



**RASOOL SINGHAL & CO.  
CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SANCO INDUSTRIES LIMITED**

Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of Sanco Industries 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 for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

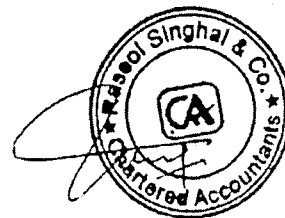
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting 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 total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 independence 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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#### **Property Plant and equipment and Intangible assets**

There are areas where management judgements impacts the carrying value of property, plant and equipment, Intangible assets and their respective depreciation and amortization amounts. These include the decision to capitalize or expense costs; the annual asset life review; the timelines of the capitalization of assets and the use of management assumptions and estimates for the determination of the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the balance sheet of the company and the level of judgements and estimates required, we consider this to be a key audit matter.

#### **Response to Key Audit Matter**

We assessed the controls in place, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalized, the timeliness of the capitalization of assets and the de recognition criteria for assets retired from active use.

In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalized; determination of realisable value of the assets retired from active use; the appropriateness of asset life applied in the calculation of depreciation; useful lives of assets as per the technical assessment of the management and external technical experts. We have observed that there are no material changes.

#### **Revenue Recognition**

Revenue Recognition is significant audit risk across all units within the Company, Risk exists that revenue is recognised without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".

#### **Response to Key Audit Matter**

Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- We have evaluated the design of internal controls relating to revenue recognition.
- We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, performance and inspection.
- We have tested sample of Sale transactions to their respective underlying invoices and related documents.
- We have performed cut-off procedures for sample of revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115.

#### **Evaluation of uncertain tax positions**

The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

#### **Response to Key Audit Matter**

Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal

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experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.

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

The Company's Board of Directors is responsible for the preparation of 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 and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 Responsibility for the Standalone 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, total 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 judgements 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.



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**Auditor's Responsibilities for the audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism 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 controls relevant to the 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 management.
- Conclude on the appropriateness of management's use of the going concerned 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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.

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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. 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 public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (II) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) 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 Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - 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.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule II 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:

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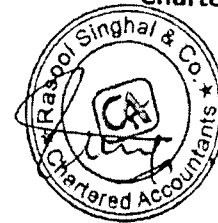
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- i. There are pending litigations by and against the Company as at March 31, 2020 which may impact its financial position but no provision has been made as in the opinion of the management the amount cannot be estimated and will be dealt with in the year in which the dispute is settled and the Company has disclosed the impact of pending litigations on its financial position in its standalone 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.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Rasool Singhal & Company  
Chartered Accountants  
FRN: 500015N**



**CA Rajat Banga  
Partner  
M. No. 542089**

**Date: 28/07/2020  
Place: Delhi  
UDIN- 20542089AAAAAU6788**

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**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

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

- i. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties or land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
- iii. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company under Section 148 (I) of the Act and are of the opinion that prima-facie the prescribed records have been made maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company is not depositing undisputed statutory dues, including Provident Fund, Employees' State insurance, Income Tax and Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were undisputed amounts payable in respect of Provident fund, Employees' State Insurance and Income Tax and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

S.No.	Nature of Liability	Amount
1.	Provident Fund	Total outstanding Rs. 27.11 lacs out of which Rs. 13.84 lacs more than 6 months outstanding, 7.66 has been deposited in July 2020 and balance of Rs. 5.61 lacs less

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		than 6 months outstanding
2.	Employees' State Insurance	Total outstanding Rs. 6.90 lacs out of which Rs. 5.90 lacs more than 6 months outstanding
3.	Income Tax	Total outstanding Rs. 314.07 lacs out of which Rs. 274.30 lacs related to AY 2017-2018, AY 2018-2019 and balance of Rs. 39.77 lacs (excluding interest) related to AY 2019-2020.

c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the amount Relates	Amount in Lakh
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2014-15	Rs 63.33 (Order of appellate authority pass in favour of the company, but Revenue authority has the right to filed appeal against the order of appellate authority in higher authority.

viii. Based on the audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has defaulted in repayment of loans or borrowings to a financial institution, banks or dues to debenture holders.

Name of the Bank	Nature of Dues	Amount	Due Date	Date of Payment	Status/Remarks
South Indian Bank (CC A/c)	Principal and Interest booked till 31.08.2019	13,63,76,330	Various Dates and Not paid any interest during the year	Outstanding as on 31.03.2020	The company bank CC Account has become Non-Performing Assets (NPA) as per banking rules and regulations. As the company is irregular while paying outstanding amount.
UBI, Delhi (CC Account)	Principal and Interest booked till 29.06.2019	30,14,36,516	Various Dates	Outstanding as on 31.03.2020	The company bank CC Account has become Non-Performing Assets (NPA) as per banking rules and regulations. As the company is irregular while paying outstanding amount.

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- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Rasool Singhal & Company  
Chartered Accountants  
FRN: 500015N**



**CA Rajat Banga  
Partner  
M. No. 542089**

**Date: 28/07/2020  
Place: Delhi  
UDIN- 20542089AAAAAU6788**

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## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sanco Industries Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

### **Opinion**

We have audited the internal financial controls over financial reporting of Sanco Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

### **Emphasis of Matter Paragraph**

Long-term outstanding Balances in some of the personal and impersonal accounts are subject to confirmation and reconciliation.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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. These responsibilities include the design, implementation and maintenance or adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 internal financial controls system over financial reporting of the Company.

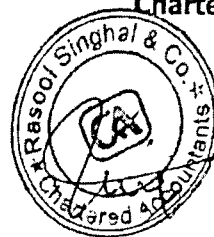
### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those principles and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of 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 authorization of managements and directors of the company; and (3) provide reasonable assurance regarding prevention of timely detection of unauthorized acquisitions use, or disposition of the company's assets that could have material effects on the financial statements.

### **Limitations of Internal Financial controls over Financial reporting**

Because of the inherent limitations of the internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Rasool Singhal & Company  
Chartered Accountants  
FRN: 500015N**



**CA Rajat Banga  
Partner  
M. No. 542089**

**Date: 28/07/2020  
Place: Delhi  
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Sanco Industries Limited  
Balance Sheet as at March 31, 2020

Particulars	S.No.	(Rupees in Lakhs)	
		As at Mar. 31, 2020	As at Mar. 31, 2019
<b>I ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	224.11	275.23
(b) Investment Property	4	-	-
(c) Other Intangible Assets	5	-	-
(d) WIP	6	7.99	7.99
<b>(e) Financial Assets</b>			
(i) Investments	7	338.50	450.54
(ii) Trade receivables	8	2,544.60	2,041.91
(iii) Bank balances	9	-	-
(iv) Other financial assets	10	-	-
(f) Deferred tax assets (net)	11	15.40	11.67
(g) Other non current assets	12	0.10	0.10
<b>Total Non Current Assets</b>		<b>3,125.88</b>	<b>2,781.44</b>
<b>(2) Current assets</b>			
(a) Inventories	13	4,113.61	3,961.16
<b>(b) Financial Assets</b>			
(i) Investments		-	-
(ii) Trade receivables	8	3,493.56	4,447.95
(v) Cash and cash equivalents	14	73.97	23.08
(vi) Bank balances	9	32.35	2.18
(vii) Other financial assets	10	1,350.42	1,214.69
(c) Other current assets	12	58.67	64.67
<b>Total Current Assets</b>		<b>9,122.57</b>	<b>9,813.73</b>
<b>Total Assets</b>		<b>12,248.45</b>	<b>12,597.21</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>A EQUITY</b>			
(a) Equity Share Capital	15	1,028.40	1,028.40
(b) Other Equity		2,518.91	2,492.10
<b>Total Equity</b>		<b>3,547.31</b>	<b>3,520.50</b>
<b>B LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	16	1,205.50	1,215.24
(ii) Trade payables	17	-	-
(iii) Other financial liabilities	18	13.54	22.99
(b) Provisions	20	16.30	16.27
(c) Other non current liabilities	21	274.30	274.30
<b>Total Non Current Liabilities</b>		<b>1,509.64</b>	<b>1,528.80</b>
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	22	4,579.84	4,669.86
(ii) Trade payables	17	-	-
Total Outstanding dues of MSME Creditor		1,326.10	501.76
Total Outstanding dues of creditors other than MSME		884.77	1,720.83
(iii) Other financial liabilities	18	215.50	173.64
(b) Current tax Liabilities (Net)	19	4.31	39.77
(c) Provisions	20	1.21	5.35
(d) Other current liabilities	21	179.77	236.70
<b>Total Current Liabilities</b>		<b>7,191.50</b>	<b>7,347.91</b>
<b>Total Equity and Liabilities</b>		<b>12,248.45</b>	<b>12,397.21</b>

Summary of Significant Accounting Policies

2.2

The accompanying notes and other explanatory information are an integral part of the Financial Statements.  
As per our report of even date.

For Rasool Singh & Company  
Chartered Accountants  
FRN: 500015M



Date: 28/07/2020  
Place: Delhi  
UDIN: 20542089AAAAAU6788

For and on behalf of the Board of Directors  
Sanco Industries Limited

*[Signature]*  
**SANJAY GUPTA**  
Managing Director  
DIN - 00726005

*[Signature]*  
**RITA GUPTA**  
Additional Director  
DIN - 00725987

*[Signature]*  
**MANSI GUPTA**  
Chief Financial Officer

*[Signature]*  
**AKRITI MAHAJAN**  
Company Secretary

## Sanco Industries Limited

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

		(Rs. In Lakhs)	
Particulars	Note No.	Year ended March '2020	Year ended March '2019
I Revenue from operations			
II Other Income	23	3,576.65	11,185.10
	24	165.14	10.49
III Total Income (I+II)			
IV Expenses		<u>3,741.79</u>	<u>11,195.59</u>
Cost of Materials Consumed	25		-
Purchase of Stock-In-trade	26	3,310.16	9,015.26
(Increase)/Decrease In Inventories Of Finished Goods	27	13.25	1,117.15
Employee Benefit Expenses	28	(178.51)	(246.14)
Finance costs	29	139.75	189.57
Depreciation and amortisation expense	30	193.07	654.82
Other expenses	31	50.36	65.82
Total expenses (IV)		<u>184.39</u>	<u>263.25</u>
V Profit/ (loss) before exceptional items and tax (III- IV)		<u>3,712.46</u>	<u>11,059.73</u>
VI Exceptional items		29.32	135.86
VII Profit/ (loss) before tax (V-VI)		-	-
VIII Tax expense:		<u>29.32</u>	<u>135.86</u>
(1) Current tax			
(2) Deferred tax		5.71	41.55
(3) Mat Credit Entitlement		(3.05)	1.34
Total Tax Expense (VIII)		<u>(2.19)</u>	<u>-</u>
IX Profit/ (loss) for the year (VII-VIII)		<u>0.48</u>	<u>42.89</u>
X Other Comprehensive Income		<u>28.85</u>	<u>92.97</u>
(1) Items that will not be reclassified to profit and loss			2.69
(2) Items that will be reclassified to profit and loss			0.30
(3) Income tax effect on above		0.88	-
Total Other comprehensive income		<u>0.23</u>	<u>-</u>
XI Total Comprehensive Income for the year (IX+X)		<u>0.65</u>	<u>2.99</u>
(Comprising profit and other comprehensive income for the year)		<u>29.50</u>	<u>95.96</u>
XII Earnings per equity share			
(1) Basic (Rs.)	32	0.28	0.90
(2) Diluted (Rs.)	32	0.28	0.90

The accompanying notes and other explanatory information are as integral part of the Financial Statements.

As per our report of even date.

For Rasool Singhal & Company  
Chartered Accountants  
FRN: 500015N

CA Rajat Banga  
Partner  
Membership No. 542089



Date: 28/07/2020  
Place: Delhi  
UDIN: 20542089AAAAAU6788

For and on behalf of the Board of Directors  
of Sanco Industries Limited

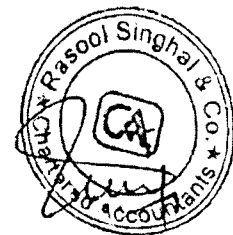
Sanjay Gupta  
Managing Director  
DIN : 00726005

Mansi Gupta  
Chief Financial Officer

Rita Gupta  
Additional Director  
DIN: 00725987

Akriti Mahajan  
Company Secretary

<b>23 Revenue from operations</b>			
Particulars			
	Sale of Goods		
	<b>Total</b>		
<b>24 Other Income</b>			
Particulars			
	Interest on deposits		
	Profit on sale of Fixed Assets		
	Profit on sale of Investment		
	Claim Settlement Income		
	Miscellaneous Income		
	Net Gain on Foreign Exchange Fluctuations		
	<b>Total</b>		
<b>25 Cost of Materials Consumed</b>			
Particulars			
	Inventory opening balance		
	Add: Purchases		
	Less: Inventory closing balance		
	<b>Cost of Raw Materials Consumed</b>		
<b>26 Purchase of Stock-in-trade</b>			
Particulars			
	Purchases- trading materials		
	<b>Total</b>		
<b>27 (Increase)/Decrease In Inventories Of Finished Goods</b>			
Particulars			
<b>Finished Goods</b>			
	Inventories at the begning of the year		
	Less: Inventories at the end of the year		
	<b>Sub Total (A)</b>		
<b>Stock-in-trade</b>			
	Inventories at the begning of the year		
	Less: Inventories at the end of the year		
	<b>(Increase)/Decrease In Inventories</b>		
<b>28 Employee Benefit Expenses</b>			
Particulars			
	Salaries, allowances and benefits of employees		
	Contribution to Gratuity, PF and other funds		
	Staff Welfare Expenses		
	Keyman Insurance premium		
	<b>Total</b>		
		<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
		3,576.65	11,185.10
		<b>3,576.65</b>	<b>11,185.10</b>
		<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
		17.81	3.17
		41.24	3.26
		5.93	-
		100.00	-
		0.17	0.01
		-	4.05
		<b>185.14</b>	<b>10.49</b>
		<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
		3,145.56	3,318.03
		3,384.11	8,842.79
		6,529.67	12,160.82
		3,219.50	3,145.56
		<b>3,310.17</b>	<b>9,015.26</b>
		<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
		13.25	1,117.15
		<b>13.25</b>	<b>1,117.15</b>
		<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
		334.38	366.24
		894.10	334.38
		(559.72)	31.86
		381.22	103.22
		-	381.22
		381.22	(278.00)
		<b>(178.51)</b>	<b>(246.14)</b>
		<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
		108.81	168.14
		11.39	10.98
		7.57	8.85
		11.98	1.60
		<b>139.75</b>	<b>189.57</b>



		Year ended March 31, 2020	Year ended March 31, 2019
<b>29</b>	<b>Finance Cost</b>		
	Particulars		
	Interest		
	Paid to bank and Financial Institution		
	Bank charges	177.50	604.22
	Other borrowing Cost (Upfront fees, Commitment charges)	13.50	40.77
	Interest on advance income tax	1.71	9.83
	Total	0.36	-
		<b>193.07</b>	<b>654.82</b>
<b>30</b>	<b>Depreciation and amortization expenses</b>		
	Particulars		
	Depreciation on PPE		
	Depreciation on Investment Property	50.36	64
	Amortization of Intangible Asset	-	1.61
	Total	-	0.01
		<b>50.36</b>	<b>65.82</b>
<b>31</b>	<b>Other expenses</b>		
	Particulars		
	Rent		
	Rates and Taxes	0.04	13.65
	Repair and maintenance	-	7.18
	Office Building and Plant & Machinery		
	Others	3.58	5.45
	Office maintenance	1.39	1.83
	Insurance	0.49	0.76
	Printing and Stationary	6.39	5.37
	Consultancy and other professional services	0.80	0.94
	Electricity and power charges	14.85	6.58
	Remuneration to auditors	49.72	46.72
	Travelling and conveyance	1.55	2.55
	Communication expenses	16.44	21.01
	Business Promotion and advertisement	1.17	2.01
	Discount charges	0.28	2.85
	Vehicle running and maintenance	21.31	22.88
	Commission and brokerage	19.33	12.61
	Freight and forwarding charges	3.69	2.37
	Testing fees and license fee	24.27	96.16
	Listing fee	8.62	7.35
	Miscellaneous expenses	4.90	2.90
		5.55	2.08
	<b>Total</b>	<b>184.39</b>	<b>263.25</b>



**SANCO INDUSTRIES LIMITED**

**Notes and other explanatory information to financial statements for the year ended  
March 31, 2020**

**1. COMPANY INFORMATION:**

Sanco Industries Limited (the 'Company') is a public limited Company domiciled in India with its registered office located at D-161, Surajmal Vihar Delhi DL 110092. The Company is listed on the National Stock Exchange (NSE). The Company is in the manufacturing business comprising primarily of PVC Pipes. The Company has manufacturing facilities across the country and sells primarily in India.

**2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation and Measurement**

**(a) Basis of preparation and compliance with Ind AS**

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

The financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 28<sup>th</sup> July, 2020.

**(b) Basis of measurement**

These financial statements are prepared under the historical cost convention unless otherwise indicated.

**2.2 Key Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations
- (b) Measurement and likelihood of occurrence of provisions and contingencies





**SANCO INDUSTRIES LIMITED**  
**Notes and other explanatory information to financial statements for the year ended**  
**March 31, 2020**

- (c) Recognition of deferred tax assets
- (d) Key assumptions used in discounted cash flow projections
- (e) Impairment of Intangible assets
- (f) Measurement of Lease liabilities and Right of Use Asset (ROUA)

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

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations in many of manufacturing, distribution centres, warehouses and extended supply chain partner locations got temporarily disrupted.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

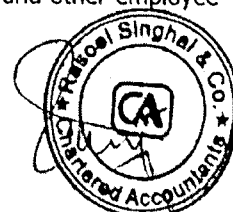
Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets are disclosed in Notes and Notes, and useful lives is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

**Provision for warranty**

The company has recognised a provision for warranty associated with liquidated damages and shortfall in performance arising from obligations stated in its project contracts, in determining the amount of the provision, assumption and estimates are made in relation to the present value of the potential risk, risk adjusted equity return rate, current sales levels, subsequent events and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The carrying amount of the provisions as at the reporting period end are disclosed in Notes to the financial statement.

**Employee Benefits- Measurement of Defined Benefit Obligation**

Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits.



**SANCO INDUSTRIES LIMITED**  
**Notes and other explanatory information to financial statements for the year ended**  
**March 31, 2020**

**I. Critical judgements made in applying accounting policies**

**Lease Classifications**

At the inception of an arrangement entered into for the use of property, plant and equipment (PPE), the Company determines whether such an arrangement is, or contains, a lease. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of (i) whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and (ii) the arrangement conveys a right to use the asset(s).

Lease transactions where substantially all risks and rewards incident to ownership are transferred from the lessor to the lessee are accounted for as finance leases. All other leases are accounted for as operating leases.

**Service concession arrangements**

The analysis on whether the Appendix A of Ind AS 11 applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities.

Therefore, the application of Appendix A of Ind AS 11 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of Appendix A of Ind AS 11, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity.

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of Appendix A of AS 11 and, therefore, on the results of operations or the financial position.

**Impairment subsidiaries**

When a subsidiary is in net equity deficit and has suffered operating losses, a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. The determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow.

**Impairment of plant & equipment and intangible assets**

The company assesses whether plant & equipment and intangible assets have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant & equipment and intangible asset have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

**Expected credit loss**

Expected credit losses of the company are based on an evaluation at the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

**II. Property, Plant and Equipment**



**SANCO INDUSTRIES LIMITED**

**Notes and other explanatory information to financial statements for the year ended  
March 31, 2020**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognised into net income as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

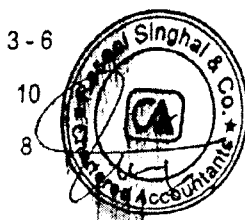
An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

**Depreciation**

Depreciation is provided on Written down value Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives in years are as under:

Factory buildings	30
Other than factory buildings	60
Plant and Machinery	15
Office equipments	5
Electrical Fittings	10
Computers and peripherals	3 - 6
Furniture and Fixtures	10
Furniture and Fixtures (Hotel)	8



**SANCO INDUSTRIES LIMITED**

**Notes and other explanatory information to financial statements for the year ended**

**March 31, 2020**

Plant & Machinery (Hotel)

0

Vehicles

0

Leasehold Assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions/deletions to the fixed assets/leasehold improvements, depreciation is charged from the date the asset is ready to use/up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

**III. Investment properties**

Property that is held for long-term rental yields or for capital appreciation of both is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

**IV. Intangible Assets**

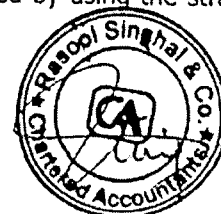
**Service concession arrangements (SCA)**

Where the company enters into service Concession arrangements under which the company constructs, uses and operates certain assets for the provision of public services, construction revenue and costs are recognised in the profit and loss account by reference to the stage of completion at the balance sheet date while the fair value of construction service is capitalised initially as service concession assets in the balance sheet. Expenditure for the replacement and/or upgrade of the assets subject to service concession capitalised.

Concession rights are recognized as an intangible asset to the extent that it receives a right to charge users of the service. Concession rights are stated at cost less accumulated amortization and accumulated impairment losses.

In case of BOOT based road projects amortization is as per the schedule II of companies act 2013 i.e. calculated by taking the proportionate of actual revenue earned for the year over the total projected revenues from the balance concession period of the project applied to the cost of intangible assets. The total projected revenues are reviewed at the end of each financial year and the total projected revenues are adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

In all other intangible service concession assets, amortization is calculated by using the straight-time method over the licensing periods.



**SANCO INDUSTRIES LIMITED**  
**Notes and other explanatory information to financial statements for the year ended**  
**March 31, 2020**

**Other Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The company amortizes Computer software using the straight-line method over the period of 4 years.

**V. Financial Assets**

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

*Initial recognition*

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the company commits to purchase or sell the assets.

*Subsequent Measurement*

i. Financial assets measured at amortised cost

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- A. Trade receivable
- B. Cash and cash equivalents
- C. Other Financial Asset

ii. Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI.

Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income. 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.

**VI. Government Grants**

Government assistance is recognized when there is reasonable assurance that the Company will comply with the conditions attached to the government assistance and the grants will be received. Such assistance is recorded as a reduction to the related expense of asset.

**VII. Inventories**

Raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.



**SANCO INDUSTRIES LIMITED**

**Notes and other explanatory information to financial statements for the year ended  
March 31, 2020**

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

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

**VIII. Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

**IX. Non-current Assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components or the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into net income. Gains are not recognized in excess of any cumulative impairment losses.

**X. Share Capital**

Equity shares are classified as equity.

**XI. Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows:

*Financial liabilities at fair value through profit or loss*

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognised in other comprehensive income (OCI).

iii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the statement of profit and loss.

iv. Investment in subsidiaries, joint ventures & associates are carried at cost in the separate financial statements.



**SANCO INDUSTRIES LIMITED**  
**Notes and other explanatory information to financial statements for the year ended**  
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*Impairment of Financial Assets*

Financial assets are tested for impairment based on the expected credit losses.

1) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts or future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

2) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

*De-recognition of financial assets*

A financial asset is de-recognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset. In such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset not retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

**Impairment of Non-Financial Assets**

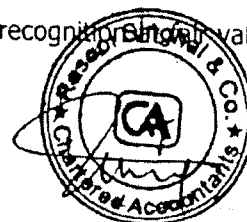
At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.



### **Other financial liabilities**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

## **XII. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

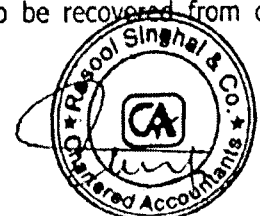
## **XIII. Employee Benefits**

- Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work In Progress/Intangible asset under development.
- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.
- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

## **XIV. Income Taxes**

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or





**SANCO INDUSTRIES LIMITED**

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**March 31, 2020**

payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **XV. Leases**

### **As a lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The Finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (not of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

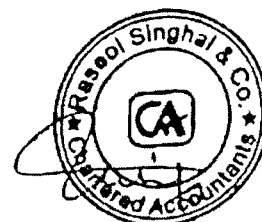
### **As a lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balanced sheet based on their nature.

### **Lease-hold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.



**SANCO INDUSTRIES LIMITED**

**Notes and other explanatory information to financial statements for the year ended  
March 31, 2020**

**XVI. Provisions, Contingent and Liabilities and Contingent Assets**

**Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation is incurred. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value or the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages/Penalty as per the contracts/Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

**Contingent Liabilities**

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

**Contingent Assets**

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**XVII. Fair Value Measurements**

Company uses the following hierarchy when determining fair values:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) and,

Level 3 - Inputs for the asset or liability that are not based on observable market data.



**SANCO INDUSTRIES LIMITED**  
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**March 31, 2020**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs.

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

### **XVIII. Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

The company collects service tax, sales taxes/value added taxes (VAT) and GST on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized.

#### **Insurance Claims**

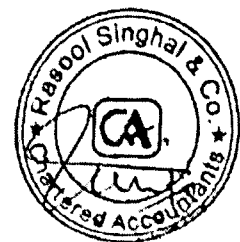
Insurance claims are recognized on acceptance/actual receipt of the claim.

#### **Interest**

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established.



**SANCO INDUSTRIES LIMITED**  
**Notes and other explanatory information to financial statements for the year ended**  
**March 31, 2020**

**XIX. Foreign Currency Transactions**

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

**XX. Minimum Alternative Tax [MAT]**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

**XXI. Earnings per Share**

Basic earnings per share are calculated by dividing

- The profit attributable to owners of the company.
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

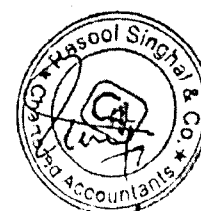
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**XXII. Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

**XXIII. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule II of the Companies Act, 2013, unless otherwise stated.

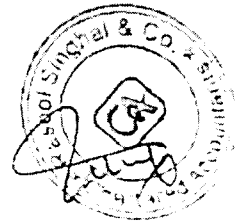


Senco Industries Limited  
Notes to financial statements for the year ended March 31, 2020

3 Property, Plant and Equipment

Particulars	Rs. Lakhs							Total
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	
<b>Gross Block</b>								
As at April 01, 2018	8.61	55.90	339.42	0.11	72.77	3.50	3.31	484.62
Additions	-	-	-	-	-	0.97	-	0.97
Disposals	-	-	-	-	0.20	-	-	0.20
As at March 31, 2019	6.61	55.90	339.42	0.11	72.57	4.47	3.31	482.28
Additions			0.17					
Disposals			7.29					
As at March 31, 2020	6.61	55.90	332.31	0.11	72.57	4.47	3.31	482.28
<b>Depreciation</b>								
As at April 01, 2018	-	10.08	113.83	0.03	15.00	1.67	2.26	142.87
Charged For the Period	-	4.34	43.29	0.00	14.90	1.14	0.52	64.29
On Disposals	-	-	-	-	-	-	-	-
As at March 31, 2019	-	14.42	157.12	0.03	29.90	2.81	2.78	207.06
Charged For the Period		3.93	34.84	0.00	10.81	0.62	0.17	
On Disposals		-	6.37	-	-	-	-	
As at March 31, 2020	-	18.34	185.59	0.03	40.70	3.43	2.95	251.05
<b>Net Block</b>								
As at March 31, 2019	6.61	41.48	182.29	0.08	42.67	1.66	0.54	275.23
As at March 31, 2020	6.61	37.56	146.72	0.08	31.87	0.99	0.36	224.13

Note : Gross Block as on 01.04.2016 represents deemed cost (Gross Block - Accumulated Depreciation) as per IndAS 101.



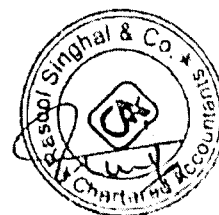
**Sanco Industries Limited**  
**Notes to financial statements for the year ended March 31, 2020**

(Rs. in Lakhs)

4 Investment Property Particulars	Land	Buildings	TOTAL ASSETS
	<b>Gross Block</b>		
As at April 01, 2018	7.54	27.40	35.02
Additions			
Disposals	(7.54)	(27.40)	(35.02)
As at March 31, 2019			
Additions			
Disposals			
As at March 31, 2020			
<b>Depreciation</b>			
As at April 01, 2018		4.97	4.97
Charged For the Period		1.61	1.61
On Disposals		(6.58)	(6.58)
As at March 31, 2019			
Charged For the Period			
On Disposals			
As at March 31, 2020			
<b>Net Block</b>			
As at March 31, 2019			
As at March 31, 2020			
<b>5 Other Intangible Assets</b>			
<b>Particulars</b>			
<b>Gross Block</b>			
As at April 01, 2018		0.09	0.09
Additions		0.00	0.00
Disposals		0.00	0.00
As at March 31, 2019		0.09	0.09
Additions		0.00	0.00
Disposals		0.00	0.00
As at March 31, 2020		0.09	0.09
<b>Amortisation</b>			
As at April 01, 2018		0.02	0.02
Amortised For the Period		0.01	0.01
On Disposals		0.00	0.00
As at March 31, 2019		0.03	0.03
Amortised For the Period		0.00	0.00
On Disposals		0.00	0.00
As at March 31, 2020		0.00	0.00
<b>Net Block</b>			
As at March 31, 2019		0.00	0.06
As at March 31, 2020		0.00	0.00

Note : Gross Block as on 01.04.2016 represents deemed cost (Gross Block - Accumulated Depreciation) as per IndAS 101.

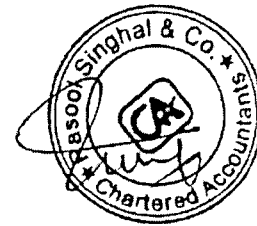
6 Capital Work In Progress	As at	As at
	Mar 31, 2020	Mar 31, 2019
Intangible assets under development	2.99	2.99
	2.99	2.99



Sanco Industries Limited  
Notes to financial statements for the year ended March 31, 2020

(Rs. In Lakhs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2020	As at Mar 31, 2019
	In Nos	In Nos	In Lakhs	In Lakhs
<b>7 Non Current Investments</b>				
<b>I Investment at Cost</b>				
<b>A Un-Quoted</b>				
Investment in Equity Shares	450,000	450,000	291.77	291.77
(I) Investment in Subsidiary Companies (*Face value of US\$ 1 each)	450,000.00	450,000.00	291.77	291.77
<b>Total Equity Investment At Cost</b>	<b>450,000.00</b>	<b>450,000.00</b>	<b>291.77</b>	<b>291.77</b>
<b>Total Un-Quoted Investments at Cost in Equity</b>	<b>450,000.00</b>	<b>450,000.00</b>	<b>291.77</b>	<b>291.77</b>
<b>II Investment at Fair Value through OCI</b>				
<b>(I) Investment in Mutual Funds</b>				
Union Dymnic Bond Fund			-	53.37
<b>Total Mutual Funds Investment At Fair Value</b>			-	<b>53.37</b>
<b>(ii) Other Investment</b>				
LIC of India			38.06	96.78
Star Union Dal-ichi Life Insurance			8.66	8.66
<b>Total Investment at Cost</b>			<b>46.72</b>	<b>105.44</b>
<b>Total Non Current Investments</b>			<b>338.50</b>	<b>450.58</b>



(In Lakhs)

8 Trade Receivables

	Non-Current		Current	
	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2020	As at Mar 31, 2019
Trade Receivables				
Secured, Considered Good	1,728.04	1,725.27	2,159.16	3,113.84
Unsecured, Considered Good	816.64	816.64	1,334.40	1,334.40
Doubtful	2,544.68	2,041.91	1,491.56	4,447.95
Less: Allowance for bad & doubtful debts				
Total	2,544.68	2,041.91	3,492.06	4,447.95

\* As decided by the management there is no change in the status of cases pending earlier as on 31.03.2019 hence there is no change in doubtful trade receivables. (\*\* Non - Current Trade receivable include Rs 816.64 as on 31st March 2020 and Current Trade receivable include Rs 1,334.40 as on 31st March 2020 against which recovery case are pending.)

\*\* Non - Current Trade receivable include Rs 816.64 as on 31st March 2019 and Current Trade receivable include Rs 1,334.40 as on 31st March 2019 against which recovery case are pending.

9 Bank Balances

Particulars	Non-Current		Current	
	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2020	As at Mar 31, 2019
On Deposit Accounts	-	-	32.35	2.18
Net Bank Balances	-	-	32.35	2.18

10 Other Financial Assets

Particulars	Non-Current		Current	
	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2020	As at Mar 31, 2019
Loans and Advances to Employees	-	-	1.61	0.62
Advances to Suppliers	-	-	1,348.77	1,213.94
Interest Accrued on Deposits	-	-	0.04	0.13
	-	-	1,350.42	1,214.69

11 Deferred Tax Asset / (Liability)- Net

Particulars	As at	
	Mar 31, 2020	Mar 31, 2019
Deferred Tax Assets		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	2.09	1.38
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	13.39	11.29
Other Timing Difference		
Gross Deferred Tax Assets	15.48	12.67
Deferred Tax Asset / (Liability)- Net	15.48	12.67

12 Other Assets

Particulars	Non-Current		Current	
	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2020	As at Mar 31, 2019
Other Advances				
Security Deposits	0.10	0.10	5.15	5.15
Prepaid Expense	-	-	0.44	2.09
Cenvat / Vat / Service Tax Credit Receivable	-	-	13.24	13.24
GST Receivable	-	-	-	5.12
Taxes Paid Under protest (Refer note 15)	-	-	9.50	9.50
MAT Credit entitlement	-	-	2.19	-
Others Assets	-	-	28.16	29.57
Total	0.10	0.10	58.67	64.67

13 Inventories

Particulars	As at	
	Mar 31, 2020	Mar 31, 2019
(At lower of cost and net realisable value unless otherwise stated)		
Raw Materials	3,219.50	3,145.56
Finished Goods	894.10	334.38
Stock in Trade	-	381.22
Total	4,113.61	3,861.16

14 Cash and Cash Equivalents

Particulars	As at	
	Mar 31, 2020	Mar 31, 2019
Cash on Hand	72.97	21.30
Balances with Banks		
-On Current Accounts	0.99	1.78
	73.97	23.08





**15 Equity Share Capital**

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
<b>Authorised</b>		
1,40,00,000 Mar 31, 2019: 1,40,00,000 of Rs. 10 each) Equity Shares of Rs. 10 each	1,400.00	1,400.00
	<u>1,400.00</u>	<u>1,400.00</u>
<b>Issued, Subscribed and Paid Up Equity Shares</b>		
1,02,84,000 Mar 31, 2019: 1,02,84,000 of Rs. 10 each) Equity Shares of Rs. 10 each, Fully Paid Up	1,028.40	1,028.40
<b>Total Equity Share Capital</b>	<u>1,028.40</u>	<u>1,028.40</u>

**15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	No. Lakhs	Rs. Lakhs
<b>Equity Shares of Rs. 10 Each, Fully paid up</b>		
At the end 31st March 2019	<u>102.84</u>	<u>1,028.40</u>
Issued during the period - Bonus Issue	-	-
Issued during the period - Cash Issue	-	-
At the end 31st March 2020	<u>102.84</u>	<u>1,028.40</u>

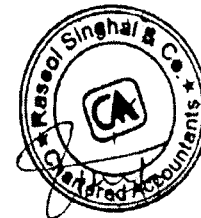
**15.2 Terms / Rights attached to Equity Shares (egg. Dividend rights, Voting Rights)**

The company has only one class of equity shares having a par value of Rs. 10 Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

**15.3 Details of Shareholder holding more than 5% shares of the company:**

	No.	% of Holding
<b>Equity Shares of Rs. 10 each Held By as on 31st March 2019</b>		
Mr. Sanjay Gupta	2,328,550	22.64%
Mr. Sidhant Gupta	528,120	5.14%
M/s Sanjay Gupta HUF	1,252,430	12.18%
<b>Equity Shares of Rs. 10 each Held By as on 31st March 2020</b>		
Mr. Sanjay Gupta	2,328,550	22.64%
Mr. Sidhant Gupta	528,120	5.14%
M/s Sanjay Gupta HUF	1,252,430	12.18%



Sanco Industries Limited  
Statement of Changes in Equity for the year ended March 31, 2020

(Rs. In Lakhs)

Particulars	Reserves and Surplus			Items of Other		Total equity
	Securities Premium Account	Investment Revaluation Reserve	Retained earnings	Foreign currency translation reserve	Other Items of other comprehensive income (specify nature)	
<b>Balance as at 01.04.2018</b>	54.60	-	2,335.33	-	6.22	2,396.15
Changes in accounting policy/prior period errors						-
Restated balance at the beginning of the reporting period			92.97	-	2.99	95.96
Current year profit						-
Other Comprehensive Income after tax for the Period						-
<b>Balance as at 31.03.2019</b>	54.60	-	2,428.31	-	9.21	2,492.10
Changes in accounting policy/prior period errors						-
Less: Revaluation reserve Transferred to Statement of Profit and Loss account as Investment sold			28.85	-	(2.69)	(2.69)
Current year profit					0.65	29.50
Other Comprehensive Income after tax for the Period						-
<b>Balance as at 31.03.2020</b>	54.60	-	2,457.16	-	7.17	2,518.91



16 Long Term Borrowings	Non Current Portion		Current Maturities	
	As at	As at	As at	As at
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Particulars				
Rupee Term Loans	160.32	160.32	-	-
Secured				
From Others (refer note (a))	-	13.46	20.02	52.99
Unsecured	15.38	30.96	17.09	11.63
From Financial Institutions (refer note (b))				
From Banks	-	15.27	15.15	19.79
Hypothecation Loans - Secured				
From Banks (refer note (c))				
Loans and Advances from Related Parties	1,029.81	995.23	-	-
Unsecured	1,205.50	1,215.24	52.17	84.41
Rupee Term Loans - from Directors				
Net Amount				

(a) Indian Rupee Loan from Financial Institutions payable on demand. The loan is secured against Keyman Insurance policy.  
(b) Indian Rupee Loan from various Financial Institutions. The loan is secured by personal guarantee of executive director of the company and their immovable property.  
(c) Hypothecation Loans are secured by hypothecation of specific Vehicles acquired out of such loans.

17 Trade payables	Non current		Current	
	As at	As at	As at	As at
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Particulars				
Trade Payables (including acceptances)	-	-	1,326.10	501.76
(a) total outstanding dues of micro enterprises and small enterprises	-	-	884.77	1,720.83
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,210.88	2,222.59

18 Other financial liabilities	Non current		Current	
	As at	As at	As at	As at
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Particulars				
Current maturities long term borrowings	-	-	52.17	84.41
Security Deposit	-	2.00	40.88	35.51
Salaries and other benefits Payable	0.94	8.39	23.01	53.72
Other Payables	12.60	12.60	99.44	-
Others - Related party				
	13.54	22.99	215.50	173.64

19 Current Tax Liabilities (Net)	As at	
	Mar 31, 2020	Mar 31, 2019
	Particulars	
Provision for Tax	6.07	41.55
Less: TDS and TCS	1.76	1.78
	4.31	39.77

20 Provisions	Long Term		Short Term	
	As at	As at	As at	As at
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Particulars				
Provision for Leave Encashment	0.43	0.62	0.19	0.03
Provision for Gratuity	15.86	15.65	1.01	1.05
Provision for Bonus	-	-	-	4.27
	16.30	16.27	1.21	5.35

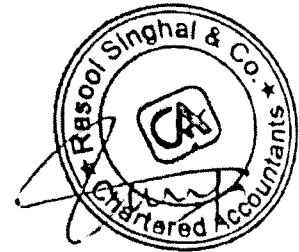
21 Other liabilities	Non current		Current	
	As at	As at	As at	As at
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Particulars				
Advance from Customers	-	-	85.15	198.23
Taxes Payable (Other than Income Tax)	-	-	20.84	19.19
Income Taxes Payable (Note 30)	274.30	274.30	39.77	-
Employee Contributions Payable	-	-	34.01	19.28
	274.30	274.30	179.77	236.70



Sanco Industries Limited  
 Notes to financial statements for the year ended March 31, 2020

22 Short Term Borrowings

Particulars	As at	As at
	Mar 31, 2020	Mar 31, 2019
Bank Overdraft	4,396.33	4,490.68
Cash Credits and Working Capital Demand Loan from Banks (Secured)** (Union Bank of India & South Indian Bank Cash Credit Limits - Secured against Hypothecation of liquid current assets, Plant and Machinery, Imovable property and their personal guarantee of Director and relative)		
Other Loans repayable on demand	167.43	164.18
Secured From Financial Institutions (Secured against immovable property of Director)	16.07	15.00
Unsecured From other (Inter corporate deposit) *the company bank CC Accounts (South Indian and UBI) has become Non-Performing Assets (NPA) as per banking rules and regulations.		
	<u>4,579.83</u>	<u>4,659.86</u>



32 Earning Per Share (EPS)		March 31, 2020	March 31, 2019
<b>Total Operations for the year</b>		28.85	92.97
Profit/(Loss) after tax		-	-
Less : Dividend on convertible Preference shares & tax thereon		28.85	92.97
<b>Net Profit/(Loss) for calculation of basic EPS</b>		28.85	92.97
Net Profit as above		-	-
Add : Dividends on convertible preference shares & tax thereon		-	-
Add : Interest on bonds/Debentures/Loan convertible into equity shares (Net of tax)		28.85	92.97
<b>Net Profit/(Loss) for calculation of diluted EPS</b>		28.85	92.97
<b>Weighted average number of Equity Shares for Basic EPS</b>		102.84	102.84
Effect of dilution :		-	-
Due to bonus share		-	-
<b>Weighted Average number of Equity shares for Diluted EPS</b>		102.84	102.84
<b>Basic EPS</b>		0.28	0.90
Total Operations		-	-
<b>Diluted EPS</b>		0.28	0.90
Total Operations		-	-

33 **Borrowing Costs**  
Detail of borrowing costs incurred which are directly attributable to the acquisition/ construction of a qualifying asset and capitalised during the year to be disclosed.

34 **Capital and Other Commitments**

Estimated amount of contracts remaining to be executed on capital account other than investment property and not provided for  
Estimated amount of contracts remaining to be executed on investment property and not provided for  
Investment Commitment in Subsidiaries and Associates  
Contractual obligations for purchase of PPE

	March 31, 2020	March 31, 2019
	Nil	Nil
	Nil	Nil
	Nil	Nil
	Nil	Nil



**Sanco Industries Limited**  
**Notes and other explanatory information to financial statements for the year ended March 31, 2020**

**35 Employee benefit obligations**

**1 Defined benefit plans:  
 Gratuity**

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after 5 years of continuous service.

**a Balance Sheet amount (Gratuity)**

	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2018	16.56	-	16.56
Current service cost	2.05	-	2.05
Interest expense   (Income)	1.29	-	1.29
<b>Total amount recognised in profit and loss</b>	<b>19.90</b>	<b>-</b>	<b>19.90</b>
Remeasurement			
Return on plan assets, excluding amount included in interest expense   (Income)	0.22	-	0.22
(Gain)   Loss from change in financial assumptions	(1.33)	-	(1.33)
Experience (gain)   loss	(1.11)	-	(1.11)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employer contributions	-	-	-
Benefit payments	(2.09)	-	(2.09)
<b>March 31, 2019</b>	<b>16.70</b>	<b>-</b>	<b>16.70</b>
Current service cost	1.72	-	1.72
Interest expense   (Income)	1.29	-	1.29
<b>Total amount recognised in profit and loss</b>	<b>3.01</b>	<b>-</b>	<b>3.01</b>
Remeasurement			
Change in demographic assumptions	0.00	-	0.00
(Gain)   Loss from change in financial assumptions	1.94	-	1.94
Experience (gain)   loss	(2.82)	-	(2.82)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(0.88)</b>	<b>-</b>	<b>(0.88)</b>
Employer contributions	-	-	-
Benefit payments	(1.95)	-	(1.95)
<b>March 31, 2020</b>	<b>16.88</b>	<b>-</b>	<b>16.88</b>

**b Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

Particular	March 31, 2020	March 31, 2019
Current Liability (Short term)	1.01	1.05
Non-Current Liability (Long term)	15.86	15.64
	<b>16.88</b>	<b>16.70</b>

**c Expenses Recognised in the Income Statement**

	March 31, 2020	March 31, 2019
Current Service Cost	-	-
Past Service Cost	1.72	2.05
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	1.29	1.29
<b>Expenses Recognised in the Income Statement</b>	<b>3.01</b>	<b>3.34</b>

**d Other Comprehensive Income**

	March 31, 2020	March 31, 2019
Actuarial (gains) / losses		
- change in demographic assumptions	0.00	-
- change in financial assumptions	1.94	0.22
- experience variance (i.e. Actual experience vs assumptions)	(2.82)	(1.33)
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(0.88)</b>	<b>(1.11)</b>

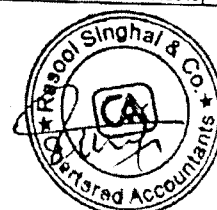
**e Actuarial Assumptions**

We have used actuarial assumptions selected by the Company. The Company has been advised that the assumptions selected should be unbiased and mutually compatible and should reflect the Company's best estimate of the variables of the future. The Company has also been advised to consider the requirements of Para 144 of Ind AS19 in this regard.

**Financial Assumptions**

The principal financial assumptions used in the valuation are shown in the table below:

	March 31, 2020	March 31, 2019
Discount rate (per annum)	6.70%	7.70%
Salary growth rate (per annum)	7.00%	7.00%



**Senco Industries Limited**  
**Notes and other explanatory information to financial statements for the year ended March 31, 2020**

Demographic Assumptions	March 31, 2020	March 31, 2019
	Mortality rate (% of IALM 06-08)	100%
Normal retirement age	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Up to 30 years	5%	5%
31 to 45 years	3%	3%
Above 45 years	1%	1%

**9 Sensitivity Analysis**

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 the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	March 31, 2020	March 31, 2019
Defined Benefit Obligation (Base)	16.88	16.70

Particular	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	19.18	14.94	19.13	14.68
(% change compared to base due to sensitivity)	13.60%	-11.50%	14.60%	-12.10%
Salary Growth Rate (- / + 1%)	14.93	19.15	14.65	19.13
(% change compared to base due to sensitivity)	-11.50%	13.40%	-12.30%	14.50%
Attrition Rate (- / + 50% of attrition rates)	16.94	16.82	16.51	16.86
(% change compared to base due to sensitivity)	0.40%	-0.30%	-1.10%	0.90%
Mortality Rate (- / + 10% of mortality rates)	16.88	16.88	16.69	16.70
(% change compared to base due to sensitivity)	-	-	-	-

**36 Contingent Liabilities - Not probable and therefore not provided for**

**A. Claims disputed by the company**

Income tax Liability  
A.Y. 14-15\*  
A.Y. 12-13

Interest on TDS, Short deduction and Late fee

\*Order of appellate authority pass in favour of the company, but Revenue authority has the right to filed appeal against the order of appellate authority in higher authority.

	March 31, 2020	March 31, 2019
Income tax Liability	63.33	63.33
A.Y. 14-15*	119.91	-
A.Y. 12-13	7.56	-

**B. Outstanding Corporate Guarantees**

Given to Financial Institutions, Banks on behalf of other group companies \*  
(\* Corporate Guarantees Issued for facility taken by foreign Subsidiary Company (Amount in USD)

	March 31, 2020	March 31, 2019
Outstanding Corporate Guarantees	20.00	20.00
Guarantees issued by the bank on behalf of the Company	4.46	4.46

**C. Guarantees issued by the bank on behalf of the Company**



**Sanco Industries Limited**  
**Notes and other explanatory information to financial statements for the year ended March 31, 2020**

**37 Segment Reporting**

As the company business activity fall within one segment viz. Manufacturing Business As per IndA 108, the disclosure requirements of IndAs 108 of Operating segment is not applicable

**38 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises**

Particulars	March 31, 2020	March 31, 2019
Principal amount remaining unpaid to any supplier as at the end of the year	1,326.10	501.76
Interest due on the above amount	-	-
Amount of Interest paid in terms of Section 16 of the MSMED Act, 2006.	-	-
Amount of payments made to the suppliers beyond the appointed day during the year	-	-
Amount of interest due and payable for the delay in making the payment but without adding the interest specified under Act	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the small enterprises.	-	-

Note: Due to financial crunch in the company payment outstanding with to vendor registered MSME Act, 2006 was pending for the payment more than 45 days (limit specified in MSME Act, 2006) due to that company was liability to interest on delay in payments. As per management decision interest will charged in financial statements when paid.

**39 Cash and Cash Equivalents**

For the purpose of the financial statement cash and cash equivalents comprise of following: -

	March 31, 2020	March 31, 2019
Cash on Hand	72.97	21.30
Balances with Banks	-	-
-On Current Accounts	0.99	1.78
-On deposits	32.35	2.18
	<b>106.32</b>	<b>25.26</b>

For the purpose of the cash flow statement, cash and cash equivalents comprise of following: -

Particulars	March 31, 2020	March 31, 2019
Cash & Cash equivalent as per balance sheet	106.32	25.26
Bank Overdraft	(4,396.33)	(4,490.68)
	<b>(4,290.02)</b>	<b>(4,465.42)</b>





**Sanco Industries Limited**

**Notes and other explanatory information to financial statements for the year ended March 31, 2020**

40 <u>Payment to Auditor</u> <u>Particulars</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Audit fees	1.30	2.06
Tax Audit Fees	0.25	0.49
Other tax matter fees	1.00	-
<b>Total</b>	<b>2.55</b>	<b>2.55</b>

41 <u>Earning in Foreign Currency</u> <u>Particulars</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Income in foreign currency	Nil	Nil

42 <u>Expenditure in Foreign Currency</u> <u>Particulars</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Purchase of Goods	-	596.07

**43 Details of Unpaid undisputed Statutory Liabilities**

The Company has not paid its undisputed and disputed statutory liability which are pending for more than 2 years related to Income tax, more than 6 months related to ESIC and EPF.

<u>Statutory Liability</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Income Tax Act	320.16	315.85
ESIC	6.90	4.21
EPF*	27.11	15.07

\* out of which 7.66 lacs has been paid in July 2020.

44 Balance of certain trade receivables, trade payables, provisions, liabilities and TDS receivable are subject to reconciliation/confirmation

45 Previous year figures have been regrouped/reclassified where ever necessary, to confirm to those of the current year.

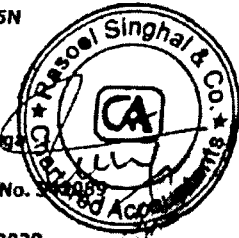
48 As allowed under Schedule III of the companies Act, 2013, financials are prepared in Lakhs/ In Crores and rounded off to two decimals. The numbers / amounts below thousand/ fifty thousands are appearing as zero.

**Summary of Significant Accounting Policies**

The accompanying notes and other explanatory information are an integral part of the Financial Statements.  
As per our report of even date.

**For Rasool Singhal & Company**  
**Chartered Accountants**  
FRN: 500015N

CA Rajat Baniya  
Partner  
Membership No. 314883



Date: 28/07/2020

Place: Delhi  
UDIN: 20542089AAAAAU6788

**For and on behalf of the Board of Directors**  
**Sanco Industries Limited**

*[Signature]*  
**SANJAY GUPTA**  
Managing Director  
DIN - 00726005

*[Signature]*  
**RITA GUPTA**  
Director  
DIN - 00725987

*[Signature]*  
**MANSI GUPTA**  
Chief Financial Officer

*[Signature]*  
**AKRITI MAHAJAN**  
Company Secretary

**Sanco Industries Limited**  
**Statement of Audited Standalone Cash Flow for the period ended December 31, 2020**

(Rs. in Lakhs)

Particulars	For the year ended March 2020	For the year ended March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	29.17	115.06
Profit on sale of Investment	(5.91)	-
Other comprehensive Income	0.00	-
Depreciation and Amortization	50.36	65.82
(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property	(41.24)	(1.26)
Interest Income	(17.81)	(1.17)
Interest Expenses	173.07	578.82
<b>Cash Generated Before Working Capital Changes</b>	<b>208.66</b>	<b>850.67</b>
<b>Movement In Working Capital</b>		
Increase / (Decrease) in Assets	69.45	1,604.03
Increase / (Decrease) in Liabilities	(75.89)	(3,664.29)
Increase / (Decrease) in Trade Payables	238.30	(3,492.41)
Increase / (Decrease) in Other Financial Liabilities	42.91	(25.79)
Increase / (Decrease) in Other Liabilities	(143.29)	(5.64)
Increase / (Decrease) in Provision	(6.44)	(1.62)
(Increase) / Decrease in Trade Receivables	278.07	2,527.49
(Increase) / Decrease in Inventories	(290.18)	128.97
(Increase) / Decrease in Other Financial Assets	(129.54)	(626.60)
(Increase) / Decrease in Other Assets	34.41	207.82
<b>Cash Generated From Operations</b>	<b>202.30</b>	<b>(520.19)</b>
Direct Taxes Paid	3.52	1.87
<b>Net Cash Flow From / (Used In) Operating Activities</b>	<b>198.78</b>	<b>(522.06)</b>
<b>B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of PPE, Intangible Assets and Investment Property	(0.17)	(0.92)
Proceeds of PPE, Intangible Assets and Investment Property	42.15	31.90
Proceeds from Investments	115.33	10.22
Interest Income Received	17.81	3.17
<b>Net Cash Flow From / (Used In) Investing Activities</b>	<b>175.11</b>	<b>44.37</b>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) of Long & Short Term Borrowings	(5.42)	(149.39)
Interest Paid	(193.07)	(654.82)
<b>Net Cash Flow From / (Used In) Financing Activities</b>	<b>(198.49)</b>	<b>(804.21)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>175.40</b>	<b>(1,281.90)</b>
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>(4,465.42)</b>	<b>(3,183.52)</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>(4,290.02)</b>	<b>(4,465.42)</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	72.97	21.30
Balances with Banks		
On Current accounts	0.99	1.78
On Deposits accounts	32.35	2.18
Bank Overdraft	(4,396.33)	(4,490.68)
<b>Cash and cash Equivalent</b>	<b>(4,290.02)</b>	<b>(4,465.42)</b>

Summary of Significant Accounting Policies

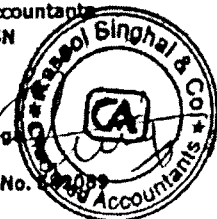
2.2

The accompanying notes and other explanatory information are an integral part of the Financial Statements.  
 As per our report of even date.

For Rasool Singhal & Company  
 Chartered Accountants  
 FRN: 500015N

CA Rajat Bang  
 Partner  
 Membership No. 220089

Date: 28/07/2020  
 Place: Delhi  
 UDIN: 20542089AAAAAU6788



For and on behalf of the Board of Directors  
 Sanco Industries Limited

SANJAY GUPTA  
 Managing Director  
 DIN - 00726005

MANSI GUPTA  
 Chief Financial Officer

RITA GUPTA  
 Additional Director  
 DIN - 00725987

AKRITI MAHAJAN  
 Company Secretary

(i) Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

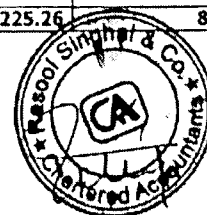
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

Particulars	As at March 31, 2020			As at April 1, 2019		
	FVPL	FVOCI	Amortised	FVPL	FVOCI	Amortised
<b>Financial assets</b>						
Investments	-	-	291.77	-	-	291.77
- Equity Instruments	-	-	-	-	53.37	-
- Mutual Funds	-	-	46.72	-	-	105.44
- Other Investment	-	-	6,038.24	-	-	6,489.86
Trade receivables	-	-	32.35	-	-	2.18
Deposit with Bank	-	-	73.97	-	-	23.08
Cash and cash equivalents	-	-	-	-	-	-
Other financial assets	-	-	1.61	-	-	0.62
- Loans and Advances to Employees	-	-	1,348.77	-	-	1,213.94
- Advances to Suppliers	-	-	0.04	-	-	0.13
- Interest Accrued on Deposits	-	-	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>7,833.47</b>	-	<b>53.37</b>	<b>8,127.02</b>
<b>Financial liabilities</b>						
Borrowings	-	-	5,837.51	-	-	5,969.51
Trade payables	-	-	2,210.88	-	-	2,222.59
Other financial liabilities	-	-	-	-	-	-
- Security Deposit	-	-	-	-	-	-
- Salaries and other benefits Payable	-	-	40.88	-	-	37.51
- Other Payables	-	-	135.99	-	-	74.71
<b>Total Financial Liabilities</b>	-	-	<b>8,225.26</b>	-	-	<b>8,304.32</b>

Fair Market Value of Financial Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	FMV	Carrying Amount	FMV
<b>Financial assets</b>				
Investments				
- Equity instruments	291.77	291.77	291.77	291.77
- Mutual Funds	-	-	50.00	53.37
- Other Investment	46.72	46.72	105.44	105.44
Trade receivables	6,038.24	6,038.24	6,489.86	6,489.86
Deposit with Bank	32.35	32.35	2.18	2.18
Cash and cash equivalents	73.97	73.97	23.08	23.08
Other financial assets				
- Loans and Advances to Employees	1.61	1.61	0.62	0.62
- Advances to Suppliers	1,348.77	1,348.77	1,213.94	1,213.94
- Interest Accrued on Deposits	0.04	0.04	0.13	0.13
<b>Total Financial Assets</b>	<b>7,833.47</b>	<b>7,833.47</b>	<b>8,177.02</b>	<b>8,180.39</b>
<b>Financial liabilities</b>				
Borrowings	5,837.51	5,837.51	5,969.51	5,969.51
Trade payables	2,210.88	2,210.88	2,222.59	2,222.59
Other financial liabilities				
- Security Deposit	-	-	-	-
- Salaries and other benefits Payable	40.88	40.88	37.51	37.51
- Other Payables	135.99	135.99	74.71	74.71
<b>Total Financial Liabilities</b>	<b>8,225.26</b>	<b>8,225.26</b>	<b>8,304.32</b>	<b>8,304.32</b>



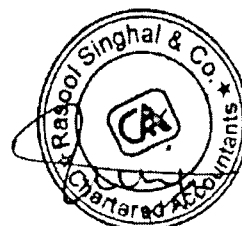
46 RELATED PARTY DISCLOSURE

a) Name of Related parties and description of relationship

Description of Relationship	Name
Subsidiary company	- Sanjita Polymet Limited
Associates	- Sanco Enterprises Private Ltd - Superlink Polyfeb Ltd.
Key Management Personnel	- Rita Gupta (resigned as a whole time director w.e.f 20.06.2019) - Mansi Gupta (appointed as CFO w.e.f 01.07.2019) - Sanjay Gupta - Akriti Mahajan - Sidhant Gupta (resigned w.e.f 05.12.2019) - Saurabh Gupta - Sanjeev Kumar Jain - Surender Kumar Gupta (resigned w.e.f 06.03.2020) - Sonu Kumari - Madhavi Gaur (resigned as CFO w.e.f. 30/06.2019)
Close family members of Key Management Personnel	- Anurag Gupta - Sanjay Gupta HUF - Shakuntala Gupta

(B) Summary of related party transactions

Particulars	Subsidiary company(ies)		Entities controlled by Directors or their Relatives		Key Management Personnel or their Relatives	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Transactions</b>						
Purchase of Goods	-	291.77	95.58	65.73	-	-
Sale Of Machinery	-	-	49.74	-	-	-
Unsecured Loan Received	-	-	-	-	54.57	12.00
Unsecured Loan Repaid	-	-	-	-	20.00	57.77
Remuneration	-	-	-	-	24.69	31.63
Reimbursement of expenses	-	-	-	-	-	44.33
Rent paid	-	-	-	-	-	6.76
<b>Balance outstanding</b>						
Receivable			49.74	-	-	-
Payables	12.60	12.60	99.44	-	1,052.06	1,010.99



## (C) Details of Related party Transactions

Nature of Transaction	Relation and Name	(Rs. in Lakhs)	
		March 31, 2020	March 31, 2019
Unsecured Loan Received	<b>With Key Management Personnel or their Relatives</b>		
	Mansi Gupta-Relative of Director	-	1.25
	Rita Gupta- Whole Time Director	-	5.00
	Sanjay Gupta- Managing Director	54.57	0.75
	Shankuntla Gupta Relative of Director	-	5.00
Unsecured Loan Repaid	<b>With Key Management Personnel or their Relatives</b>		
	Anurag Gupta- Relative of Director	-	4.00
	Sanjay Gupta- Managing Director	20.00	53.77
Purchase of Goods (Including GST) Sale of Machinery (Including GST)	<b>With enterprise controlled by Director or their Relatives</b>		
	Superlink Polyfeb Ltd.- Associate Enterprises	95.58	65.73
	Superlink Polyfeb Ltd.- Associate Enterprises	49.74	-
Remuneration and Salary	<b>With Key Management Personnel or their Relatives</b>		
	Sanjay Gupta- Managing Director	6.00	6.01
	Rita Gupta- Whole Time Director	1.50	6.00
	Sidhant Gupta- Whole Time Director	2.40	4.80
	Mansi Gupta-Relative of Director	3.00	3.00
	Anurag Gupta- Relative of Director	6.00	6.00
	Madhvi Gaur CFO	3.39	0.75
	Vipul Singhal CFO	-	2.67
	Akriti Mahajan- Company Secretary	2.40	2.40
	Reimbursement of expenses	<b>With Key Management Personnel or their Relatives</b>	
Sanjay Gupta- Managing Director		-	44.33
Rent Paid	<b>With Key Management Personnel or their Relatives</b>		
	Rita Gupta- Whole Time Director	-	3.38
	Shankuntla Gupta Relative of Director	-	3.38
Payables	<b>Subsidiary company(ies)</b>		
	Sanjita Polymet Limited	12.60	12.60
	<b>With enterprise controlled by Director or their Relatives</b>		
	Sanco Enterprises (P) Ltd.	99.44	-
Receivables	<b>Entities controlled by Directors or their Relatives</b>		
	Superlink Polyfeb Ltd.- Associate Enterprises	95.24	65.73
	<b>Entities controlled by Directors or their Relatives</b>		
	Superlink Polyfeb Ltd.- Associate Enterprises	49.74	-
	<b>Key Management Personnel or their Relatives</b>		
	<b>Unsecured Loan Repayable</b>		
	Anurag Gupta- Relative of Director	-	-
	Mansi Gupta-Relative of Director	92.00	92.00
	Rita Gupta- Whole Time Director	294.00	294.00
	Sanjay Gupta- Managing Director	418.81	384.24
	Shankuntla Gupta Relative of Director	225.00	225.00
	<b>Rent Payable</b>		
	Rita Gupta- Whole Time Director	2.03	2.03
	Shankuntla Gupta Relative of Director	2.03	2.03
	<b>Remuneration and Salary Payable</b>		
	Sanjay Gupta- Managing Director	5.00	1.01
	Rita Gupta- Whole Time Director	2.50	1.00
	Sidhant Gupta- Whole Time Director	4.25	0.80
	Mansi Gupta-Relative of Director	4.25	0.75
	Anurag Gupta- Relative of Director	0.50	1.00
	Madhvi Gaur CFO	0.30	0.50
	Akriti Mahajan- Company Secretary	1.40	1.40
	<b>Reimbursement of expenses payable</b>		
	Sanjay Gupta- Managing Director	-	5.23

