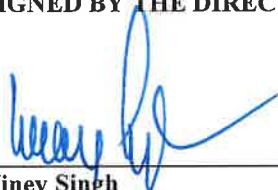
**Place:** New Delhi

**Date:** January 21, 2022

### **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**



**Viney Singh**  
Managing Director

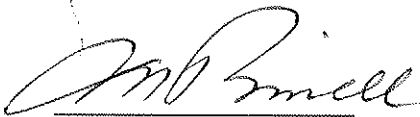
**Place:** Bengaluru

**Date:** January 21, 2022

### DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY



**Monsoon Latane Bissell**  
Non-Executive Director

**Place:** *New Delhi, India*

**Date:** January 21, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Vijai Kumar Kapoor**  
Non-Executive Director

**Place:** New Delhi

**Date:** January 21, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY



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**Prakash Parthasarathy**  
Independent Director

**Place:** San Francisco, United States of America

**Date:** January 21, 2022

#### DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

\*   
\_\_\_\_\_  
**Tekkethalakal Kurien Kurien**  
Non-Executive Director

**Place:** Bengaluru

**Date:** January 21, 2022



#### **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

  
\_\_\_\_\_  
**Yoav Lev**  
Non-Executive Director

**Date:** January 21, 2022

**Place:** Australia

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SFRI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Aditya Ghosh**  
Non-Executive Director

**Place:** Gurugram

**Date:** January 21, 2022

#### **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE DIRECTOR OF OUR COMPANY**



**Mukesh Kumar Chauhan**  
Executive Director (Whole-time Director)

**Date:** January 21, 2022

**Place:** New Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



**Richard Frank Celeste**  
Independent Director

**Place:** Colorado Springs, United States of America

**Date:** January 21, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Nikhil Kherra**  
Non-Executive Director

**Place:** New Delhi

**Date:** January 21, 2022

#### DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



**Saurabh Navinchandra Mehta**  
Independent Director

**Date:** January 21, 2022

**Place:** Mumbai

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY



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**Smita Mankad**  
Independent Director

**Place:** Goa

**Date:** January 21, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**



**Gopal Mishra**  
Chief Financial Officer and Chief Operating Officer

**Place:** Noida

**Date:** January 21, 2022



**DECLARATION BY PI OPPORTUNITIES FUND – I, AS AN INVESTOR SELLING SHAREHOLDER**

We, PI Opportunities Fund-I, hereby confirm that all statements and undertakings made by us in this Draft Red Herring Prospectus, solely and specifically in relation to ourselves and our respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. We assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF PI OPPORTUNITIES FUND – I**



**Name:** Manoj Jaiswal

**Designation:** Authorised Signatory

**Date:** January 21, 2022

**Place:** Bengaluru

**DECLARATION BY PRAZIM TRADING AND INVESTMENT COMPANY PRIVATE LIMITED, AS A  
SELLING SHAREHOLDER**

We, Prazim Trading and Investment Company Private Limited, hereby confirm that all statements and undertakings made by us in this Draft Red Herring Prospectus, solely and specifically in relation to ourselves and our respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. We assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF PRAZIM TRADING AND INVESTMENT COMPANY PRIVATE  
LIMITED**



**Name:** Manoj Jaiswal

**Designation:** Authorised Signatory

**Date:** January 21, 2022

**Place:** Bengaluru

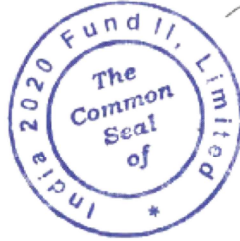
**DECLARATION BY INDIA 2020 FUND II LIMITED, AS A SELLING SHAREHOLDER**

We, India 2020 Fund II Limited, hereby confirm that all statements and undertakings made by us in this Draft Red Herring Prospectus, solely and specifically in relation to ourselves and our respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. We assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF INDIA 2020 FUND II LIMITED**



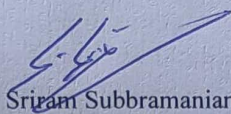
**Name:** Marie Estelle Corinne L'Ecluse  
**Designation:** Director  
**Date:** January 21, 2022  
**Place:** Mauritius



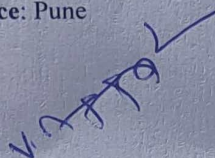
**DECLARATION BY BAJAJ HOLDINGS AND INVESTMENT LIMITED, AS A SELLING  
SHAREHOLDER**

We, Bajaj Holdings and Investment Limited, hereby confirm that all statements and undertakings made by us in this Draft Red Herring Prospectus, solely and specifically in relation to ourselves and our respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. We assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF BAJAJ HOLDINGS AND INVESTMENT LIMITED**

  
**Name:** Sriram Subbramaniam  
**Designation:** Company Secretary  
**Date:** 21.01.2022  
**Place:** Pune



  
**Name:** V Rajagopalan  
**Designation:** Authorised signatory  
**Date:** 21.01.2022  
**Place:** Pune



**DECLARATION BY KOTAK INDIA ADVANTAGE FUND-I, AS A SELLING SHAREHOLDER**

We, Kotak India Advantage Fund-I, hereby confirm that all statements and undertakings made by us in this Draft Red Herring Prospectus, solely and specifically in relation to ourselves and our respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. We assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF KOTAK INDIA ADVANTAGE FUND-I**



**Name:** Neeraj Kumar Malhotra

**Designation:** Director

**Date:** 21/01/2022

**Place:** Mauritius

**DECLARATION BY NRJN FAMILY TRUST, AS A SELLING SHAREHOLDER**

We, NRJN Family Trust, represented by its Trustees Entrust Family Office Legal and Trusteeship Services Pvt Ltd, hereby confirm that all statements and undertakings made by us in this Draft Red Herring Prospectus, solely and specifically in relation to ourselves and our respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. We assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF NRJN FAMILY TRUST**

For NRJN Family Trust



Corporate Trustee  
(Sreepriya N S- Authorised signatory of  
Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)

Date :- 21<sup>st</sup> Jan 2022

Place :- Bangalore

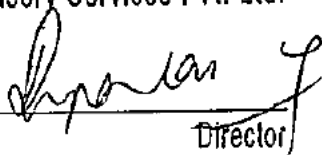
**DECLARATION BY IFIS CORPORATE ADVISORY SERVICES PRIVATE LIMITED, AS A  
SELLING SHAREHOLDER**

We, IFIS Corporate Advisory Services Private Limited, hereby confirm that all statements and undertakings made by us in this Draft Red Herring Prospectus, solely and specifically in relation to ourselves and our respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. We assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF IFIS CORPORATE ADVISORY SERVICES PRIVATE LIMITED**

IFIS Corporate Advisory Services Private Limited  
For IFIS Corporate Advisory Services Pvt. Ltd.

\_\_\_\_\_  
Authorised Signatory  
Name: Dipankar Vig  
Designation: Director

  
Director

Date: 21/01/2022  
Place: New Delhi

**DECLARATION BY THE PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDERS AND INDIVIDUAL SELLING SHAREHOLDERS**

Each of the Promoter Selling Shareholders, Promoter Group Selling Shareholders and Individual Selling Shareholders, severally and not jointly, hereby confirm that all statements and undertakings made by it in this Draft Red Herring Prospectus, solely and specifically in relation to itself and its respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. Each of the Promoter Selling Shareholders, Promoter Group Selling Shareholders and Individual Selling Shareholders assume no responsibility for any of the statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED ON BEHALF OF THE PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDERS AND INDIVIDUAL SELLING SHAREHOLDERS BY ITS DULY CONSTITUTED POWER OF ATTORNEY HOLDER**

Name: MONIKA UPPAL ARORA

Place: NEW DELHI

Date: JAN 21, 2022

*Monika*



# ANNEXURE – A

Sr. No.	Name of Selling Shareholder	Date of consent letter	Date of board resolution	Maximum amount of Offered Shares
<b>Individual Selling Shareholders</b>				
1.	Arjun Sharma	January 17, 2022	N.A.	Up to 855,000 Equity Shares aggregating up to ₹ [●] million
2.	Charu Sharma	January 17, 2022	N.A.	Up to 300,000 Equity Shares aggregating up to ₹ [●] million
3.	Rohini Nilekani	January 21, 2022	N.A.	Up to 260,000 Equity Shares aggregating up to ₹ [●] million
4.	Geeta Amar Lulla	January 17, 2022	N.A.	Up to 180,000 Equity Shares aggregating up to ₹ [●] million
5.	Sanjay Kalra (Jointly with Jyotika Kapoor)	January 17, 2022	N.A.	Up to 180,000 Equity Shares aggregating up to ₹ [●] million
6.	Rama Puri	January 17, 2022	N.A.	Up to 164,000 Equity Shares aggregating up to ₹ [●] million
7.	Elizabeth Nanda	January 17, 2022	N.A.	Up to 150,890 Equity Shares aggregating up to ₹ [●] million
8.	Subrata Dutta	January 17, 2022	N.A.	Up to 100,000 Equity Shares aggregating up to ₹ [●] million
9.	Sunil Chainani (Jointly with Kiran Chainani)	January 17, 2022	N.A.	Up to 100,000 Equity Shares aggregating up to ₹ [●] million
10.	Agnello Oswin Dias	January 17, 2022	N.A.	Up to 90,000 Equity Shares aggregating up to ₹ [●] million
11.	Kartik Ganapathy	January 17, 2022	N.A.	Up to 90,000 Equity Shares aggregating up to ₹ [●] million
12.	Nehal Abhay Vakil	January 17, 2022	N.A.	Up to 90,000 Equity Shares aggregating up to ₹ [●] million
13.	William Sean Sovak	January 17, 2022	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
14.	Ajay Bahl	January 21, 2022	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
15.	Mukesh Kumar Chauhan	January 17, 2022	N.A.	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
16.	Kavita Mitter	January 17, 2022	N.A.	Up to 35,000 Equity Shares aggregating up to ₹ [●] million
17.	Rajesh Ramaiaha	January 17, 2022	N.A.	Up to 26,250 Equity Shares aggregating up to ₹ [●] million
18.	Prableen Sabhaney	January 17, 2022	N.A.	Up to 40,000 Equity Shares aggregating up to ₹ [●] million
19.	Damini Narain	January 17, 2022	N.A.	Up to 3,000 Equity Shares aggregating up to ₹ [●] million
20.	Rekha Mehrotra Menon	January 17, 2022	N.A.	Up to 18,000 Equity Shares aggregating up to ₹ [●] million
21.	Saurabh Naithani	January 17, 2022	N.A.	Up to 17,460 Equity Shares aggregating up to ₹ [●] million
22.	Tekkethalakal Kurien Kurien	January 17, 2022	N.A.	Up to 14,000 Equity Shares aggregating up to ₹ [●] million
23.	Ruchira Puri Pujari (Jointly with Ashutosh Prabhakar Pujari)	January 17, 2022	N.A.	Up to 10,000 Equity Shares aggregating up to ₹ [●] million
24.	Lakshminarayana R Kollengode	January 17, 2022	N.A.	Up to 7,300 Equity Shares aggregating up to ₹ [●] million
25.	Dilpreet Sokhi Singh	January 17, 2022	N.A.	Up to 5,000 Equity Shares aggregating up to ₹ [●] million
26.	Smita Mankad	January 17, 2022	N.A.	Up to 5,000 Equity Shares aggregating up to ₹ [●] million
27.	Suzanne Jane Spink	January 17, 2022	N.A.	Up to 5,000 Equity Shares aggregating up to ₹ [●] million
28.	Manoj Kumar Jaiswal	January 17, 2022	N.A.	Up to 2,300 Equity Shares aggregating up to ₹ [●] million
29.	Chaman Singh Bisht	January 17, 2022	N.A.	Up to 1,000 Equity Shares aggregating up to ₹ [●] million

Sr. No.	Name of Selling Shareholder	Date of consent letter	Date of board resolution	Maximum amount of Offered Shares
		2022		to ₹ [●] million
30.	Tingmuankim Vaiphei	January 17, 2022	N.A.	Up to 1,000 Equity Shares aggregating up to ₹ [●] million
31.	Bertha Beck (earlier known as Jyoti Beek)	January 17, 2022	N.A.	Up to 1,000 Equity Shares aggregating up to ₹ [●] million
32.	Rahul Garg	January 17, 2022	N.A.	Up to 30,000 Equity Shares aggregating up to ₹ [●] million
33.	Ramanan Venkateswaran (Jointly with Kala Ramanan)	January 17, 2022	N.A.	Up to 6,500 Equity Shares aggregating up to ₹ [●] million
34.	Anuradha Kumra	January 17, 2022	N.A.	Up to 23,000 Equity Shares aggregating up to ₹ [●] million
35.	Sashikanth Balachandar (Jointly with Ganga Sashikanth)	January 17, 2022	N.A.	Up to 10,000 Equity Shares aggregating up to ₹ [●] million
36.	Ajay Kapoor	January 17, 2022	N.A.	Up to 12,000 Equity Shares aggregating up to ₹ [●] million
37.	Poonam Singh Chauhan	January 17, 2022	N.A.	Up to 20,000 Equity Shares aggregating up to ₹ [●] million
38.	Premkumar G	January 17, 2022	N.A.	Up to 6,000 Equity Shares aggregating up to ₹ [●] million
39.	Vaishali Bahel	January 17, 2022	N.A.	Up to 3,000 Equity Shares aggregating up to ₹ [●] million
40.	Roopali Gupta	January 17, 2022	N.A.	Up to 4,200 Equity Shares aggregating up to ₹ [●] million
41.	Raja Ghosh	January 17, 2022	N.A.	Up to 1,020 Equity Shares aggregating up to ₹ [●] million
42.	Usha Rawat	January 17, 2022	N.A.	Up to 800 Equity Shares aggregating up to ₹ [●] million
<b>Total</b>				<b>Up to 3,047,720 Equity Shares aggregating up to ₹ [●] million</b>