

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF SANCO INDUSTRIES LIMITED

Report on the Audit of 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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (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, 2021, the loss and total comprehensive loss, 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 ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Emphasis of Matter

- *Based on our review conducted as above we observed that company having Cash Credit (CC) accounts with South Indian Bank & Union Bank of India and loan accounts with HDFC Bank & Aditya Birla Finance Ltd has become Non-Performing Assets (NPA) as per banking rules and regulations. The company is also irregular while paying its undisputed and disputed statutory liabilities. We observed that undisputed and disputed statutory liabilities which are pending for more than 6 months with respect to ESIC, EPF and Income Tax has also not been paid till the date of this report.*
- *We have not been provided any reconciliation of balances of Creditors as well as with Debtors. We have been provided GST reconciliation which is not reconciled with GST Returns. Hence we are unable to comment upon the accuracy of these balances.*
- *Long term outstanding balances in some of personal and impersonal accounts are subject to confirmation and reconciliation.*
- *There are following material uncertainties that may cast significant doubt about the company's ability to continue as a going concern such as company has no working capital to run its factory in foreseeable future as all the loan facilities has been NPA & most of its Debtors are outstanding for more than a year and under litigation. Further, its turnover is declining drastically in past few years.*
- *Stock register, Fixed Asset Register and some of the E-way bills for sale and purchase etc. are not provided to us for verification.*

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 opinions on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Property Plant and Equipment and Intangible Assets

There are areas where management judgments impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortization amounts. These includes 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 on the level of judgment and estimates required, we consider to be a key audit matter.



Response to Key Audit Matter

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

In performing these procedures, we reviewed the judgment made by management including the nature of the underlying costs capitalized: Determination of realizable value of the assets retired from active use: The appropriateness of asset live 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 materials changes.

Revenue Recognition

Revenue recognition is significant audit risk across all units within the Company, risk exists that revenue is recognized 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 as follows:

- We have evaluated the design of internal controls relating to revenue recognition.
- We selected samples of Sales and transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving inquiry and observation, performance and inspection.
- We have tested samples of Sale transaction 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 recognized 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 judgment to determine the possible outcome of these disputes.

Response to Key Audit Matters

Obtained details of completed tax assessments and demands for the year ended March 31, 2021 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 experts also considered legal precedence and other rulings in evaluating management's position on these uncertain position. Additionally, we consider the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's to these uncertainties.



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

Auditor's Responsibility

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 Financial Results, 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 in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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 Financial Results, including the disclosures, and whether the Financial Results 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 consequence 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 Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on **31/03/2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31/03/2021** 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 A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There are pending litigations by and against the Company as at March 31, 2021 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 applicable 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.



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

For GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C

Satish Kumar

S. K. Gupta

Partner

M. No. 016746

UDIN: 21016746AAAAE28931



Place: New Delhi

Date: 30/06/2021

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1(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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of **SANCO INDUSTRIES LIMITED** as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal 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 of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.



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

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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

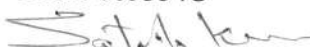
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

For GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C


S. K. Gupta
Partner

M. No. 016746

UDIN: 21616746AAAAE28931



Place: New Delhi

Date: 30/06/2021

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 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 not provided us any records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company did not provide us any document for program of verification to cover all the items of fixed assets.
 - c) According to the information and explanations received by us, as the company did not provide us any deed or documents relating to immovable property. Hence, we are unable to comment under this clause.
- ii. The Company did not provide any physical verification report of inventory. Hence, we are unable to comment under this clause.
- iii. The company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the company, whether reasonable steps for recovery of over dues of such loans are taken does not arise.
- 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. Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 2014 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 u/s 148(1) 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, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.



- b) There are undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 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. 12,54,866/-
2.	ESI	Total outstanding Rs. 7,51,017/-
3.	Income Tax Payable	Total outstanding Rs. 3,17,02,723/-

- c) Details of dues of sales tax/income-tax/value added tax/customs duty/excise duty/cess which have not been deposited on account of any dispute are given under:

Nature of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Remarks
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.)
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2012-13	Copy of Assessment Order not provided by the management
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2017-18	Copy of Assessment Order not provided by the management

- viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has defaulted in repayment of loans or borrowing to a financial institution, banks or dues to debenture- holders.

Name of the Bank	Nature of Dues	Amount	Due date	Status
South Indian Bank (CC	Principal and Interest	Rs. 13,63,76,330.43/-	Various dates and not paid any	The company bank CC Account has become Non-Performing Asset (NPA)



A/c)			interest during the year	as per the banking rules and regulations. As the company is irregular in paying the outstanding amount.
UBI Delhi, (CC A/c)	Principal and Interest	Rs. 31,27,79,994/-	Various dates	The company bank CC Account has become Non-Performing Asset (NPA) as per the banking rules and regulations. As the company is irregular in paying the outstanding amount.

- 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. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the company by its officers or employees nor any fraud by the company has been noticed or reported during the course of our audit.
- 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 made preferential allotment of equity shares.
- 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 a Non-Banking Financial Company and is not required to be registered under section 45-I of the Reserve Bank of India.

For GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C

S. K. Gupta

Partner

M. No. 016746

UDIN: 21016746AAAAE28931



Place: New Delhi

Date: 30/06/2021


Sanco Industries Limited
Standalone Balance Sheet as at March 2021

Particulars	Note No.	(Rs. In Lakhs)	(Rs. In Lakhs)
		As at Mar 31, 2021	As at Mar 31, 2020
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	174.25	224.13
(b) Investment Property	4	-	-
(c) Other Intangible Assets	5	-	-
(d) WIP	6	2.99	2.99
(e) Financial Assets			
(i) Investments	7	338.50	338.50
(ii) Trade receivables	8	3,439.88	2,544.68
(iii) Bank balances	9	-	-
(iv) Other financial assets	10	-	-
(f) Deferred tax assets (net)	11	8.67	15.48
(g) Other non current assets	12	0.10	0.10
Total Non Current Assets		3,964.39	3,125.88
(2) Current assets			
(a) Inventories	13	1,816.38	4,113.61
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	8	1,815.43	3,493.56
(v) Cash and cash equivalents	14	85.00	73.97
(vi) Bank balances	9	2.46	32.35
(vii) Other financial assets	10	1,342.18	1,350.42
(c) Other current assets	12	70.31	58.67
Total Current Assets		5,131.76	9,122.57
Total Assets		9,096.15	12,248.45
II EQUITY AND LIABILITIES			
A EQUITY			
(a) Equity Share Capital	15	1,151.20	1,028.40
(b) Other Equity		234.57	2,518.91
Total Equity		1,385.77	3,547.31
B LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,104.86	1,205.50
(ii) Trade payables	17	-	-
(iii) Other financial liabilities	18	12.12	13.54
(b) Provisions	20	0.50	16.30
(c) Other non current liabilities	21	317.03	274.30
Total Non Current Liabilities		1,434.51	1,509.64
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	4,670.10	4,579.84
(ii) Trade payables	17		
Total Outstanding dues of MSME Creditor		655.54	1,326.10
Total Outstanding dues of creditors other than MSME		570.86	884.77
(iii) Other financial liabilities	18	260.95	215.50
(b) Current tax Liabilities (Net)	19	-	4.31
(c) Provisions	20	-	1.21
(d) Other current liabilities	21	118.44	179.77
Total Current Liabilities		6,275.88	7,191.50
Total Equity and Liabilities		9,096.15	12,248.45

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 Gaur & Associates
Chartered Accountants
FRN: 005354C


CA S.K. Gupta
Partner
Membership No. 016746

Date: 30/06/2021
Place: Delhi
UDIN: 21016746AAAAE28931



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


SANJAY GUPTA
Managing Director
DIN - 00726005


RITA GUPTA
Director
DIN - 00725987


ANURAG GUPTA
Chief Financial Officer


AKRITI MAHAJAN
Company Secretary

Sanco Industries Limited

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Lakhs)

Particulars	Note No.	Year ended March '2021	Year ended March '2020
I Revenue from operations	23	239.91	3,576.65
II Other income	24	27.64	165.14
III Total Income (I+II)		267.55	3,741.79
IV Expenses			
Cost of Materials Consumed	25	1,820.10	3,310.16
Purchase of Stock-in-trade	26	1.77	13.25
(Increase)/Decrease in Inventories Of Finished Goods	27	620.79	(178.51)
Employee Benefit Expenses	28	55.20	139.75
Finance costs	29	7.52	193.07
Depreciation and amortisation expense	30	37.75	50.36
Other expenses	31	57.22	184.39
Total expenses (IV)		2,600.35	3,712.46
V Profit/ (loss) before exceptional items and tax (III- IV)		(2,332.80)	29.33
VI Exceptional items		-	-
VII Profit/ (loss) before tax (V-VI)		(2,332.80)	29.32
VIII Tax expense:			
(1) Current tax			5.71
(2) Deferred tax		6.81	(3.05)
(3) Mat Credit Entitlement			(2.19)
Total Tax Expense (VIII)		6.81	0.48
IX Profit/ (loss) for the year (VII-VIII)		(2,339.61)	28.85
X Other Comprehensive Income			
(1) Items that will not be reclassified to profit and loss		-	0.88
(2) Items that will be reclassified to profit and loss		-	0.23
(3) Income tax effect on above		-	0.65
Total Other comprehensive income		-	0.65
XI Total Comprehensive Income for the year (IX+X)		-	29.50
(Comprising profit and other comprehensive income for the year)			
XII Earnings per equity share			
(1) Basic (Rs.)	32	(20.32)	0.28
(2) Diluted (Rs.)	32	(20.32)	0.28

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

As per our report of even date.

For Gaur & Associates
Chartered Accountants
FRN: 005354C

CA S.K. Gupta
Partner
Membership No. 016746



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

Sanjay Gupta
Managing Director
DIN : 00726005

Anurag Gupta
Chief Financial Officer

Rita Gupta
Director
DIN: 00725987

Akriti Mahajan
Company Secretary

Date: 30/06/2021

Place: Delhi

UDIN: 21016746AAAEE28931

Sanco Industries Limited

Statement of Audited Standalone Cash Flow for the Period ended March 31, 2021

(Rs. In Lakhs)

Particular	For the year ended March 2021	For the year ended March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(2,332.80)	29.32
Profit on sale of Investment	-	(5.93)
Other comprehensive Income	-	0.88
Depreciation and Amortization	37.75	50.36
(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property	(12.14)	(41.24)
Interest Income	-	(17.81)
Interest Expenses	7.52	193.07
Cash Generated Before Working Capital Changes	(2,299.67)	208.66
Movement In Working Capital		
Increase / (Decrease) in Assets	3,076.75	69.45
Increase / (Decrease) in Liabilities	(980.38)	(75.80)
Cash Generated From Operations	(203.30)	202.30
Direct Taxes Paid	-	3.52
Net Cash Flow From / (Used in) Operating Activities	(203.30)	198.78
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE, Intangible Assets and Investment Property	-	(0.17)
Proceeds of PPE, Intangible Assets and Investment Property	24.27	42.15
Proceeds from Investments	-	115.33
Interest Income Received	-	17.81
Net Cash Flow From / (Used in) Investing Activities	24.27	175.11
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds / (Repayment) of Long & Short Term Borrowings	72.47	(5.42)
Interest Paid	(7.52)	(193.07)
Net Cash Flow From / (Used in) Financing Activities	64.95	(198.48)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(114.08)	175.40
Cash and Cash Equivalents at the beginning of the Period	(4,290.02)	(4,465.42)
Cash and Cash Equivalents at the end of the Period	(4,404.10)	(4,290.02)
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	81.21	72.97
Balances with Banks		
On Current accounts	3.80	0.99
On Deposits accounts	2.46	32.35
Bank Overdraft	(4,491.56)	(4,396.33)
Cash and cash Equivalent	(4,404.10)	(4,290.02)

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 Gaur & Associates
Chartered Accountants
FRN: 005354C



CA S.K. Gupta
Partner
Membership No. 016746

Date: 30/06/2021

Place: Delhi

UDIN: 21016746AAAAE28931



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

SANJAY GUPTA
Managing Director
DIN - 00726005

RITA GUPTA
Director
DIN - 00725987

ANURAG GUPTA
Chief Financial Officer

AKRITI MAHAJAN
Company Secretary

SANCO INDUSTRIES LIMITED

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 30th June, 2021.

(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
- (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)

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.

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.



SANCO INDUSTRIES LIMITED

**Notes and other explanatory information to financial statements for the year ended
March 31, 2021**

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

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.



SANCO INDUSTRIES LIMITED

**Notes and other explanatory information to financial statements for the year ended
March 31, 2021**

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
Plant & Machinery (Hotel)	8
Vehicles	8

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



SANCO INDUSTRIES LIMITED

**Notes and other explanatory information to financial statements for the year ended
March 31, 2021**

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-tine method over the licensing periods.

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



SANCO INDUSTRIES LIMITED

**Notes and other explanatory information to financial statements for the year ended
March 31, 2021**

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 amortization 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



SANCO INDUSTRIES LIMITED

**Notes and other explanatory information to financial statements for the year ended
March 31, 2021**

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.

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.



SANCO INDUSTRIES LIMITED

**Notes and other explanatory information to financial statements for the year ended
March 31, 2021**

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.

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.



SANCO INDUSTRIES LIMITED

**Notes and other explanatory information to financial statements for the year ended
March 31, 2021**

- 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.



Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

3 Property, Plant and Equipment

Particulars	Rs. Lakhs							
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Block								
As at April 01, 2019	6.61	55.90	339.42	0.11	72.52	4.42	3.31	482.29
Additions	-	-	0.17	-	-	-	-	0.17
Disposals	-	-	7.29	-	-	-	-	7.29
As at March 31, 2020	6.61	55.90	332.31	0.11	72.52	4.42	3.31	475.18
Additions								
Disposals					12.14			
As at March 31, 2021	6.61	55.90	332.31	0.11	60.38	4.42	3.31	475.18
Depreciation								
As at April 01, 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	50.36
On Disposals	-	-	6.37	-	-	-	-	6.37
As at March 31, 2020	-	18.34	185.59	0.03	40.70	3.43	2.95	251.05
Charged For the Period		3.55	26.89	0.00	4.18	0.27	-	
On Disposals		-	-	-	2.85	-	-	
As at March 31, 2021	-	21.90	212.48	0.03	47.73	3.70	2.95	288.80
Net Block								
As at March 31, 2020	6.61	37.56	146.72	0.08	31.81	0.99	0.36	224.13
As at March 31, 2021	6.61	34.00	119.82	0.075	12.65	0.73	0.36	174.25

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



4 Investment Property	Land	Buildings	TOTAL ASSETS
Particulars			
Gross Block			
As at April 01, 2019	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	-	-	-
Depreciation			
As at April 01, 2019	-	-	-
Charged For the Period	-	-	-
On Disposals	-	-	-
As at March 31, 2020	-	-	-
Charged For the Period	-	-	-
On Disposals	-	-	-
As at March 31, 2021	-	-	-
Net Block			
As at March 31, 2020	-	-	-
As at March 31, 2021	-	-	-
5 Other Intangible Assets			
Particulars			
Gross Block			
As at April 01, 2019		0.00	0.00
Additions		0.00	0.00
Disposals		0.00	0.00
As at March 31, 2020		0.00	0.00
Additions		0.00	0.00
Disposals		0.00	0.00
As at March 31, 2021		0.00	0.00
Amortisation			
As at April 01, 2019		0.00	0.00
Amortised For the Period		0.00	0.00
On Disposals		0.00	0.00
As at March 31, 2020		0.00	0.00
Amortised For the Period		0.00	0.00
On Disposals		0.00	0.00
As at March 31, 2021		0.00	0.00
Net Block			
As at March 31, 2020		0.00	0.00
As at March 31, 2021		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 Mar 31, 2021	As at Mar 31, 2020
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, 2021

(Rs. In Lakhs)				
7 Non Current Investments				
Particulars	As at Mar 31, 2021 In Nos	As at Mar 31, 2020 In Nos	As at Mar 31, 2021 in Lakhs	As at Mar 31, 2020 in Lakhs
I Investment at Cost				
A Un-Quoted				
Investment in Equity Shares				
(i) Investment in Subsidiary Companies	450,000	450,000	291.77	291.77
(*Face value of US\$ 1 each)				
Total Equity Investment At Cost	450,000.00	450,000.00	291.77	291.77
Total Un-Quoted Investments at Cost in Equity	450,000.00	450,000.00	291.77	291.77
II Investment at Fair Value through OCI				
(i) Investment in Mutual Funds				
Union Dynamic Bond Fund			-	0
Total Mutual Funds Investment At Fair Value			-	-
(ii) Other Investment				
LIC of India			38.06	38.06
Star Union Dai-ichi Life Insurance			8.66	8.66
Total Investment at Cost			46.72	46.72
Total Non Current Investments			338.50	338.50



Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

	(In Lakhs)			
	Non- Current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
8 Trade Receivables				
Trade Receivables				
Secured, Considered Good	2,623.24	1,728.04	481.03	2,159.16
*Unsecured, Considered Good	816.64	816.64	1,334.40	1,334.40
Doubtful	3,439.88	2,544.68	1,815.43	3,493.56
Less : Allowance for bad & doubtful debts	-	-	-	-
Total	3,439.88	2,544.68	1,815.43	3,493.56

* 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.

	Non- Current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
	9 Bank Balances			
Particulars				
On Deposit Accounts	-	-	2.46	32.35
Net Bank Balances	-	-	2.46	32.35

	Non- Current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
	10 Other Financial Assets			
Particulars				
Loans and Advances to Employees	-	-	1.75	1.61
Advances to Suppliers	-	-	1,340.43	1,348.77
Interest Accrued on Deposits	-	-	-	0.04
	-	-	1,342.18	1,350.42



Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

11 Deferred Tax Asset/ (Liability)- Net

Particulars

As at Mar 31, 2021	As at Mar 31, 2020
-----------------------	-----------------------

Deferred Tax Assets

Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books
 Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis
 Other Timing Difference
 Gross Deferred Tax Assets
Deferred Tax Asset/ (Liability)- Net

3.33	2.09
5.34	13.39
8.67	15.48
8.67	15.48

12 Other Assets

Particulars

Non-Current		Current	
As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020

Other Advances

Security Deposits
 Prepaid Expense
 Cenvat / Vat / Service Tax/Direct Tax Credit Receivable
 GST Receivable
 Taxes Paid Under protest (Refer note 15)
 MAT Credit entitlement
 Others Assets

Total

0.10	0.10	6.41	5.15
-	-	0.33	0.44
-	-	13.47	13.24
-	-	16.08	-
-	-	2.19	9.50
-	-	31.84	2.19
0.10	0.10	70.31	28.16
			58.67

13 Inventories

Particulars

(At lower of cost and net realisable value unless otherwise stated)

Raw Materials
 Finished Goods
 Stock in Trade

Total

As at Mar 31, 2021	As at Mar 31, 2020
1,543	3,219.50
273	894.10
-	-
1,816.38	4,113.61



Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

14 Cash and Cash Equivalents

Particulars

	As at Mar 31, 2021	As at Mar 31, 2020
Cash on Hand	81.21	72.97
Balances with Banks	3.80	0.99
-On Current Accounts	85.00	73.97



Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

(Rs. In Lakhs)

15 Equity Share Capital		As at Mar 31, 2021	As at Mar 31, 2020
Particulars			
Authorised			
2,10,00,000 Mar 31, 2021: 1,40,00,000 of Rs. 10each) Equity Shares of Rs. 10 each		2,100.00	1,400.00
Issued, Subscribed and Paid Up			
Equity Shares			
11512000 Mar 31, 2021: 1,02,84,000 of Rs. 10 each) Equity Shares of Rs. 10 each, Fully Paid Up		2,100.00	1,400.00
Total Equity Share Capital		1,151.20	1,028.40

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

	No. Lakhs	Rs. Lakhs
Equity Shares of Rs. 10 Each, Fully paid up		
At the end 31st March 2020	102.84	1,028.40
Issued during the period - Bonus Issue	-	-
Issued during the period - Cash Issue	-	-
At the end 31st March 2021	115.12	1,151.20

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
Equity Shares of Rs. 10 each Held By as on 31st March 2020		
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%

Equity Shares of Rs. 10 each Held By as on 31st March 2021

Mr. Sanjay Gupta	1,610,616	13.99%
Mr. Sidhant Gupta	528,120	4.59%
M/s Sanjay Gupta HUF	1,103,430	9.59%



Sanco Industries Limited
Statement of Changes in Equity for the year ended March 31, 2021

(Rs. In Lakhs)

Particulars	Reserves and Surplus			Items of Other comprehensive income		Total equity
	Securities Premium Account	Investment Revaluation Reserve	Retained earnings	Foreign currency translation reserve	Other items of other comprehensive income (specify nature)	
Balance as at 01.04.2019	54.60	-	2,428.31	-	9.21	2,492.10
Changes in accounting policy/prior period errors						-
Restated balance at the beginning of the reporting period					(2.69)	(2.69)
Current year profit			28.85	-	0.65	29.50
Other Comprehensive Income after tax for the Period						-
Balance as at 31.03.2020	54.60	-	2,457.17	-	7.17	2,518.92
Changes in accounting policy/prior period errors						-
Less: Revaluation reserve Transferred to Statement of Profit and Loss account as Investment sold			(2,339.61)	-	-	(2,339.61)
Current year profit						-
Other Comprehensive Income after tax for the Period	55.26					-
During the year						
Balance as at 31.03.2021	109.86	-	117.54	-	7.17	234.57



Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

(Rs. In Lakhs)

16 Long Term Borrowings

Particulars	Non Current Portion		Current Maturities	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Ruppee Term Loans				
Secured				
From Others (refer note (a))	160.32	160.32	-	-
Unsecured				
From Financial Institutions (refer note (b))	-	-	-	20.02
From Banks	944.55	15.38	-	17.00
Hypothecation Loans - Secured				
From Banks (refer note (c))	-	-	-	15.15
Loans and Advances from Related Parties				
Unsecured				
Ruppee Term Loans - from Directors	-	1,029.81	-	-
Net Amount	1,104.86	1,205.51	-	52.17

(a) Indian Ruppee Loan from Financial Institutions payable on demand. The loan is secured against Keymen Insurance policy.

(b) Indian Ruppee Loan from various Financial Institutions. The loan is secured by personal guarantee of executive director of the company and their immovable property.

17 Trade payables

Particulars	Non current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Trade Payables (including acceptances)	-	-	655.54	1,326.10
(a) total outstanding dues of micro enterprises and small enterprises	-	-	570.86	884.77
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,226.40	2,210.88



Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

18 Other financial liabilities

Particulars	Non current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Current maturities long term borrowings			24.32	52.17
Security Deposit		-	-	-
Salaries and other benefits Payable		-	3.27	40.88
Other Payables	12.12	0.94	178.34	23.01
Others - Related party		12.60	55.03	99.44
	<u>12.12</u>	<u>13.54</u>	<u>260.96</u>	<u>215.50</u>

19 Current Tax Liabilities (Net)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Provision for Tax		6.07
Less: TDS and TCS		1.76
		<u>4.31</u>

20 Provisions

Particulars	Long Term		Short Term	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Provision for Leave Encashment	0.50	0.43		0.19
Provision for Gratuity		15.86		1.01
Provision for Bonus	0.50	16.30	-	1.21

21 Other liabilities

Particulars	Non current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Advance from Customers		-	78.74	85.14704
Taxes Payable (Other than Income Tax)		-	19.28	20.84
Income Taxes Payable (Note 30)	317.03	274.30	0.35	39.77
Employee Contributions Payable		-	20.06	34.01
	<u>317.03</u>	<u>274.30</u>	<u>118.44</u>	<u>179.77</u>

22 Short Term Borrowings

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Bank Overdraft		
Cash Credits and Working Capital Demand Loan from Banks (Secured)*	4,491.56	4,396.33
(Union Bank of India & South Indian Bank Cash Credit Limits - Secured against Hypothecation of liquid current assets, Plant and Machinery, Immovable property and their personal guarantee of Director and relative)		
Other Loans repayable on demand		
Secured		
From Financial Institutions (Secured against immovable property of Director)	167.43	167.43
Unsecured		
From other (Inter corporate deposit)	11.10	16.07
*the company bank CC Accounts (South Indian and UBI) has become Non-Performing Assets (NPA) as per banking rules and regulations.		
	<u>4,670.10</u>	<u>4,579.84</u>





23 Revenue From Operations		Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020	
Sale of Goods	239.91	3,576.65	
Gross Revenue from Operations	239.91	3,576.65	
24 Other Income			
Interest Income on deposits	8.60	17.81	
Profit on sale of Fixed Assets	2.44	41.24	
Profit on sale of Investments	-	5.93	
Claim settlement Income	-	100.00	
Miscellaneous Income	16.60	0.17	
Net Gain on Foreign Exchange			
25 Cost Of Materials Consumed	27.64	165.15	
Inventory opening balance	3,219.50	3,145.56	
Add : Purchases	143.67	3,384.11	
Less : Inventory closing balance	3,363.17	6,529.67	
Cost of Raw Materials Consumed	1,543.07	3,219.50	
26 Purchase of stock-in-trade	1,820.10	3,310.17	
Purchases - Trading Materials	1.77	13.25	
27 (Increase) / Decrease In Inventories Of Finished Goods, Construction / Development	1.77	13.25	
Finished Goods	Inventories at the beginning of the Year	For the year ended March 31, 2021	For the year ended March 31, 2020
	894.10	273.31	894.10
	Less : Inventories at the end of the Year *	620.79	(559.72)
Stock In Trade	Inventories at the beginning of the Year	-	381.22
	Less : Inventories at the end of the Year *	-	-
(Increase) / Decrease in inventories	620.79	620.79	(178.50)
(A+B)			
Sub Total (A)			
Sub Total (B)			
(A+B)			

	For the year ended March 31, 2021	For the year ended March 31, 2020
28 Employee Benefits Expenses		
Salaries, allowances and benefits to employees	108.81	11.39
Contribution to provident fund and other funds	2.33	7.57
Staff welfare expenses	3.25	11.98
Keyman Insurance Premium	49.63	139.75
	55.20	139.75
29 Finance Cost		
Interest	6.98	177.50
- Paid to Bank, Financial Institutions and others	0.54	13.50
Bank charges		1.71
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)		0.36
Interest on Advance Income Tax		7.52
	7.52	193.07
30 Depreciation And Amortization Expense		
Depreciation on PPE	37.75	50.36
Amortization on Intangible Assets	-	
Amortization Expense		50.36
	37.75	50.36
31 Other Expenses		
Rent	0.04	
Rates and taxes		
Repairs and Maintenance:		
Office Building and Plant & Machinery	1.34	3.58
Others	0.64	1.39
Office maintenance	0.04	0.49
Insurance	1.93	6.39
Printing and stationery	0.16	0.80
Consultancy and other professional charges	6.13	14.85
Electricity and Power charges	19.15	49.72
Remuneration to auditors	0.83	1.55
Travelling and conveyance	2.95	16.44
Communication expenses	0.52	1.17
Business Promotion and Advertisement	0.12	0.28
Discount Charges	5.21	21.31
Vehicle running & maintenance	6.85	19.33
Commission & brokerage	1.47	3.69
Freight and forwarding charges	3.82	24.27
Testing Fee, ROC Fees, Renewal fees and Licence Fee	0.45	8.62
Listing Fee	2.90	4.90
Miscellaneous expenses	2.72	5.55
	57.22	184.39



Sanco Industries Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2021

(Rs. In Lakhs)

32 Earning Per Share (EPS)	March 31, 2021	March 31, 2020
Total Operations for the year		
Profit/(Loss) after tax	(2,339.61)	28.85
Less : Dividend on convertible Preference shares & tax thereon	-	-
Net Profit/(Loss) for calculation of basic EPS	(A) (2,339.61)	28.85
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)	-	-
Net Profit/(Loss) for calculation of diluted EPS	(B) (2,339.61)	28.85
Weighted average number of Equity Shares for Basic EPS	(C) 115.12	102.84
Effect of dilution : Due to bonus share	-	-
Weighted Average number of Equity shares for Diluted EPS	(D) 115.12	102.84
Basic EPS	(A) / (C) -20.33	0.28
Diluted EPS	(B) / (D) -20.33	0.28
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	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account other than investment property and not provided for	Nil	Nil
Estimated amount of contracts remaining to be executed on investment property and not provided for	Nil	Nil
Investment Commitment in Subsidiaries and Associates	Nil	Nil
Contractual obligations for purchase of PPE	Nil	Nil



Sanco Industries Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2021

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.

	Present value of obligation	Fair value of plan assets	Net amount
a Balance Sheet amount (Gratuity)			
April 01, 2019	16.70	-	16.70
Current service cost	1.72	-	1.72
Interest expense (Income)	1.29	-	1.29
Total amount recognised in profit and loss	19.71	-	19.71
Remeasurement			
Return on plan assets, excluding amount included in interest expense (Income)	1.94	-	1.94
(Gain) Loss from change in financial assumptions	(2.82)	-	(2.82)
Experience (gain) loss	(0.88)	-	(0.88)
Total amount recognised in Other Comprehensive Income	(1.95)	-	(1.95)
Employer contributions	-	-	-
Benefit payments	16.88	-	16.88
March 31, 2020	-	-	-
Current service cost	-	-	-
Interest expense (Income)	-	-	-
Total amount recognised in profit and loss	-	-	-
Remeasurement			
Change in demographic assumptions	0.00	-	0.00
(Gain) Loss from change in financial assumptions	-	-	-
Experience (gain) loss	-	-	-
Total amount recognised in Other Comprehensive Income	0.00	-	0.00
Employer contributions	-	-	-
Benefit payments	(16.88)	-	(16.88)
March 31, 2021	0.00	-	0.00

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
Non-Current Liability (Long term)	-	15.86
		16.88

c Expenses Recognised in the Income Statement

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

d Other Comprehensive Income

	March 31, 2020	March 31, 2019



Sanco Industries Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2021

Actuarial (gains) / losses	0.00	-
- change in demographic assumptions	-	1.94
- change in financial assumptions	-	(2.82)
- experience variance (i.e. Actual experience vs assumptions)	-	-
- 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	-	-
Components of defined benefit costs recognised in other comprehensive income	0.00	(0.88)

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, 2021	March 31, 2020
Discount rate (per annum)	0.00%	6.70%
Salary growth rate (per annum)	0.00%	7.00%



Sanco Industries Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2021

f Demographic Assumptions

	March 31, 2021	March 31, 2019
Mortality rate (% of TALM 06-08)	100%	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%

g 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 has 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:

Defined Benefit Obligation (Base)

Particular	March 31, 2021		March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)		19.18		14.94
(% change compared to base due to sensitivity)		13.60%		-11.50%
Salary Growth Rate (- / + 1%)		14.93		19.15
(% change compared to base due to sensitivity)		-11.50%		13.40%
Attrition Rate (- / + 50% of attrition rates)		16.94		16.82
(% change compared to base due to sensitivity)		0.40%		-0.30%
Mortality Rate (- / + 10% of mortality rates)		-		-
(% change compared to base due to sensitivity)		-		16.88

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, 2021

March 31, 2020

63.33

63.33

119.91

-

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)

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

20.00

20.00

4.46

4.46



Sanco Industries Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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, 2021	March 31, 2020
	Principal amount remaining unpaid to any supplier as at the end of the year	655.54
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, 2021	March 31, 2020
Cash on Hand	81.21	21.30
Balances with Banks	-	-
-On Current Accounts	3.80	1.78
-On deposits	2.46	2.18
	87.46	25.26

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

Particulars	March 31, 2021	March 31, 2020
Cash & Cash equivalent as per balance sheet	87.46	25.26
Bank Overdraft	(4,491.56)	(4,396.33)
	(4,404.10)	(4,371.07)



Sanco Industries Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2021

40 Payment to Auditor

Particulars	March 31, 2021	March 31, 2020
Audit Fees	0.83	1.30
Tax Audit Fees		0.25
Other tax matter fees		1.00
Total	0.83	2.55

41 Earning in Foreign Currency

Particulars	March 31, 2021	March 31, 2020
Income in foreign currency	Nil	Nil

42 Expenditure in Foreign Currency

Particulars	March 31, 2021	March 31, 2020
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.

Statutory Liability	March 31, 2021	March 31, 2020
Income Tax Act	317.02	320.16
ESIC	7.51	6.90
EPF*	12.55	27.11

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 Gaur & Associates
Chartered Accountants
FRN: 005354C

S.K. Gupta


CA S.K. Gupta
Partner
Membership No. 016746

Date: 30/06/2021

Place: Delhi
UDIN:

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

Sanjay Gupta
Sanjay Gupta
Managing Director
DIN - 00726005

Rita Gupta
Rita Gupta
Additional Director
DIN - 00725987

ANURAG GUPTA
Chief Financial Officer

AKRITI MAHAJAN
Company Secretary



Particulars	31st March 2021		31st March 2020	
	Subsidiary company(ies)	Entities controlled by Directors or their Relatives	Key Management Personnel or their Relatives	
Transactions				
Purchase of Goods	291.77	12.17	95.58	-
Sale Of Machinery	-	-	-	-
Unsecured Loan Received	-	-	-	54.57
Unsecured Loan Repaid	-	-	-	20.00
Remuneration	-	-	-	24.69
Reimbursement of expenses	-	-	-	-
Rent paid	-	-	-	-
Balance outstanding	11.44	49.74	-	-
Payables	12.60	77.68	-	1,052.06

(B) Summary of related party transactions

Name	Description of Relationship
- Sanjita Polymet Limited	Subsidiary company
- Sanco Enterprises Private Ltd - Superlink Polyfeb Ltd.	Associates
- 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 Kumar - Madhavi Gaur (resigned as CFO w.e.f. 30/06.2019)	Key Management Personnel
- Anurag Gupta - Sanjay Gupta HUF - Shakuntala Gupta	Close family members of Key Management Personnel

a) Name of Related parties and description of relationship

46 RELATED PARTY DISCLOSURE

(Rs. In Lakhs)

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2021

Sanco Industries Limited

Notes to financial statements for the year ended March 31, 2021

47 Fair value measurements

(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.

Particular	As at			As at			(Rs. In Lakhs)
	FVPL	FVOCI	Amortised	FVPL	FVOCI	Amortised	
Financial assets							
Investments	-	-	-	-	-	-	-
- Equity instruments	-	-	291.77	-	-	-	291.77
- Mutual Funds	-	-	-	-	-	-	-
- Other Investment	-	-	46.72	-	-	-	46.72
Trade receivables	-	-	5,255.31	-	-	-	6,038.24
Deposit with Bank	-	-	2.46	-	-	-	32.35
Cash and cash equivalents	-	-	85.00	-	-	-	73.97
Other financial assets	-	-	-	-	-	-	-
- Loans and Advances to Employees	-	-	1.75	-	-	-	1.61
- Advances to Suppliers	-	-	1,340.43	-	-	-	1,348.77
- Interest Accrued on Deposits	-	-	-	-	-	-	0.04
Total Financial Assets	-	-	7,023.46	-	-	-	7,833.46
Financial liabilities							
Borrowings	-	-	-	-	-	-	-
Trade payables	-	-	5,799.29	-	-	-	5,837.51
Other financial liabilities	-	-	1,226.39	-	-	-	2,210.87
- Security Deposit	-	-	-	-	-	-	-
- Salaries and other benefits Payable	-	-	3.27	-	-	-	40.88
- Other Payables	-	-	245.48	-	-	-	36.55
Total Financial Liabilities	-	-	7,274.43	-	-	-	8,125.81



Fair Market Value of Financial Assets

(Rs. In Lakhs)

Particular	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	FMV	Carrying Amount	FMV
Financial assets				
Investments				
- Equity instruments	291.77	291.77	291.77	291.77
- Mutual Funds	-	-	-	-
- Other Investment	46.72	46.72	46.72	46.72
Trade receivables	5,255.31	5,255.31	6,038.24	6,038.24
Deposit with Bank	2.46	2.46	32.35	32.35
Cash and cash equivalents	85.00	85.00	73.97	73.97
Other financial assets				
- Loans and Advances to Employees	1.75	1.75	1.61	1.61
- Advances to Suppliers	1,340.43	1,340.43	1,348.77	1,348.77
- Interest Accrued on Deposits	-	-	0.04	0.04
Total Financial Assets	7,023.46	7,023.46	7,833.46	7,833.46
Financial liabilities				
Borrowings				
Trade payables	5,799.29	5,799.29	5,837.51	5,837.51
Other financial liabilities	1,226.39	1,226.39	2,210.87	2,210.87
- Security Deposit	-	-	-	-
- Salaries and other benefits Payable	3.27	3.27	40.88	40.88
- Other Payables	245.48	245.48	135.99	135.99
Total Financial Liabilities	7,274.43	7,274.43	8,225.25	8,225.25

