Independent auditor's report

To the members of
ORISSA ARTISANS AND WEAVERS LIMITED

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of ORISSA ARTISANS AND WEAVERS LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The company has availed the premises on lease for last 5 years and the lease agreement has expired but till the date premises is in the occupation of the company and lease rent is being paid by the company regularly. Both the lessor and company has agreed for lease of the said premises for another 10 years but the amount of lease rental is yet to be finalized and fresh lease agreement is yet to be entered into. The company has not created right to use assets and lease liability in the books of account as on 31.03.2020 due the aforesaid reason and the impact of such could not be ascertained.

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

Emphasis of Matter

We draw attention to the matter that

i. "The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated the impact of this pandemic on its business operations. Based on its review by the Board of directors of the company and current indicators of economic conditions, there is no significant impact on its financial results. The Company will continue to closely monitor any material changes arising from future economic conditions and impact on its business

ii. The reconciliation is yet to be done for outward supplies, inward supplies and input tax credit between the financial statement and GSTR-1 GSTR 3B & GSTR-2A of Goods & Service Tax Rules.

The outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

LAL DASH & CO. * Chartered Accountants, BBSR * FRN-311147E

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the



financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act except Ind AS 116 Leases.
   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;



iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



For **Laldash&Co**
Chartered Accountants
(FRN:-311147E)

Place : Bhubaneswar
Date : 24.09.2020

CA. S. S. Brahma
Partner
(M. No. 066706)
UDIN : 2006607AAAABQ5721

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON IND AS FINANCIAL STATEMENTS OF ORISSA ARTISANS AND WEAVERS LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2020

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

1. i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   ii. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
   iii. The Company has no immovable properties. Consequently, the provisions of clause of title deed held in the name of the Company is not applicable.

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

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

4. The Company has not granted loan to any company, director nor made any investment during the year. Consequently, the provisions of Sections 185 and 186 of the Act is not applicable.

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

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

7. a). According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other statutory dues applicable to it.
   According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.
   b). According to the records of the Company, there are no dues outstanding of income tax, sales tax (including value added tax and central sales tax), service tax, goods and services tax, duty of customs or duty of excise on account of any dispute.

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

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

10. Based upon the audit procedures and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. The Company has paid managerial remuneration to directors in accordance with the provision of Section 197 read with Schedule V to the Act.

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

LAL DASH & CO. * FRN-111147E * Chartered Accountants, BBSR

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any private placement/preferential allotment of shares or fully or partly convertible debentures during the year under review. Accordingly, the paragraph 3(xiv) of the Order is not applicable.

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

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

LAL DASH & CO. * FRN-311147E * Chartered Accountants, BBSR

For Laldash&Co
Chartered Accountants
(FRN:-311147E)

Place : Bhubaneswar
Date : 24.09.2020

CA. S. S. Brahma
Partner
(M. No. 066706)
UDIN : 2006607AAAABQ5721

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT ON IND AS FINANCIAL STATEMENTS OF ORISSA ARTISANS AND WEAVERS LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2020

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

We have audited the internal financial controls with reference to financial statements of ORISSA ARTISANS AND WEAVERS LIMITED ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

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



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

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bhubaneswar
Date : 24.09.2020



For Laldash&Co
Chartered Accountants
(FRN:-311147E)

CA. S. S. Brahma
Partner
(M. No. 066706)
UDIN : 2006607AAAABQ5721

ORISSA ARTISANS AND WEAVERS LIMITED
BALANCE SHEET AS PER IND AS
AS AT 31ST MARCH, 2020

	NOTES	AS AT 31ST MARCH 2020 *(Amount in Rs.)*	AS AT 31ST MARCH 2019 *(Amount in Rs.)*
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3	1,66,665	1,98,812
FINANCIAL ASSETS			
LOANS	4	92,084	87,859
DEFERRED TAX ASSETS (NET)	5	8,84,245	8,32,685
OTHER NON-CURRENT ASSETS	6	-	-
TOTAL NON-CURRENT ASSETS		11,42,994	11,19,356
CURRENT ASSETS			
INVENTORIES	7	95,10,797	1,95,91,918
FINANCIAL ASSETS			
TRADE RECEIVABLES	8	64,12,337	47,56,605
CASH AND CASH EQUIVALENTS	9	1,85,553	12,71,652
LOANS	10	-	-
OTHER CURRENT ASSETS	11	17,56,836	10,52,666
TOTAL CURRENT ASSETS		1,78,65,522	2,66,72,841
TOTAL ASSETS		1,90,08,517	2,77,92,197
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	12	60,00,000	60,00,000
OTHER EQUITY	13	25,87,709	39,38,936
TOTAL EQUITY		85,87,709	99,38,936
LIABILITIES			
NON-CURRENT LIABILITIES			
PROVISIONS	14	3,11,775	3,17,088
TOTAL NON-CURRENT LIABILITIES		3,11,775	3,17,088
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
TRADE PAYABLES	15	-	-
- Total Outstanding Dues of micro enterprises and small enterprises		47,79,389	1,09,40,049
- Total Outstanding Dues of creditors other than micro enterprises and small enterprises		3,37,131	3,40,597
OTHER FINANCIAL LIABILITIES	16	45,83,091	56,70,869
OTHER CURRENT LIABILITIES	17	1,81,058	10,155
PROVISIONS	18	2,28,362	5,74,504
CURRENT TAX LIABILITIES (NET)	19	1,01,09,032	1,75,36,174
TOTAL CURRENT LIABILITIES		1,90,08,517	2,77,92,197
TOTAL EQUITY AND LIABILITIES			
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
CONTINGENT LIABILITIES AND COMMITMENTS	33		
OTHER NOTES	28-36		

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR LALDASH & CO
Chartered Accountants
Firm Registration Number 311147E

S.S. BRAHMA

PARTNER
Membership Number: 066706

LAL DASH & CO. * FRN-311147E * Chartered Accountants, BBSR

ON BEHALF OF THE BOARD OF DIRECTORS

JAGAT SINGH BARTWAL
Chairman & Director
DIN- 02696633

RAJENDRAN KAVIL PODUVATTIL ACHUTAN
Director
DIN- 01882807

PLACE: CUTTACK
DATE:

ORISSA ARTISANS AND WEAVERS LIMITED
STATEMENT OF PROFIT AND LOSS AS PER IND AS FOR THE YEAR ENDED 31ST MARCH, 2020

	NOTES	FOR THE YEAR ENDED 31ST MARCH 2020 *(Amount in Rs.)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Amount in Rs.)*
INCOME			
REVENUE FROM OPERATIONS	20	4,58,69,305	7,43,69,496
OTHER INCOME	21	2,669	16,700
TOTAL INCOME		4,58,71,974	7,43,86,196
EXPENSES			
COST OF MATERIALS CONSUMED	22	-	38,01,827
PURCHASES OF STOCK-IN-TRADE	23	3,11,00,719	7,90,57,897
(INCREASE)/DECREASE IN INVENTORIES	24	1,00,81,121	(1,62,20,572)
EMPLOYEE BENEFITS EXPENSE	25	20,04,786	17,98,695
DEPRECIATION AND AMORTISATION EXPENSE	3	1,21,348	1,19,985
OTHER EXPENSES	26	17,67,544	18,02,548
TOTAL EXPENSES		4,50,75,518	7,03,60,380
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		7,96,456	40,25,816
EXCEPTIONAL ITEMS		-	-
PROFIT BEFORE TAX		7,96,456	40,25,816
TAX EXPENSE:			
CURRENT TAX	27	(3,05,015)	(8,62,834)
DEFERRED TAX	27	51,561	(1,92,774)
PROFIT FOR THE YEAR		5,43,003	29,70,209
OTHER COMPREHENSIVE INCOME/(LOSS)			
A. ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
ACTUARIAL GAIN/(LOSS) ON PROVISION FOR GRATUITY		(1,15,985)	(14,541)
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		30,156	3,781
B. ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(85,829)	(10,760)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,57,173	29,59,448
EARNINGS PER EQUITY SHARE			
BASIC	34	9.05	49.50
DILUTED	34	9.05	49.50
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
OTHER NOTES	28-36		

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR LALDASH & CO
Chartered Accountants
Firm Registration Number 311147E

S.S. BRAHMA
PARTNER
Membership Number: 066706

LAL DASH & CO. FRN-311147E Chartered Accountants, BBSR.

ON BEHALF OF THE BOARD OF DIRECTORS

JAGAT SINGH BARTWAL
Chairman & Director
DIN- 02696633

RAJENDRAN KAVIL PODUVATTIL ACHUTAN
Director
DIN- 01882807

PLACE: CUTTACK
DATE:

ORISSA ARTISANS AND WEAVERS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

PARTICULARS	NOTE	AMOUNT IN RS.
BALANCE AS AT 1ST APRIL, 2018	12	60,00,000
Changes in Equity Share Capital during the year		-
BALANCE AS AT 31ST MARCH, 2019		60,00,000
Changes in Equity Share Capital during the year		-
BALANCE AS AT 31ST MARCH, 2020		60,00,000

B. OTHER EQUITY

(Amount in Rs.

PARTICULARS	RESERVES AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTA
	SECURITIES PREMIUM RESERVE	RETAINED EARNINGS	REMEASUREMENTS OF THE NET DEFINED BENEFIT PLANS (NET OF TAX)	
BALANCE AS AT 1ST APRIL, 2018	18,00,000	(8,02,297)	(18,216)	9,79,487
Profit for the year	-	29,70,209	(10,760)	29,59,449
Remeasurements of the net defined benefit plans (net of tax)	-	-		-
BALANCE AS AT 1ST APRIL, 2019	18,00,000	21,67,912	(28,976)	39,38,936
Profit for the year	-	5,43,003	(85,829)	4,57,174
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-
Dividend	-	(15,00,000)	-	(15,00,000
Dividend Distribution Tax	-	(3,08,400)	-	(3,08,400
BALANCE AS AT 31ST MARCH, 2020	18,00,000	9,02,515	(1,14,805)	25,87,710

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR LALDASH & CO
Chartered Accountants
Firm Registration Number 311147E

S.S. BRAHMA
PARTNER
Membership Number: 066706

LAL DASH & CO. * Chartered Accountants, BBSR * FRN-311147E

PLACE: CUTTACK
DATE:

ON BEHALF OF THE BOARD OF DIRECTORS

JAGAT SINGH BARTWAL
Chairman & Director
DIN- 02696633

RAJENDRAN KAVIL PODUVATT ACHUT
Direc
DIN- 018828(

ORISSA ARTISANS AND WEAVERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL ITEMS	7,96,456	40,25,816
ADJUSTMENTS FOR NON-CASH ITEMS:		
DEPRECIATION AND AMORTISATION	1,21,348	1,19,985
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**9,17,804**	**41,45,801**
ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:		
(INCREASE)/DECREASE IN TRADE RECEIVABLES	(16,55,732)	66,68,616
(INCREASE)/DECREASE IN INVENTORIES	1,00,81,121	(1,24,18,745)
(INCREASE)/DECREASE IN LOANS	(4,225)	(3,506)
(INCREASE)/DECREASE IN OTHER ASSETS	(7,04,170)	1,02,988
(INCREASE)/DECREASE IN SHORT TERM BORROWINGS	-	-
INCREASE/(DECREASE) IN TRADE PAYABLES	(61,60,659)	7,11,444
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES	(3,466)	1,06,176
INCREASE/(DECREASE) IN OTHER LIABILITIES	(10,87,777)	13,10,168
INCREASE/(DECREASE) IN PROVISIONS	49,606	56,521
CASH GENERATED FROM/(USED IN) OPERATIONS	**14,32,502**	**6,79,463**
TAXES (PAID) / RECEIVED (NET OF WITHHOLDING TAXES)	(6,21,000)	(2,99,199)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**8,11,502**	**3,80,264**
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	(89,201)	(10,950)
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	-	-
PROCEEDS FROM SALE OF NON-CURRENT INVESTMENTS	-	-
PURCHASE OF NON-CURRENT INVESTMENTS	-	-
INVESTMENTS IN BANK DEPOSITS (WITH ORIGINAL MATURITY OVER 3 MONTHS)	-	-
PROCEEDS FROM BANK DEPOSITS (WITH ORIGINAL MATURITY OVER 3 MONTHS)	-	-
INTEREST RECEIVED	-	-
DIVIDEND RECEIVED	-	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(89,201)**	**(10,950)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARES (INCLUDING SHARE PREMIUM)	-	-
INTEREST PAID	-	-
DIVIDEND PAID	(15,00,000)	-
DIVIDEND TAX PAID	(3,08,400)	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**(18,08,400)**	**-**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**(10,86,099)**	**3,69,314**
CASH & CASH EQUIVALENTS - OPENING BALANCE	12,71,652	9,02,339
CASH & CASH EQUIVALENTS - CLOSING BALANCE	1,85,553	12,71,652
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(10,86,099)	3,69,313



NOTES:

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

2 Figures in bracket indicate cash outflow.

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

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

	AS AT 31ST MARCH 2020 *(Amount in Rs.)*	AS AT 31ST MARCH 2019 *(Amount in Rs.)*
CASH ON HAND	19,986	2,553
BALANCE WITH BANKS		
- IN CURRENT ACCOUNTS	1,65,567	12,69,099
- IN DEPOSIT WITH ORIGINAL MATURITIES UPTO THREE MONTHS	-	-
BANK OVERDRAFTS USED FOR CASH MANAGEMENT PURPOSE	-	-
TOTAL CASH AND CASH EQUIVALENTS	**1,85,553**	**12,71,652**

Effective 1st April, 2017, the Company adopted the amendment to Ind AS-7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR LALDASH & CO
Chartered Accountants
Firm Registration Number 311147E

S.S. BRAHMA

PARTNER
Membership Number: 066706

LAL DASH & CO. Chartered Accountants FRN-311147E BBSR

ON BEHALF OF THE BOARD OF DIRECTORS

JAGAT SINGH BARTWAL
Chairman & Director
DIN- 02696633

RAJENDRAN KAVIL PODUVATTIL ACHUTAN
Director
DIN- 01882807

PLACE: CUTTACK
DATE:

ORISSA ARTISANS AND WEAVERS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

3 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Electrical Installation and Equipments	Vehicles	Computers	Total Tangible Assets
Gross Carrying Value							
As at April 01, 2018	7,77,067	2,07,403	43,112	3,15,274	53,735	3,34,300	17,30,891
Add: Additions made during the year	-	10,950	-	-	-	-	10,950
Less: Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2019	7,77,067	2,18,353	43,112	3,15,274	53,735	3,34,300	17,41,841
Add: Additions made during the year	-	12,076	39,739	19,844	-	17,542	89,201
Less: Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2020	**7,77,067**	**2,30,429**	**82,851**	**3,35,118**	**53,735**	**3,51,842**	**18,31,042**
Accumulated Depreciation							
As at April 01, 2018	6,05,403	1,29,897	40,958	2,99,514	35,968	3,11,304	14,23,044
Add: Depreciation charge for the year	85,833	22,844	-	-	5,027	6,281	1,19,985
Less: On Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2019	6,91,236	1,52,741	40,958	2,99,514	40,995	3,17,585	15,43,029
Add: Depreciation charge for the year	85,831	23,938	2,517	1,257	5,027	2,778	1,21,348
Less: On Disposals/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2020	**7,77,067**	**1,76,679**	**43,475**	**3,00,771**	**46,022**	**3,20,363**	**16,64,377**
Net Carrying Value							
As at March 31, 2020	**-**	**53,750**	**39,376**	**34,347**	**7,713**	**31,479**	**1,66,665**
As at March 31, 2019	85,831	65,612	2,154	15,760	12,740	16,715	**1,98,812**



ORISSA ARTISANS AND WEAVERS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

4 NON-CURRENT LOANS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Security Deposits	92,084	87,859
	92,084	87,859

5 DEFERRED TAX ASSETS (NET)	Increase/(Decrease) (Amount in Rs.)	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
The balance comprises temporary differences attributable to:			
Property, Plant and Equipment and Intangible Assets	8,386	1,28,808	1,20,421
Carried Forward Business Losses	-	-	-
Provision for Retirement Benefits	43,053	1,28,137	85,083
Other Timing Differences	121	-	(121)
MAT Credit Entitlement	-	6,27,301	6,27,301
	51,561	8,84,245	8,32,685

6 OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Prepaid Lease Rentals	-	-
	-	-

7 INVENTORIES	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Raw Materials-Garment Fabrics	-	-
Finished Goods	95,10,797	1,95,91,918
	95,10,797	1,95,91,918

- As per inventory taken and valued by the Management.

8 TRADE RECEIVABLES Unsecured	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Considered Good	64,12,337	47,56,605
Having significant increase in Credit Risk	4,362	4,362
	64,16,699	47,60,967
Less: Allowance for Credit Losses	(4,362)	(4,362)
	64,12,337	47,56,605

9 CASH AND CASH EQUIVALENTS	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Balances with Banks		
In Current Accounts	1,65,567	12,69,099
Cash on Hand	19,986	2,553
	1,85,553	12,71,652

10 CURRENT LOANS Unsecured	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Having significant increase in Credit Risk		
Advances recoverable in cash or in kind or for value to be received	37,000	37,000
Less: Allowance for Doubtful Advances	(37,000)	(37,000)
	-	-

11 OTHER CURRENT ASSETS (Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Prepaid Lease Rentals	-	1,993
Advance to Supplier	14,98,762	7,83,032
Other Advances	2,58,073	2,67,641
	17,56,836	10,52,666



13 OTHER EQUITY

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Summary of Other Equity Balance		
Securities Premium Reserve	18,00,000	18,00,000
Retained Earnings	9,02,515	21,67,912
Other Comprehensive Income	(1,14,805)	(28,976)
	25,87,709	39,38,936

Nature and purpose of reserves:

a) Securities Premium Reserve

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve.

b) Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

14 NON-CURRENT PROVISIONS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Provision for Employee Benefits		
- Gratuity*	2,68,751	2,68,011
- Leave Encashment*	43,024	49,077
	3,11,775	3,17,088

*Based on actuarial valuation as on the given dates.

15 TRADE PAYABLES

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
For Goods and Services		
- Total Outstanding Dues of micro enterprises and small enterprises	-	-
- Total Outstanding Dues of creditors other than micro enterprises and small enterprises	47,79,389	1,09,40,049
	47,79,389	1,09,40,049

16 OTHER CURRENT FINANCIAL LIABILITIES

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Other Accruals	3,37,131	3,40,597
	3,37,131	3,40,597

17 OTHER CURRENT LIABILITIES

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Advance from Customers	44,99,532	56,64,933
Statutory Liabilities	83,560	5,936
	45,83,091	56,70,869

18 CURRENT PROVISIONS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Provision for Employee Benefits		
- Gratuity*	1,70,136	8,627
- Leave Encashment*	10,922	1,528
	1,81,058	10,155

*Based on actuarial valuation as on the given dates.

19 INCOME TAX LIABILITIES (NET)

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Balance at the beginning	5,74,504	14,651
Add: Current Tax payable for the year	2,28,362	8,44,504
Less: Taxes paid	(5,74,504)	(2,84,651)
Add: Tax provision of earlier years written back	-	-
Provision for Taxation (Net of Advance Income Tax)	2,28,362	5,74,504



ORISSA ARTISANS AND WEAVERS LIMITED
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FOR THE YEAR ENDED 31ST MARCH, 2020

12 EQUITY SHARE CAPITAL	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	No. of Shares	(Amount in Rs.)	No of Shares	(Amount in Rs.)
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs 100/- each	60,000	60,00,000	60,000	60,00,000
		60,00,000		60,00,000
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of Rs.100/- each fully paid up	60,000	60,00,000	60,000	60,00,000
		60,00,000		60,00,000

a). Terms/rights attached to Equity Shares
The company has one class of equity shares having a par value of Rs.100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pays dividend in Indian Rupees.

b). The details of shareholders holding more than 5% shares as at 31st March 2020 and 1st April 2019 is set out below:

Name of shareholder	AS AT 31ST MARCH, 2020		AS AT 31ST MARCH, 2019	
	Shares held (No.)	Shares held (%)	Shares held (No.)	Shares held (%)
Equity Shares of Rs. 100/- each fully paid up				
Rajendran Achutan Kavill Poduvattil	2,799	4.67%	2,799	4.67%
Vattikuti Technologies Pvt. Ltd	16,544	27.57%	16,544	27.57%
Lalendu Behera	3,194	5.32%	3,194	5.32%
Fabindia Overseas Private Limited	20,130	33.55%	20,130	33.55%

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

c). The reconciliation of the number of shares outstanding as at 31st March 2020 and 1st April 2019 is set out below:

Particulars	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Equity Shares of Rs. 100/- each fully paid up		
Number of shares in the beginning	60,000	60,000
Add: Shares issued during the period	-	-
Number of shares at the end	60,000	60,000

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ORISSA ARTISANS AND WEAVERS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

20 REVENUE FROM OPERATIONS

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Sale of Products (including excise duty)		
Traded	4,58,69,305	7,43,69,496
	4,58,69,305	**7,43,69,496**

21 OTHER INCOME

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Interest Income		
Leased Deposits measured at amortised cost	2,669	3,506
Others	-	120
Miscellaneous Income	-	13,074
	2,669	**16,700**

22 COST OF MATERIALS CONSUMED

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Raw Material and Other Components:		
Opening Stock	-	38,01,827
Add: Purchases	-	-
Add: Job Work Charges	-	-
	-	38,01,827
Less: Closing Stock	-	-
	-	**38,01,827**

23 PURCHASES OF STOCK-IN-TRADE

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Purchase of Finished Goods -Traded	3,11,00,719	7,90,57,897
	3,11,00,719	**7,90,57,897**

24 (INCREASE)/DECREASE IN INVENTORIES

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Opening Inventory		
Finished Goods-Traded	1,95,91,918	33,71,346
Stores and Spares	-	-
	1,95,91,918	33,71,346
Closing Inventory		
Finished Goods-Traded	95,10,797	1,95,91,918
Stores and Spares	-	-
	95,10,797	1,95,91,918
Total (Increase)/Decrease in Inventories	**1,00,81,121**	**(1,62,20,572)**

25 EMPLOYEE BENEFITS EXPENSE

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Salaries and Wages	19,20,784	17,21,056
Contribution to Provident and Other Funds	-	-
Defined Benefit Plan Expense (Refer Note No. 32)	46,264	50,237
Staff Welfare Expense	37,738	27,402
	20,04,786	**17,98,695**

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26 OTHER EXPENSES

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Rent	2,14,953	2,65,016
Advertisement and Publicity	-	-
Legal and Professional Charges	1,10,300	44,100
Payment to Auditors*	46,070	40,000
Postage, Telex and Telephones	1,48,714	83,996
Traveling and Conveyance	1,77,868	2,65,595
Consumable Office Supplies	1,43,484	1,11,679
IT Support Service Charges	-	-
Rates and Taxes	-	2,510
Insurance	48,035	19,518
Power and Fuel	57,779	59,321
Repair and Maintenance		
Common Area Maintenance Charges	52,765	53,253
Computers, Air Conditioners and Other Equipments	45,819	10,400
Others	2,580	50,870
Packing, Freight, Clearing and Forwarding	3,44,221	3,72,982
Sales Promotion	90,422	69,790
Bank Charges	1,731	1,457
Miscellaneous Expenses	2,82,803	3,52,061
	17,67,544	**18,02,548**

***Payments to Auditors#**		
Statutory Auditors		
As Audit Fee	40,000	28,000
As Tax Audit Fee	-	-
For Other Services	-	-
Taxation Matters	-	-
Certification and Consultancy Services	6,070	-
Total	**46,070**	**28,000**

27 TAX EXPENSE

(a) Tax expense recognised in Profit or Loss	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Cuurent Tax		
In respect of the current year	2,28,362.43	8,44,504
Adjustments/(credits) related to previous years (net)	46,496	14,549
Total (A)	**2,74,858**	**8,59,053**
Deferred Tax and MAT Credit Entitlement		
Orignation and reversal of temporary differences	(51,561)	1,92,774
MAT Credit Entitlement	-	-
Total (B)	**(51,561)**	**1,92,774**
Total (A+B)	**2,23,298**	**10,51,827**

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

On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	30,156	3,781
Total	**30,156**	**3,781**

(c) Reconciliation of Effective Tax Rate
The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit before Exceptional Items and Tax	**7,96,456**	**40,25,816**
Tax using the Company's Domestic Tax Rate @ 26% (Prev Year 25.75%)	2,07,079	10,46,712
Tax Effect of:		
Tax related to previous years	46,496	14,549
Effect of tax related to expenses not deductible for income tax		
Effect of tax due to different tax rate on certain items		-
Effect of income not taxable		
Rounding off Tax (including interest)	(30,277)	(9,434)
Income tax recognised in profit or loss	**2,23,298**	**10,51,827**



28 Financial Instruments – Fair Value Measurement

Financial Instruments by Category

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Loans (Non-Current)	-	-	92,084	-	-	87,859
Trade Receivables (Current)	-	-	64,12,337	-	-	47,56,605
Cash and Cash Equivalents (Current)	-	-	1,85,553	-	-	12,71,652
Loans (Current)	-	-	-	-	-	-
Total	**-**	**-**	**66,89,974**	**-**	**-**	**61,16,116**
Financial Liabilities						
Trade Payables (Current)	-	-	47,79,389	-	-	1,09,40,049
Other Financial Liabilities (Current)	-	-	3,37,131	-	-	3,40,597
Total	**-**	**-**	**51,16,520**	**-**	**-**	**1,12,80,646**

Financial Instruments by category

Particulars	Total Carrying Value	
	31st March 2020	31st March 2019
Financial Assets		
Loans (Non-Current)	92,084	87,859
Trade Receivables (Current)	64,12,337	47,56,605
Cash and Cash Equivalents (Current)	1,85,553	12,71,652
Loans (Current)	-	-
Total	**66,89,974**	**61,16,116**
Financial Liabilities		
Trade Payables (Current)	47,79,389	1,09,40,049
Other Financial Liabilities (Current)	3,37,131	3,40,597
Total	**51,16,520**	**1,12,80,646**

Fair Value Hierarchy:
Level 3 : All amortized cost financial assets and liabilities are classified as level 3 inputs.

Notes:
1. Trade receivables comprise amounts receivable from the sale of goods and services.

2. The Management considers that the carrying amount of trade and other receivables approximates their fair value.

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

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

5. Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

6. 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.



29 Financial Risk Management

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

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

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

The Company mitigates this risk by attempting to ensure appropriate credit worthiness of its customers.

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

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

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

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

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

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

(Amount in Rs.)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade Payables	47,79,389	-	-	47,79,389
Other Accruals	3,37,131	-	-	3,37,131
	51,16,520	-	-	**51,16,520**

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

(Amount in Rs.)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade Payables	1,09,40,049	-	-	1,09,40,049
Other Accruals	3,40,597	-	-	3,40,597
	1,12,80,646	-	-	**1,12,80,646**

(c) Market Risk:
Market risk is the risk that changes in market place could affect the future cash flows to the Company. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is not exposed to market risk related to foreign exchange rate risk as there are no receivables or payables in foreign currency.

30 Capital Management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seek to maintain a balance of higher returns by sound capital composition and accordingly the Company does not have any borrowings as at 31st March 2020 and 1st April 2019.



SA ARTISANS AND WEAVERS LIMITED
ES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS
THE YEAR ENDED 31ST MARCH, 2020

RELATED PARTY DISCLOSURES

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

Related parties with whom the Company had transactions:

Parties which have significant influence over the Company (either individually or with others)
- Fabinida Overseas Private Limited

Key Management Personnel (KMP) and their relatives
- Jagat Singh Bartwal - Director

Other Directors
- Rajendran Kavill Poduvattil Achutan - Director
- Pradip Bardhan - Director
- Vivek Rishi - Director
- Narendra Kumar Behera - Director

Summary of the transactions with related parties is as follows :

(Amount in Rs.)

Nature of transaction	Entities which significantly influence the Company (either individually or with others)		Key Management Personnel, Other Directors and their relatives		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale of Goods	3,53,49,162	6,81,36,399	-	-	3,53,49,162	6,81,36,399
Remuneration	-		-	35,000	-	35,000
Reimbursement of Expenses Receipts	-	-	-	-	-	-
Reimbursement of Expenses Paid	-	10,859			-	10,859
Dividend Paid	9,16,850	-	71,075	-	9,87,925	-
Advance Received	55,00,000	1,82,00,000	-	-	55,00,000	1,82,00,000
Advance Received Paid Back	1,92,00,648	1,65,51,811	-	-	1,92,00,648	1,65,51,811

(Amount in Rs.)

Outstanding Balances	Entities which significantly influence the Company (either individually or with others)		Key Management Personnel and their relatives	
	2019-20	2018-19	2019-20	2018-19
Outstanding Payables	44,99,352	60,00,000	-	15,000
Outstanding Receivables	3,10,970	7,51,823	-	-

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

Compensation of Key Management Personnel
The remuneration of director and other member of Key Management Personnel during the year was as follows:

Particulars	2019-20	2018-19
Short-Term Benefits	-	-
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Share-Based Payments	-	-
Termination Benefits	-	-
Total compensation paid to key management personnel	-	-

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

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

Particulars	**2019-20** *(Amount in Rs.)*	**2018-19** *(Amount in Rs.)*
Sale of Goods		
Fabindia Overseas Private Limited	3,53,49,162	6,81,36,399
Other than fabindia	1,05,20,143	
Reimbursement of Expenses Receipts		
Fabindia Overseas Private Limited	-	-
Reimbursement of Expenses Paid		
Fabindia Overseas Private Limited	-	10,859
Remuneration Paid		
Pradip Bardhan	-	35,000
Dividend Paid		
Fabindia Overseas Private Limited	5,03,250	-
Vattikuti Technologies pvt Ltd	4,13,600	-
Rajendran Kavil Poduvattil Achutan	69,975	-
Vivek Rishi	25	-
Pradip Bardhan	125	-
Narendra Kumar Behera	950	-
Advance Received		
Fabindia Overseas Private Limited	55,00,000	1,82,00,000
Advance Received Paid Back/ Adjusted		
Fabindia Overseas Private Limited	1,92,00,648	1,65,51,811

Particulars	**2019-20** *(Amount in Rs.)*	**2018-19** *(Amount in Rs.)*
Outstanding Payable		
Fabindia Overseas Private Limited	44,99,352	60,00,000
Pradip Bardhan	-	15,000
Outstanding Receivble		
Fabindia Overseas Private Limited	3,10,970	7,51,823



32 EMPLOYEE BENEFITS

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

(a) Contribution to Provident Fund (Defined Contribution Plan)
The Company is not covered by The Employees Provident Fund and Miscellaneous Provisions Act, 1952, as the number of employees is less than the statutory minimum as required by the said Act.

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

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

(c) Compensated Leave of Absence Plan (Other Long Term Benefit Plan)
The Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

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

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

Discount Rate
The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate of 7.60 % p.a. (Previous Year 7.70% p.a.) compound, has been used in consultation with the employer.

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

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Discount rate (per annum)	7.60%	7.70%	7.60%	7.70%
Future salary increase (per annum)	6.00%	6.00%	6.00%	6.00%
In Service Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement Age	58 years	58 years	58 years	58 years
Withdrawal rates : Ages/ withdrawal rate				
-upto 30 years	3.00%	3.00%	3.00%	3.00%
-upto 44 years	2.00%	2.00%	2.00%	2.00%
-above 44 years	1.00%	1.00%	1.00%	1.00%

(Amount in Rs.)

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
1. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	2,76,638	2,11,860	50,605	44,321
Interest Cost	21,024	16,313	-	3,413
Current Service Cost	25,240	33,924	-	6,122
Benefits Paid	-	-	-	(23,268)
Actuarial (Gain)/Loss on obligation	1,15,985	14,541	-	20,017
Defined Benefit Obligation at the end of the year	**4,38,887**	**2,76,638**	**50,605**	**50,605**
2. Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	-	-	-	-
Expected return on Plan Assets	-	-	-	-
Employer Contribution	-	-	-	23,268
Benefits Paid	-	-	-	(23,268)
Actuarial Gain/(Loss) on plan assets	-	-	-	-
Fair value of plan assets at the end of the year	-	-	-	-
3. Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	-	-	-	-
Present value of Obligation	4,38,887	2,76,638	50,605	50,605
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(4,38,887)**	**(2,76,638)**	**(50,605)**	**(50,605)**
4. Expenses recognized in Statement of Profit and Loss				
Current service cost	25,240	33,924	-	6,122
Net Interest Cost	21,024	16,313	-	3,413
Net actuarial (Gain)/Loss recognized in the period	-	-	-	20,017
Net Cost	**46,264**	**50,237**	-	**29,552**
5. Expenses recognized in Other Comprehensive Income				
Actuarial (Gain)/Loss for the year on Obligation	1,15,985	14,541		
Actuarial (Gain)/Loss for the year on Plan Assets	-	-	-	-
Net (Income)/Expense in OCI	**1,15,985**	**14,541**	-	-



32 EMPLOYEE BENEFITS

6. 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 mortality. 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:

(Amount in Rs.)

Particulars	31st March 2020		31st March 2019	
	Increase by 1.00%	Decrease by 1.00%	Increase by 1.00%	Decrease by 1.00%
Impact of the change in Discount Rate (1.00% movement)	2,35,350	(3,27,523)	2,35,350	(3,27,523)
Impact of the change in Salary Increase Rate (1.00% movement)	3,28,610	(2,33,876)	3,28,610	(2,33,876)

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

7. Description of Risk Exposures:
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follow -

A). Interest Rate Risk - A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
B). Salary Escalation Risk - Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

C). Demographic Risk - The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

D). Liquidity Risk - This may arise due to non-availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

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33 CONTINGENT LIABILITIES AND COMMITMENTS

A The Company has Nil contingent liabilities as at 31st March 2020 (31st March 2019: Nil).

B The Company has Nil capital and other commitments as at 31st March 2020 (31st March 2019: Nil).

34 EARNINGS PER EQUITY SHARE (EPS)

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

Diluted EPS amounts has been calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

	FOR THE YEAR ENDED 31ST MARCH 2020 *(Amount in Rs.)*	FOR THE YEAR ENDED 31ST MARCH 2019 *(Amount in Rs.)*
Profit/(Loss) for the year	5,43,003	29,70,209
Weighted average number of equity shares (Nos.)	60,000	60,000
Nominal value of equity shares	100	100
Earnings per equity share		
Basic	9.05	49.50
Diluted	9.05	49.50
Weighted average number of equity shares		
Number of shares considered as weighted average shares outstanding for Basic EPS	60,000	60,000
Add: Effect of dilutive potential equity shares	-	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	60,000	60,000

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

There are no dues payable to Micro, Small and Medium Enterprises. This information has been complied in respect of parties to the extent to which they could be identified on the basis of information available with the Company.

36 OTHER NOTES

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

(b) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Company other then fixed assets, 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.

(c) Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.

"Signatures to Notes 1 to 36"

"As per our Report of even date"

FOR LALDASH & CO
Chartered Accountants
Firm Registration Number 311147E

S.S. BRAHMA

PARTNER
Membership Number: 066706

LAL DASH & CO. FRN-311147E Chartered Accountants, BBSR

ON BEHALF OF THE BOARD OF DIRECTORS

JAGAT SINGH BARTWAL
Chairman & Director
DIN- 02696633

RAJENDRAN KAVIL PODUVATTIL ACHUTAN
Director
DIN- 01882807

PLACE: CUTTACK
DATE: