



**K.G. SHARMA & CO.**

**CHARTERED ACCOUNTANTS**

MAIL ID: kgsharmafea@gmail.com

Ph. 011-43259087,9818156645

201,ANUPAM BHAWAN, COMMERCIAL COMPLEX, AZADPUR,DELHI-110033

**To Arunava Sikdar  
Sanco Industries Limited**

**Independent Auditor's Limited Review Report on**

**Interim Standalone Financials Results of M/s Sanco Industries Limited**

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **M/s Sanco Industries Limited** ("the Company") for the quarter ended September 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulation").

This statement which is the responsibility of the Company's management and approved by the Company's Board of Director, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rule issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We have conducted our review of the financial statement in accordance with the Standard of Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. These standards required that we plan and perform the review to obtain reasonable assurance about whether the financial results are free of material misstatements. A review of interim financial information consists of making inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matter that might be identified in an audit. Accordingly we do not express an audit opinion.

*Based on our review conducted as above we observe the following*

- 1. That the company bank CC Accounts (South Indian and UBI) has become Non-Performing Assets (NPA) as per banking rules and regulations.*
- 2. Company has not made Provision of Interest of Rs 1,36,37,633 & 3,54,93,920 with respect to CC A/C with South Indian Bank & Union Bank of India for the period ending 31st March, 2022 which has become Non Performing Asset as per banking rules & regulations Act 1949. Further no such calculation was provided for the period ending 30th June, 2022.*



3. Company has not created provision for doubtful debts amounting to Rs 1634.75/- Lacs which are long term outstanding receivables of the company.
4. The company is also irregular while paying its undisputed and disputed statutory liabilities. We observed that undisputed and disputed statutory liabilities which is pending for more than 9months with respect to Income Tax, ESIC, and EPF and it has also not been paid till the date of review.
5. Long Term outstanding balances in some of the personal and impersonal accounts are subject to confirmation and reconciliation.
6. We have not been provided any Confirmation of balances of Creditors, Debtors, Advance from customer and Advance to Suppliers.
7. Stock valuation report has been provided to us on email for stock verification.
8. During the financial year 2021-22 the Company decided to write off it's sundry creditor amounting to Rs.99.90 lacs, which was recognised as indirect income in said year. Further it was observed in the period Apri-June, 2022 that such liability should not have been written off. Hence the income earlier recognised as indirect income is de-recognised in the period April to June 2022, which is appearing as negative income in statement of income.
9. During the vide order dated 29<sup>th</sup> July, 2022 Mr. Deepak Arora has been appointed as interim resolution dispute professional of the company and on 19.09.2022 Mr. Arunava Sikdar replaced Mr. Deepak Arora as the current interim resolution professional vide order no IA-4471/2022.
10. There is a gap in claims as provided by IRP and that appearing in the books of accounts of Sanco Industries Limited. Attached herewith the details for your reference.

Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Indian Accounting Standards and accounting principles generally accepted in India, has not disclosed the information required to be disclosed in term of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For K G Sharma & Co.**  
**Chartered Accountants**  
**FRN: 005240N**



**CA Sanjeev Jain**  
**Partner**  
**M No. 089416**  
**Date: 16.11.2022**  
**Place: Delhi**  
**UDIN: 22089416BDMMYD4435**

