



# SANCHAY FINVEST LTD.

14/A, Bhagwan Bhuvan 31, Israil Mohallam, Masjid Bunder Road, Mumbai - 9.  
Tel.: 5636 0891/23464558/5551/5912 • Fax : (022) 2344 1579  
Email : sanchay204@rediffmail.com

Members :  
**NATIONAL STOCK EXCHANGE, MUMBAI**

Date: 05-09-2020

To, The Secretary,  
The Bombay Stock Exchange,  
Phirozeleejeebhoy  
Towers Dalal Street  
Mumbai- 400001,

SUBJECT : ANNUAL REPORT FOR FY 2019-20, NOTICE OF 29<sup>th</sup> ANNUAL GENERAL MEETING ("AGM")

BSE CODE :511563

Dear Sir/Madam,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we submit herewith the Annual Report of the Company for the Financial Year 2019-20.

Kindly acknowledge and take on record the same.

Thanking You,

For Sanchay Finvest Limited

Sd/-

Naresh Kumar Sharma

Managing Director

DIN: :00794218

**NOTICE**

NOTICE is hereby given that the 29th Annual General Meeting of the members of SANCHAY FINVEST LIMITED will be held on Wednesday, September 30, 2020 at 11:30 am IST through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) to transact the following business(es):

**Day:** Wednesday

**Deemed Venue:** 209, Rajani Bhuvan, 569 M.G. Road Indore MP - 452001

**Date:** 30<sup>th</sup> September, 2020

**Time:** 11:30 A.M

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2020, the Reports of the Board of Directors and Auditors thereon;

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. To appoint a director in place Mr. Narottam Kumar Nandlal Sharma (DIN: 00794167), who retires by rotation and being not eligible for re-appointment.

**By Order of the Board  
For Sanchay Finvest Limited  
Sd/-  
Naresh Kumar Sharma  
Managing Director**

**Dated:** 30<sup>th</sup> May, 2020

**Registered Office:**

209, RajaniBhuvan,  
569 M.G. Road Indore.  
Mp - 452001

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office at 209, Rajani Bhuvan, 569 M.G. Road Indore Mp - 452001 not less than forty eight hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of payment of dividend(if any) for the financial year ended March 31, 2019 and the AGM.
5. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITTC/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed M/s. Ankit Consultancy Pvt. Limited as the Registrar & Share Transfer Agent, having their office at 2nd Floor, Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore (M.P).
6. Members are requested to notify immediately any change in their address:
  - a. To their Depository Participants (Dos) in respect of their electronic share accounts, and
  - b. To the share transfer agent M/s. Ankit Consultancy Pvt. Limited having office at 2nd Floor, Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore (M.P).
7. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
8. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of

Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

9. Members who are holding shares in physical form are requested to get their shares dematerialized with any depository participants in their own interest.
10. Members are requested to carry the copy of the Annual Report sent to them. Electronic copy of the Annual Report for 2019-2020 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a print copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019-2020 is being sent in the permitted mode. Members are requested to register/update their email address for receiving all communication including Annual Report, Notices etc. from the Company electronically.
11. Members may also note that the notice of the 33rd Annual General Meeting and the Annual report for 2019-2020 will also be available on the Company's website [www.sanchayinvest.in](http://www.sanchayinvest.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days from 11.00 a.m. to 1.00 p.m. from Monday to Friday. Members are requested to bring their copies of the Annual report at the time of attending the Annual General Meeting.

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**By Order of the Board  
For Sanchay Finvest Limited  
Sd/-  
Naresh Kumar Sharma  
Managing Director**

**Dated: 30<sup>th</sup> May, 2019  
Registered Office:  
209, Rajani Bhuvan,  
569m.G. Road Indore  
Mp - 452001**

**Voting through Electronic Means:**

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as per listing agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the below provisions, through the e-voting services provided by CDSL.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Sunday, **27<sup>th</sup> September, 2020** at **9.00 a.m.** and ends on Tuesday, **29<sup>th</sup> September, 2020** at **5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Wednesday, 23<sup>rd</sup> September, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Now to cast your vote: Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical

<p>shareholders)</p> <p>Dividend Bank Details OR Date of Birth (DOB)</p>	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / Folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "SANCHAY FINVEST LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2018. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (xxii) The Company has appointed M/s. Ramesh Chandra Mishra & Associates, Practicing Company Secretaries (C.P. No. 3987 and FCS No. 5477) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- (xxiii) A copy of this notice has been placed on the website of the Company and the website of CDSL.
- (xxiv) In case of Members who are entitled to vote but have not electronic means, the Chairman of the Company will order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice.



**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present the Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

**SUMMARY OF FINANCIAL RESULTS OF THE COMPANY:**

(Rs. in Lacs)

PARTICULARS	YEAR ENDED	
	2019-2020	2018-2019
Total Income	(1404869)	3998961
Total Expenditure	8183534	8907299
Profit Before Interest and depreciation	(9588402)	(4908337)
Less: Depreciation	51849	73813
Interest	-	-
Current Tax	-	-
Deferred Tax	(24002)	(17445)
Net Profit/(Loss) After Tax	(9664253)	(4999596)

**YEARLY REVIEW:**

Your Directors are focusing the expansion of the market of the products of Your Company. During the year Company has focused on the advertisement of the Company Core product Your Directors are focusing on promoting the brands of the Company so that the Goodwill earned by this brand may be used in Increasing the sales of the Company and thereby the profits of the Company. Your directors look forward for better working results in the years to come.

**DIVIDEND:**

The directors have decided to conserve the reserves and hence, and hence no dividend is to be Declared for the year.

**DEPOSITS:**

Your Company has not accepted within the meaning of the provisions of section 73 of the Companies Act, 2013. There was no overdue/unclaimed deposit as at the date of the Balance Sheet.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (3) read with Schedule Part V of the SEBI (Listing Obligations and Disclosures

Requirements) Regulations, 2015 with Stock Exchange in India, is presented in a separate *Annexure -I* forming part of the Annual Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As on 31<sup>st</sup> March 2020 the Board of Directors of the company comprised 6 directors, Out of which one is executive director. Remaining 5 directors are non-executive directors. Three non-executive directors are independent directors.

**NUMBER OF MEETINGS OF THE BOARD:**

The Board met 4 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

**INDEPENDENT DIRECTORS DECLARATION:**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Independent Directors under section 149(6) of the Companies Act, 2013 declared that:

1. They are not promoters of the Company or its holding, subsidiary or associate company;
2. They are not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. The independent Directors have /had no pecuniary relationship with company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Director has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives--
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of--

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;

(iii) Holds together with his relatives two percent or more of the total voting power of the company; or

(iv) Is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;

6. Independent Director possesses such qualifications as may be directed by the Board.

7. The Company & the Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

#### **BOARD EVALUATION:**

SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors should be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results alongwith evaluation done by the Nomination and Remuneration Committee.

#### **PERFORMANCE OF THE BOARD AND COMMITTEES:**

During the year under review, the performance of the Board & Committees and Individual Director(s) based on the below parameters was satisfactory:

(i) All Directors had attended the Board meetings;

(ii) The remunerations paid to Executive Directors are strictly as per the Company and

industry policy.

- (iii) The Independent Directors contributed significantly in the Board and committee deliberation and business and operations of the Company and subsidiaries based on their experience and knowledge and Independent views.
- (iv) The Credit Policy, Loan Policy and compliances were reviewed periodically;
- (v) Risk Management Policy was implemented at all critical levels and monitored by the Internal Audit team who places report with the Audit committee and Board.

**MEETING OF INDEPENDENT DIRECTORS:**

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors of the Company held their meeting on, reviewed the performance of non-independent directors and the Board as a whole including the Chairperson of the Company, views expressed by the executive directors and non-executive directors at various level, and quantified the quality, quantity and timeliness of flow of information between the Company, management and the Board and expressed satisfaction.

**POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on 31<sup>st</sup> March, 2020, the Board consists of 6 members. Out of which one is the Managing Director.

The policy of the Company on directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board and are stated in this Board report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**COMMITTEES OF THE BOARD:**

Currently, the Board has Three Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance Report that forms part of this Annual Report.

**NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Pursuant to the Section 178 of the Companies Act, 2013, the Company has set up a Nomination and Remuneration and Stakeholders Relationship Committee. A detailed note on the composition of the Committees is provided in the corporate governance report section of this Annual Report.

**The Key Features of the Policy of the said committee are as follows:**

For Appointment of Independent Director (ID):

- a. Any person who is between the age of 25 years and below 75 years eligible to become Independent Director(ID);
- b. He has to fulfill the requirements as per section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement;
- c. Adhere to the code of conduct as per Schedule IV to the Companies Act, 2013;
- d. Strictly adhere to the Insider Trading Regulation of the SEBI and Insider Trading policy of the Company;
- e. Independent Director should have adequate knowledge and reasonably able to contribute to the growth of the Company and stakeholders;
- f. Independent Director should be able to devote time for the Board and other meetings of the company;
- g. Entitled for sitting fees and reasonable conveyance to attend the meetings; and
- h. Able to review the policy, participate in the meeting with all the stakeholders of the company at the Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the Section 134(3) (c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup>March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup>March 2020 on a 'going concern' basis.
- (v) The internal financial controls are laid and have been followed by the company and that such controls are adequate and are operating effectively. Such controls means controls and policies and procedures adopted and adhered by the company for orderly and

efficient conduct of the business for safeguarding assets, prevention and detection of frauds and errors and maintenance of accounting records and timely preparation of financial statements and review its efficiency.

- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**RISK MANAGEMENT POLICY:**

The company has developed Risk Management Policy mainly covering the following areas of concerns

1. On the international currencies front, volatility of exchange rate is a matter of concern for a Company because major sales are in the form of exports worldwide besides corresponding imports in foreign currency for key raw materials. However, the risk associated with currency fluctuation has been mitigated by effective forex management policy.
2. Lack of clarity on future Government policies abroad continues to be an area of major concern for the industry. The exact impact of this cannot be assessed until the proposed changes are actually introduced and implemented.
3. In line with the overall growth objective and strengthening of infrastructure base, the Company had invested in Information Technology (IT) viz. SAP Enterprising Resource Planning system for leveraging its business values.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In terms of the provisions of Section 177(9) of the Companies Act, 2013, the Company has implemented a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any, in staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to Board.

**STATUTORY AUDITORS:**

At the Annual General Meeting held on Saturday, September 30<sup>th</sup>, 2020 M/s. V. R. Bhabhra & Co., Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. V. R. Bhabhra & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**AUDITORS REPORT:**

The Auditors have not made any qualification to the financial statement. Their reports on relevant notes on accounts are self-explanatory and do not call for any comments under section 134 of the companies Act, 2013.

**SECRETARIAL AUDITORS AND THEIR REPORT:**

Mr. Ramesh Mishra & Associates, Company Secretary in Practice was appointed to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for F.Y. 2019-20 is *Annexure-IV* to this Board's Report.

The Board has re-appointed M/s. Ramesh Chandra Mishra & Associates, Company Secretary in Practice, as secretarial auditor of the Company for the financial year 2019-20.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS:**

There are no orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

The relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as prescribed under section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out herein below:

**A) CONSERVATION OF ENERGY:**

The Company continues its policy of encouraging energy conservation measures. The regular review of energy consumption and the systems installed to control utilization of energy is undertaken.

**B) RESEARCH & DEVELOPMENT ACTIVITIES:**

The Company has its own R&D center. The R&D centre follows stringent guidelines based on Good Laboratory Practices and is well equipped with the latest equipment in particle size analysis, gas chromatography, high-performance liquid chromatography, dissolution testing, stability chambers and lab-scale manufacturing machines.

**C) TECHNOLOGY ABSORPTION:**

Sanchay Finvest Limited seeks to continuously invest in upgrading its manufacturing and R&D operations to incorporate the latest technologies in an effort to improve performance.

**RELATED PARTY TRANSACTIONS/CONTRACTS:**

The Company has implemented a Related Party Transactions policy for the purposes of identification and monitoring of such transactions. The policy on related party transactions is uploaded on the Company's website.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis which is reviewed and updated on quarterly basis.



Pursuant to the Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 into this Board's Report.

**HUMAN RESOURCES MANAGEMENT:**

We take this opportunity to thank employees at all levels for their dedicated service and contribution made towards the growth of the company. The relationship with the Company's staff has continued to be cordial.

To ensure good human resources management at the company, we focus on all aspects of the employee lifecycle. During their tenure at the Company, employees are motivated through various skill-development, engagement and volunteering programs.

As per provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is *Annexure-VI* to this Board's report.

In terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee(s) drawing remuneration in excess of limits set out in said rules forms part of the annual report.

Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours from 11 a.m. to 2 p.m. on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

**EXTRACT OF ANNUAL RETURNS:**

Pursuant to the Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 is *Annexure-II*.

**CORPORATE GOVERNANCE:**

A Report on Corporate Governance along with a Certificate from M/s. Ramesh Chandra Mishra & Associates, regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchange read with the relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of this Report and *Annexure-III* to this Board's Report.

**DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint under this policy during the 2019-2020.

**BANK AND FINANCIAL INSTITUTIONS:**

Directors are thankful to their bankers for their continued support to the company.

**ACKNOWLEDGMENTS:**

Your Directors convey their sincere thanks to the Government, Banks, Shareholders and customers for their continued support extended to the company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

**By Order of the Board  
For Sanchay Finvest Limited  
Sd/-  
Naresh Kumar Sharma  
Managing Director**

**Dated: 30<sup>th</sup> May, 2020**

**Registered Office:**

209, RajaniBhuvan,  
569 M.G. Road Indore.  
Mp - 452001

## **ANNEXURE-I MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

### **Industry Structure & Developments:**

The Company is mainly into broking activities and cash and derivatives segment at BSE. The related income is mainly from brokerage. During the year under review the income of the company has substantially reduced.

### **Opportunities & Threats:**

The company anticipated growth because of the friendly economic policies of the government to give boost to the capital market. In the years to come the capital market will see a growth. RBI and the financial commission already hinted positive growth rate for the company.

**Segment-wise Performance:** The Company's main business is Investment in shares and Investment in Equity / Debt Mutual Funds and all the activities of the Company are related to its main business. As such there are no separate reportable segments.

(a) **Outlook:** The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

(b) **Risks and Concerns:** The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including interest rate volatility, economic cycle, market risk and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies.

(c) **Internal Control Systems & their Adequacy:** The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit Committee reviews the quarterly and annual financial statements, adequacy of disclosures treatment of various items involving accounting judgments.

(d) **Discussions on Financial Performance with respect to Operational Performance:** The turnover of the company during the year has Increased compared to last year.

(e) **Human Resource Development:** The Company believes that the human

resources are vital in giving the Company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/ dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels.

(f) **Cautionary Statement:** Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Place:Indore

By Order of the Board  
For Sanchay Finvest Limited

Sd/-  
Naresh Kumar Sharma  
Managing Director

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Sanchay Finvest Limited**  
Indore

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sanchay Finvest Limited (hereinafter called the Company)

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder and certain provisions of Companies Act, 1956 and rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
9. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the Audit Period)**;
10. SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 Other laws applicable specifically to the Company namely:

1. Factories Act, 1960
2. Acts as prescribed under prevention and control of pollution
3. Local laws as applicable to various offices , plants, grinding stations and cement terminals

I have also examined compliance with the applicable clauses of the followings:

1. Secretarial Standard issued by The Institute of Company Secretaries of India.
2. The Listing Agreements/Regulations entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

I further report that, there were no actions / events in pursuance of:

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998,

Further based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the course and conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner as required under the various provisions of Companies Act, 2013, SEBI Act, 1992 and all other laws and applicable provisions there under.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking

and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

*We further report that for the period under review, the company has made an application for Revocation of Suspension in trading of equity shares and the same is under process with the Stock Exchange.*

Place: Mumbai

For Ramesh Chandra Mishra & Associates

Sd/-

Ramesh Chandra Mishra  
Company Secretary In Practice  
FCS: 5477; PCS: 3987

*Annexure-III*

**CORPORATE GOVERNANCE REPORT**

**1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE:**

Sanchay Limited management constantly strives towards improving, systems and process that promote the values of transparency, professionalism, accountability and compliance. The Company remains firmly committed to this central theme and endeavors to improve these values on an ongoing basis. We have an obligation towards our stakeholders including shareholders, employees, customers, suppliers and communities to be honest, fair and forthright in our business activities.

Good corporate governance is the basis for decision-making and control processes and comprises responsible, value-based management and monitoring focused on long-term success, goal-orientation and respect for the interests of our stakeholders.

Recent amendments of Companies Act, 2013 are effective from October 1, 2014. The amended rules require Companies to get shareholders' approval for related party transactions, establish whistleblower mechanisms, elaborate disclosures on pay packages and have at least one Woman Director on their boards. The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 2nd September, 2015, replacing the earlier Listing Agreement (w.e.f. 1<sup>st</sup> December, 2015). The amended norm is aligned with the provisions of the Companies Act, 2013 and is aimed to encourage Companies to 'adopt best practices on corporate governance.

**BOARD OF DIRECTORS:**

At present the Board of the Company is adequately equipped and well represented by Women Directors and Independent Directors of high repute. The Chairman of the Board and Audit Committee is headed by Independent Director(s). As per the Listing Regulations, it is mandatory for the company with a non-executive director as a chairperson to have at least one-third of the independent directors. The following composition of board of directors of the company as follows:



**SANCHAY FINVEST LIMITED****COMPOSITION OF BOARD AS ON 31st MARCH, 2020:**

SR.NO	NAME OF DIRECTOR	CATEGORY	DESIGNATION
1	Mr. Naresh Kumar Sharma	Managing Director/Executive Director	Managing Director
2	Mr. Narottam Kumar Sharma	Non-Executive Director	Director
3	Mr. Nikhil Saran Mathur	Independent Director	Director
4	Mr. Suresh kumar Nandlal Sharma	Non Executive Director	Director
5	Mrs. Vinita Sharma Naresh	Independent Women Director	Director
6	Mr. Sarthak Sharma	Independent Director	Director

**MEETINGS AND ATTENDANCE DURING THE YEAR 2019-2020:**

Annual General Meeting will be held on September 30, 2021

Board Meetings were conducted 4 (Four) times during the year as follows:

Sr. No	Date	Board Strength	No. Of. Directors Present
1	31-05-2019	6	5
2	14-08-2019	6	5
3	14-11-2019	6	6
4	12-02-2020	6	6

**NOTES:**

1. The Board evaluated each of Independent Directors participation in the Board and their vast experience, expertise and contribution to the Board and Company. Each and every related party transactions very well scrutinized and checks were made so that the Company is a beneficiary.
2. The Independent Directors held a meeting, without the attendance of Non-Independent Directors and members of Management. All Independent Directors were present at the meeting and they have reviewed the performance of non-independent directors and the Board, performance of the Chairman and information flow structure of the Company.

## SANCHAY FINVEST LIMITED

3. During the period the Company received notices/declarations from the Directors as per Schedule IV and section 149 (6) of the Companies Act, 2013.
4. Mrs. Vinita Sharma Naresh is one women director to the Board.
5. The Chairman also set up a Whistleblower mechanism in line with the policy of the company and as per SEBI notification CIR/CFD/POLICY CELL/2/2014 read with section 177 of Companies Act, 2013.

### AUDIT COMMITTEE:

Brief description and terms of reference:

To oversee the Company's Financial Report process, internal control systems, reviewing the accounting policies and practices, and financial statements audited by the statutory auditors. The audit committee is duly constituted in accordance with Clause 49 of the listing Agreement read with Regulation 18 of SEBI (listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 177 of the Companies Act, 2013.

Composition of Audit Committee as on 31<sup>st</sup> March, 2020:

Sr.No.	Narne of Members	Category	Designation
1.	Mr. Nikhil Saran Mathur	Non-Executive Non-Independent Director	Chairman
2.	Mr. Narottam Kumar Sharma	Non-Executive Independent Director	Member
3.	Mrs. Vinita Sharma Naresh	Non-Executive Independent Director	Member
4.	Mr. Naresh Kumar Sharma	Executive Director	Member

Company has conducted 4(Four) Audit Committee Meeting during the year.

April- June	July-September	October-December	January – March
31-05-2019	14-08-2019	14-11-2019	12-02-2020

Meetings and Attendance of the Audit Committee during the year.

Sr.No	Narne of Member	No. of Meeting Held During the Year	No. of Meeting Attended
1	Mr. Nikhil Saran Mathur	4	4
2	Mr. Narottam K Sharma	4	4
3	Mrs. Vinita Sharma	4	4
4	Mr. Naresh Kumar	4	4

## SANCHAY FINVEST LIMITED

The Audit Committee meetings are also attended by CFO & Director Finance, Internal Auditors and Statutory Auditors as invitees.

Powers of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers

necessary. Role of the Audit Committee:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

## **SANCHAY FINVEST LIMITED**

6. Reviewing, with the management, the statement of uses / through an issue (public issue, rights issue, preferential issue, etc.), the Statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **NOMINATION AND REMUNERATION COMMITTEE:**

Brief description and terms of reference:

The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Managing Director/Whole Time Directors; sitting fee payable to our Non- Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives. The Nomination and Remuneration Committee is duly constituted and the matters specified in accordance with under Clause 49 of the listing Agreement read with

## SANCHAY FINVEST LIMITED

Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, of Section 178 of the Companies Act, 2013.

Composition of Nomination and Remuneration Committee as on 31st March, 2020:

Sr. No.	Name of Members	Category	Designation
1	Mr. Nikhil Saran Mathur	Independent-Non Executive Director	Chairman
2	Mrs. Vinita Sharma Naresh	Independent-Non Executive Director	Member
3	Mr. Narottam Kumar Sharma	Non-Executive Non-Independent Director	Member
4.	Mr. Naresh Kumar Sharma	Executive Director	Member

### ROLE OF THE COMMITTEE:

The role of Nomination and Remuneration Committee is as follows:

- determining/recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining/recommending the criteria for qualifications, positive attributes and independence of Directors;
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
- determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
- evaluating performance of each Director and performance of the Board as a whole;

### REMUNERATION OF DIRECTORS:

SANCHAY FINVEST LIMITED

The remuneration policy is in consonance with the existing industry practice and provisions of the Companies Act, 2013. The Board of Directors has adopted a Policy for Directors, Key Managerial Personnel and other employees. The Company's remuneration policy is driven by the success and performance of the individual employee and the performance of the Company.

(a) Remuneration of Executive Directors:

The details of remuneration paid to the Executive Directors during the year 2019-20 are given below: NIL (Rs.\_)

Sr. No.	Name of Directors	Salary	Benefits and Perquisite	Contribution to PF, Superannuation, Gratuity & Leave Encashment	Total
	NIL	NIL	NIL	NIL	

Notes:

- (i) The Company does not have a Scheme for grant of Stock Options to the Directors or Employees.
- (ii) The appointment of Managing Director and Whole time Director is by way of Board/Special Resolution and covering terms and conditions of the services. There is no separate provision for severance fees.

(b) Remuneration of Non-Executive Directors:

The details of remuneration paid to Non-Executive Directors for the year 2020-21 are given below: NIL

Sr. No.	Name of the Directors	Sitting fees	Number of Share Held
	NIL	NIL	

Notes:

- (i) The remuneration to Non-Executive Directors comprises only of sitting fees.
- (ii) The criteria for payments of remuneration are time spent by the Non-Executive Directors at the meeting of the Board and Committees.

## SANCHAY FINVEST LIMITED

### STAKEHOLDER RELATIONSHIP COMMITTEE:

Brief description and Terms of Reference:

To specifically look into Redressal of complaints like transfer of shares, non-receipt of dividend, non-receipt of annual report etc. received from shareholders/ investors and improve efficiency. The Committee performs such other functions as may be necessary or appropriate for the performance of its duties. The Stakeholder Relationship Committee is duly constituted and the matters specified in accordance with Clause 49 of the Listing Agreement read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 178 of the Companies Act, 2013.

Composition of Stakeholder Relationship Committee as on 31st March, 2020:

Sr.No.	Name of Members	Category	Designation
1	Mr. Nikhil Saran Mathur	Non Executive – Independent Director	Chairman
2	Mrs. Vinita Sharma Naresh	Non Executive – Independent	Member
3	Mr. Shashi Nair	Non Executive- Non Independent Director	Member
4	Mr. Naresh Kumar Sharma	Executive Director	Member

MANAGEMENT REVIEW AND RESPONSIBILITY:

FORMAL EVALUATION OF OFFICERS:

The Remuneration Committee of the Board approves the compensation and benefits for all executive Board members. Another committee, headed by the MD, reviews, evaluates and decides the annual compensation of our officers from the level of executive upwards.

DISCLOSURES:

1. RELATED PARTY DISCLOSURES:

The Company has not entered into any materially significant related party transactions with its Promoters, Directors, or Management. The Company had formulated and adopted a policy with related party transaction and same is displayed on the Company's website '[www.sanchayinvest.in](http://www.sanchayinvest.in)'.

2. COMPLIANCE BY THE COMPANY:

## **SANCHAY FINVEST LIMITED**

The Company has complied with the requirement of regulatory authorities related to capital market and no penalties/ stricture have been imposed against Company during the last three years.

### **3. ACCOUNTING TREATMENT:**

The account treatments are in accordance with the applicable accounting standard. The company has not altered or adapted any new standard.

### **4. RISK MANAGEMENT FRAMEWORK:**

The Company has a well-defined risk management framework in place. The Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

### **5. VIGIL MECHANISM/WHISTLE BLOWER:**

The Company has implemented a vigil mechanism named Whistle Blower Polley to deal with instance of fraud and mismanagement. The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. All personnel have affirmed that they have not been denied access to the Chairman of the audit committee.

### **6. NON- MANDATORY REQUIRMENTS:**

Shareholder's Rights: The half yearly financial results are published in leading newspapers and also displayed on the Company's website '[www.sanchayinvest.in](http://www.sanchayinvest.in)'.

### **7. PREVENTION OF INSIDER TRADING:**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prevention of Insider Trading) Regulation, 2015 and the same is available on the Company's website '[www.sanchayinvest.in](http://www.sanchayinvest.in)'. This policy also includes practices and procedures for fair disclosures of unpublished price-sensitive information, initial and continual disclosures.

### **8. CODE OF CONDUCT:**

In accordance with Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for Board of Director and Senior Management. The Code is available on the Company's website '[www.sanchayinvest.in](http://www.sanchayinvest.in)'.

All members of the Board of Directors and Senior Management personnel have affirmed compliance to the Code as on 31<sup>st</sup> March, 2021. A declaration to this effect signed by the Managing Directors annexed to this Report.



## SANCHAY FINVEST LIMITED

### 9. CEO AND CFO CERTIFICATION:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

### MEANS OF COMMUNICATION:

Half Yearly Financial Report	The Financial results of the Company are published in leading newspapers and also displayed on the Company's website 'www.sanchayinvest.in'. Therefore, a separate half yearly report is not sent to
Quarterly Financial Results	The quarterly financial results of the Company are published in accordance with the requirement of the Listing Agreement of the Stock Exchanges where the shares of the company are listed.
Website	www.sanchayinvest.in
Administrative/ Registered Office	209, Rajani Bhuvan, 569 M.G. Road Indore Mp- 452001
Whether Management Discussions and Analysis report is a part of Annual Report or not	Yes

### GENERAL SHAREHOLDERS INFORMATION:

#### 1. Annual General Meeting:

Date                                      Wednesday, September 30, 2020  
Time                                        11:30 A.M  
Venue                                        209, Rajani Bhuvan, 569 M.G. Road Indore Mp- 452001

#### 2. Date of Book

Closure                                    : From Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).

## SANCHAY FINVEST LIMITED

### 3. Tentative Calendar for financial year 31<sup>st</sup> March, 2021:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31<sup>st</sup> March, 2021 are as follows:

Financial Reporting for the Quarter Ended 30th June 2021	By mid of August 2020
Financial Reporting for the Quarter and Half yearly Ended 30th September 2021	By Mid of November 2020
Financial Reporting for the Quarter Ended 31st December 2021	By mid of February 2021
Financial Reporting for the Quarter Ended 31st March 2022	By mid of May, 2021

### 4. Registered Office : 209, Rajani Bhavan, 569, M.G.Road, Indore (M.P.)-452001

### 5. Listing of Shares on Stock Exchanges:

The Company shares are listed on BSE Limited (BSE). The requisite listing fees have been paid in full to all the Stock Exchanges.

### 6. A) Stock Codes

BSE                511563  
ISIN                INE654D01010

B) Corporate Identity Number:        L67120MP1991PLC006650

### 6A. Shareholding Pattern as on 31st March, 2020:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C)
(A)	Promoter & Promoter group	4	1879863	0	0	1674563	59.68

(B)	Public	6262	1270137	0	0	281977	40.32
(C)	Non Promoter -Non Public Shares underlying DRs						NA
(C2)	Shares held by Employee Trusts						
	Total	6266	3150000	0	0	1956540	100%

#### 7. Registrar and Transfer Agent:

##### SHARE TRANSFER SYSTEM

M/ s. Ankit Consultancy Pvt. Ltd continues to be the Registrar and Transfer Agent of the Company. All the work related to share Registry in terms of both Physical and Electronic segment has been allotted to M/ s. Ankit Consultancy Pvt. Ltd, in view of the directive issued by SEBI in this regard i.e. for handling both Physical as well as Electronic transfer at a single point.

Shareholders are therefore requested to send shares for Physical transfer to M/s. Ankit Consultancy Pvt. Ltd instead of sending to the Company. As the Company's shares are compulsorily to be traded in the dematerialized form. Members holding shares in Physical Form are requested to send the share certificate to their Depository Participants to enable Registrar and Transfer Agent to take steps for dematerialization at the following:

The address of Registrar and Transfer agents is:

#### **Ankit Consultancy Pvt. Ltd**

2nd Floor Alankar Point, Gita Bhavan Chouraha,

A.B. Road, Indore, Madhya Pradesh - 452001

Email: - ankit4321@yahoo.com

**8. Address for Correspondence:**

806, Dev Plaza, S.V.Road, Andheri (W),Mumbai-400058

12. Listing on Stock Exchanges :Bombay Stock Exchange  
Ltd., Mumbai

13. Stock Code Mumbai Stock Exchange Ltd., Mumbai : 511563

14. Demat ISIN No. forCDSL and NSDL :INE654D01010

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**

To,  
The Members of  
Sanchay Finvest Limited

We have examined the compliance of conditions of corporate governance by Sanchay Finvest Limited ('the Company') for the year ended March 31, 2020 as stipulated in Clause 49 of the Listing Agreement and in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

For Ramesh Chandra Mishra & Association

Sd/-

Ramesh Chandra Mishra  
Practicing Company Secretary

FCS: 5477, PCS: 3987

**SANCHAY FINVEST LIMITED**

**DECLARATION UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

The Members of Sanchay Finvest Limited

As provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct for the year ended March 31, 2021

By Order of the Board  
For Sanchay Finvest Limited

Sd/-

Naresh Kumar Sharma  
Managing Director

Place: Indore

Registered Office:  
209, Rajani Bhuvan,  
569 M.G. Road Indore.  
Mp- 452001



**V. R. BHABHRA & CO.**

**Chartered Accountants**

303, Sagar Shopping Centre, 76, J. P. Road, Opp. Bombay Bazar, Andheri (West), Mumbai - 400 058.  
Tel. : +91 22 2678 1737 • E-mail : vimalbhabhra@yahoo.co.in / cavimalbhabhra123@gmail.com  
Website : www.cavimalbhabhra.com

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of SANCHAY FINVEST LIMITED**

**Report on Audit the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **SANCHAY FINVEST LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

### **Basis for Opinion**

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

## Key Audit matters

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

Sr, No	Key audit matter	Auditor's response
1	<p><b><u>Miscellaneous Income</u></b> Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns. Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter. [Refer Notes III(f) to the financial statements]</p>	<p><b>Our audit procedures, among other things, included the following:</b></p> <ol style="list-style-type: none"><li>1. Considered the appropriateness of the Company's accounting policies regarding revenue recognition</li><li>2. Testing controls, automated and manual, around dispatches/ deliveries/shipments inventory reconciliations and process of Confirmation of receivable balances, testing for cut-offs and analytical review procedures.</li><li>3. Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".</li></ol>
2.	<p><b><u>Provision of expenses</u></b> The company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Our audit procedures, among other things, included the following:</p> <ol style="list-style-type: none"><li>(a) Obtained details of completed tax assessments and demands during the year ended March 31 2020 from management.</li><li>(b) We involved our internal tax experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.</li><li>(c) Our internal tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li></ol>



		(d) We considered the effect of new information in respect of uncertain tax positions as at 31st March, 2020 to evaluate whether any change was required to management's position on these uncertainties
3.	<p><b>Valuation of inventories</b> Inventory forms a significant part i.e. 23% of the Company's total assets. Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares.</p> <p>The Company has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption.</p> <p>The Company has worked out the overhead absorption cost rate based on the consumption of material and apply the same for all other overheads. Due to significance of arriving at the overhead absorption rate for the valuation of inventories, it is considered to be a key audit matter.</p> <p>Refer notes III (g) to the standalone financial statements.</p>	<p>We have reviewed the stock records and held discussion with the management. We verified arithmetical accuracy of valuation records/reports.</p> <p>For a sample of inventory items we have verified that the weighted average cost calculation by the system in case of inventory is appropriate.</p>

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

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

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance total comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility**

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in term of sub- section (11) of the section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - refer note no.21 to the statements.
- ii. The Company has made provision, as required under the applicable law or Indian 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 A" a statement on the matters specified in paragraphs 3 and 4 of the order.

**For V.R.BHABHRA & CO.**  
Chartered Accountants  
(Firm's Registration No. 112861W)

  
**VIMAL R .BHABHRA**  
Partner  
(Membership No. 046043)  
Mumbai,  
Date: 29th May 2020  
UDIN: 21046043AAAAAG3819



## **Annexure A to the Independent Auditors' Report**

**(Referred to paragraph (9) under 'Report on other legal and regulatory requirements' of our report of even date to the member of SANCHAY FINVEST limited on the Ind AS financial statements for the year ended March 31, 2020)**

### **i. In respect of Fixed Assets :**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b. The fixed assets have been physically verified by the management in a phased manner, designed to cover all items over a period of three years , which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed asset have been noticed.
- c. The title deeds of immovable properties are held in the name of the company.

### **ii. In respect of Inventories :**

- a. We are informed that the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
  - c. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. We are informed that the discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the companies act, 2013 in respect of loan, investments, guarantees and security.
- v. According to the information and explanations given to us, the company has not accepted any deposits from the public and hence the directives issued by the Reserve bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and Companies (Acceptance of deposit) Rule 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the products of the company.

**vii. In respect of statutory dues:**

- a. According to the information and Explanation given to us and records of the Company as produced and examined by us, in our opinion, there have been some delays in depositing undisputed statutory dues in respect of Provident Fund, Income-tax, Sales-tax, Service-tax, Excise Duty, Goods and Services Tax or cess and any other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us and the records of the Company examined by us there are no dues of income tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Goods and services Tax or cess which have not been deposited on account of any dispute except as mentioned below:

Name of statute	Nature of the Dues	Amount Rs.in lakhs	Pending before	Nature of Dispute
Income Tax Act,1961	Income tax for the AY 2007-08	44.49	CIT(Appeal)- Indore	Disallowance of Derivatives Loss

- viii. Based on our audit procedures and according to the information and explanations provided to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution and bank.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us and based on our examination of the records of the company, the company has paid and provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V to the act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards and Companies Act, 2013.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For V R BHABHRA & CO.**

Chartered Accountants

FRN: 112861W



**Vimal R. Bhabhra**

(Partner)

Membership No: - 046043

Place: Mumbai.

Date: 29th May 2020

UDIN: 21046043AAAAAG3819





303, Sagar Shopping Centre, 76, J. P. Road, Opp. Bombay Bazar, Andheri (West), Mumbai - 400 058.  
Tel. : +91 22 2678 1737 • E-mail : vimalbhabhra@yahoo.co.in / cavimalbhabhra123@gmail.com  
Website : www.cavimalbhabhra.com

**Annexure B to the Independent Auditors' Report**

(Referred to in paragraph 5(f) of the Independent Auditors' Report of even date to the members of SANCHAY FINVEST LIMITED on the financial statements for the year ended March 31, 2020)

**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 SANCHAY FINVEST LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For V R BHABHRA & CO.**

Chartered Accountants

FRN: 112861W



**Vimal R. Bhabhra**

(Partner)

Membership No: - 046043

Place: Mumbai.

Date: 29th May 2020

UDIN: 21046043AAAAAG3819



**SANCHAY FINVEST LIMITED**  
Balance Sheet as on 31st March 2020

Particulars	Notes	As at 31-March-2020	As at 31-March-2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment	(3)	148,796	200,645
(b) Investment Property		436,000	436,000
(c) Financial assets			
(i) Investments	(4)	9,073,965	9,073,965
(d) Deferred tax assets	(5)	42,099	66,101
(e) Other assets	(6)	13,275,000	13,275,000
<b>Total non-current assets</b>		<b>22,975,860</b>	<b>23,051,711</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Investments	(4)	-	-
(ii) Trade Receivables	(7)	12,527,620	8,777,845
(iii) Cash and cash equivalents	(8)	1,223,273	155,647
(iii) Bank Balances, other than (iii) above	(8)	4,534,222	4,252,550
(iv) loans	(9)	2,797,400	6,272,400
(v) Other Financial Assets		3,537,398	7,988,343
(b) Current tax assets		354,465	297,325
<b>Total current assets</b>		<b>24,974,378</b>	<b>27,744,110</b>
<b>TOTAL ASSETS</b>		<b>47,950,238</b>	<b>50,795,822</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	(10)	31,500,000	31,500,000
(b) Other equity	(11)	(2,937,660)	6,726,593
<b>TOTAL EQUITY</b>		<b>28,562,340</b>	<b>38,226,593</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Trade Payables	(13)	-	-
(ii) Other financial liabilities	-	-	-
(c) Other non-current liabilities	-	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	(13)	18,611,241	11,551,976
(ii) Other financial liabilities	(14)	748,701	901,009
(c) Other current liabilities	(15)	27,956	116,244
<b>Total current liabilities</b>		<b>19,387,899</b>	<b>12,569,229</b>
<b>TOTAL LIABILITIES</b>		<b>19,387,899</b>	<b>12,569,229</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,950,238</b>	<b>50,795,822</b>

**Mention below**

Corporate information

1

Significant accounting information

2

The notes referred to above form an integral part of the financial statements

As per our report of even date

For V.R.BHABHRA & Co.

Firm Registration No. 112861  
(Chartered Accountants)

V. R. Bhabhra  
Partner

Membership No : 46043

Place: Mumbai

Dated: 29th May, 2020



For and on behalf of Board of Directors of  
Sanchay Fivest Limited

Naresh Kumar Sharma  
Director  
DIN : 00794218

Narottam Kumar S  
Director  
DIN : 00794167

Place: Mumbai

Dated: 29th May, 2020



**SANCHAY FINVEST LIMITED**  
Statement of profit and loss for the year ended 31st March 2020

Amount in Rs.

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>INCOME</b>			
Revenue from operations	(16)	(3,193,449)	(787,421)
Other income	(17)	1,786,580	4,786,381
<b>Total income</b>		<b>(1,404,869)</b>	<b>3,998,961</b>
<b>EXPENSES</b>			
Loss in Derivative Trading		6,014,521	3,162,879
Speculation Loss		-	239,464
Employee benefits expense	(18)	120,000	103,000
Finance cost	(19)	193	-
Depreciation and amortisation expenses	(3)	51,849	73,813
Other expense	(20)	2,048,820	5,401,956
<b>Total Expenses</b>		<b>8,235,383</b>	<b>8,981,112</b>
<b>Profit/ (loss) before tax</b>		<b>(9,640,251)</b>	<b>(4,982,150)</b>
<b>Tax expense:</b>			
(2) Short provision of earlier year taxes		-	-
(3) Deferred tax		(24,002)	(17,445)
<b>Profit/ (loss) for the year after tax</b>		<b>(9,664,253)</b>	<b>(4,999,596)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(9,664,253)</b>	<b>(4,999,596)</b>

See accompanying notes to the financial statements.  
As per our report of even date

For V.R.BHABHRA & Co.  
Firm Registration No : 112861W  
(Chartered Accountants)

V. R. Bhabhra  
Partner  
Membership No : 46043

Place: Mumbai  
Dated : 29th May, 2020



For and on behalf of Board of Directors of Sanchay Fivest Limited

Naresh Kumar Sharma  
Director  
DIN : 00794218

Place: Mumbai  
Dated: : 29th May, 2020

Narottam Kumar Sharma  
Director  
DIN : 00794167



**SANCHAY FINVEST LIMITED**  
Statement of Cash Flow for the year ended 31st March 2020

Particulars	As at 31-March-2020	As at 31-March-2019
<b>Cash flow from/(used in) operating activities</b>		
Profit / (loss) before tax	(9,640,251)	(4,982,151)
<b>Adjustment for:</b>		
Depreciation and amortisation expenses	51849	73,813
Interest income	(389605)	(359,022)
<b>Movement in working capital:</b>		
(Increase)/decrease in current investment	4450945	(2,529,794)
(Increase)/decrease in trade receivables	(3749775)	9,246,015
(Increase)/decrease in current tax assets	(57140)	(1,974,597)
Increase/(decrease) in trade payable	7059265	2,378,621
Increase/(decrease) in other financial liabilities	(152308)	(94,040)
Increase/(decrease) in other liabilities	(88288)	(116,244)
<b>Cash generated from/(used in) operations</b>	(2515308)	1,642,601
Income tax paid	-	-
<b>Cash generated from/(used in) operations</b>	(2515308)	1,642,601
<b>Cash flow from/(used in) investing activities</b>		
Loans given	3475000	(4,135,682)
Repayment of loan given	-	-
Investment in fixed deposit	(281,672)	(260,236)
Interest received	389605	359,022
<b>Cash generated from/(used in) investing activities</b>	3582933	(4,036,896)
<b>Cash generated from/(used in) financing activities</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	1067625	(2,394,295)
Cash and cash equivalents at the beginning of the year	155647	2,549,942
Cash and cash equivalents at the end of the year	1223273	155,647

As per our report of even date

For V.R.BHABHRA & Co.

Firm Registration No : 112861W  
(Chartered Accountants)

V R Bhabhra  
Partner

Membership No : 46043

Place: Mumbai  
Dated: 29th May, 2020



For and on behalf of Board of Directors of  
Sanchay Fivest Limited

*(Signature)*  
Naresh Kumar Sharma  
Director  
DIN : 00794218

*(Signature)*  
Narottam Kumar Sharma  
Director  
DIN : 00794167

Place: Mumbai  
Dated: 29th May, 2020



**SANCHAY FINVEST LIMITED**  
Statement of changes in equity for the year ended 31st March 2020

(11)

**A. Equity share capital**

Balance at the beginning of the reporting year	Number of shares	Value
At 1 April 2019	3,150,000	31,500,000
Issue of share capital	-	-
At 31 March 2020	3,150,000	31,500,000

**B. Other equity**

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Surplus/(Deficit) in the Statement of Profit & Loss	
At 1st April 2019	12,000,000	4,781,112	(10,054,519)	6,726,593
Profit/(loss) for the year 2019-20	-	-	(9,664,253)	(9,664,253)
At 31 March 2020	12,000,000	4,781,112	(19,718,772)	(2,937,660)



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**SANCHAY FINVEST LIMITED**

**Note: 1**

**Accompanying notes to financial statements for the year ended March 31, 2020**

**1.1 CORPORATE INFORMATION:**

Sanchay Finvest Limited is incorporated under the Companies Act, 1956. The Company is corporate Trading Member of National Stock Exchange of India Ltd.

**1.2 BASIS OF PREPARATION:**

**Compliance with Ind-AS:**

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value.

The Financial Statements are presented in Indian Rupees (INR) which is the functional currency for the company. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

**1.3 Functional and presentation currency**

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company. The financial statements are presented in Indian Rupees which is the Company's presentation currency.

**1.4 Use of estimates**

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Provisions



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2 **SIGNIFICANT ACCOUNTING POLICIES:**

The following are the significant accounting policies applied by the Company in preparing its financial statements:

**a) Property, Plant and Equipment:**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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.

Gains and losses on disposal with the carrying amount of Property, Plant and Equipment and are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognised net within "other income/other expenses" in the Statement of Profit and Loss.

**Subsequent Cost**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

Asset class	Useful life as per Sch II	Useful life as per management
Plant and Machinery	15 years	15 years
Office Building	30 years	30 years
Electrical equipments	10 years	10 years
Furniture	10 years	10 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years
Computers	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**b) Current and Non-Current Classification:**

The Company presents assets and liabilities in the balance sheet based on Current/Non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

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- Current Investments are valued at lower of its cost or fair market value.
- All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Deferred tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

**c) Fair value measurement:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing

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categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**d) Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

**e) Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

- **Interest income**

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

- **Dividend income:**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**f) Taxation:**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified there under.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **g) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



**h) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**i) Employee benefits**

The Company recognises all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

**j) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets:**

➤ **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

➤ **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in four categories;

- at amortised cost through profit or loss
- at amortised cost through other comprehensive income
- at fair value through other comprehensive income (FVTOCI)
- at fair value through profit or loss (FVTPL)

**Financial Assets at amortised cost**

A financial assets is measured at the amortised cost if both the following conditions are met :

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

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After initial measurement such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### **Financial Assets at Fair Value through Profit or Loss/Other comprehensive income**

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

##### ➤ **Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

##### ➤ **Impairment of Financial Assets:**

The Company is primarily engaged in rendering broking services and hence there is risk of bad debts in case of unsecured debtors. Hence, the company makes adequate provision wherever required.

Also the receivable from group companies are considered to be good and there are neither been any past instances of default and also management doesn't expect any default in case of group receivables.

Expected Credit Loss (ECL) impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables-ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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*N/S*



(II) **Financial liabilities:**

➤ **Initial Recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. However, with respect to difference arises between the transaction price and the fair value of interest free loan taken from members, the Company has accounting policy choice to recognise this difference in the statement of profit and loss or treat it as equity (capital contribution). The Company's financial liabilities include trade and other payables, loans and borrowings including other payables

➤ **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

a) **Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. Considering that the impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material and hence the Company is amortising the transaction cost in straight line basis over the tenure of the loan. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the transaction cost amortisation process. This category generally applies to borrowings.

b) **Derecognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) **Embedded derivatives**

Embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**k) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**l) Provisions and contingencies:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are 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 obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include capital expenditure (net of advances) in relation to solar power plant.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**m) Segment information**

The Company is engaged in "Share Broking & Trading in Shares & Securities" which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

**n) Earnings per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.



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*non*

**SANCHAY FINVEST LIMITED**  
Notes to the financial statements as at 31st March 2020

**(3) Property, Plant & Equipment**

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS AT 01.04.19	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.2020	AS AT 01.04.19	FOR THE YEAR	Transfer To Retain Earnings	AS AT 31.03.2020	AS AT 31.03.2019
PARTICULARS OF ASSETS									
FURNITURE & FIXTURE	3,195,011	-	-	3,195,011	3,076,620	30,651	-	3,107,271	118,391
EPABX	156,571	-	-	156,571	151,633	-	-	151,633	4,938
OFFICE EQUIPMENT	200,912	-	-	200,912	197,881	-	-	197,881	3,031
PHOTOCOPIER	75,100	-	-	75,100	72,582	-	-	72,582	2,518
ELECTRICAL TYPEWRITER	33,070	-	-	33,070	31,960	-	-	31,960	1,110
MARUTI CAR	195,450	-	-	195,450	190,828	-	-	190,828	4,622
AUDIO VISUAL EQUIPMENT	4,791	-	-	4,791	4,630	-	-	4,630	161
COMPUTERS	2,064,903	-	-	2,064,903	2,043,470	8,423	-	2,051,893	21,433
AIR CONDITIONER	105,400	-	-	105,400	101,865	-	-	101,865	3,535
MOTOR CAR	2,515,480	-	-	2,515,480	2,474,574	12,775	-	2,487,349	40,906
TOTAL	8,546,688	-	-	8,546,688	8,346,043	51,849	-	8,397,892	200,645
PREVIOUS YEAR	8,546,688	-	-	8,546,688	8,272,230	73,813	-		



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**SANCHAY FINVEST LIMITED**  
Notes to the financial statements as at 31st March 2020

(4) Investments

Non current

Particulars	As at 31-March-2020	As at 31-March-2019
<b>Investment in Equity Shares</b>		
Fully paid up, Quoted	1,072,965	1,072,965
Fully paid up, Unquoted, Associate Company		
Investment in Associate Company		
800100 equity shares of Sanchay Fincom Limited, face value Rs. 10 each	8,001,000	8,001,000
	<b>9,073,965</b>	<b>9,073,965</b>

Market value of quoted investment:

Current

Particulars	As at 31-March-2020	As at 31-March-2019
<b>Investment in Equity Shares</b>		
Fully paid up, Quoted	3,537,398	7,988,343
	<b>3,537,398</b>	<b>7,988,343</b>

(5) Deferred Tax Asset

Particulars	As at 31-March-2020	As at 31-March-2019
Difference arising on account of depreciation	42099	66,101
	<b>42,099</b>	<b>66,101</b>

(6) Other assets

Non current

Particulars	As at 31-March-2020	As at 31-March-2019
Deposits with stock exchanges	13,275,000	13,275,000
	<b>13,275,000</b>	<b>13,275,000</b>





**SANCHAY FINVEST LIMITED**  
Notes to the financial statements as at 31st March 2020

(7) Trade Receivables

**Current**

Particulars	As at 31-March-2020	As at 31-March-2019
Secured, considered good		
Receivable from Associate Company	7,681,642	930,369
Others	4,845,978	7,847,476
Unsecured, considered good		
Receivable from Associate Company	-	-
Others	-	-
	12,527,620	8,777,845
Less: Provision for doubtful Debt	-	-
	<b>12,527,620</b>	<b>8,777,845</b>

(8) Cash and bank balances

Particulars	As at 31-March-2020	As at 31-March-2019
<b>Cash and cash equivalents</b>		
Cash on hand	101,856	1,856
Balances with banks		
In current accounts	1,121,417	153,791
	<b>1,223,273</b>	<b>155,647</b>
<b>Other bank balances</b>		
Fixed deposit	4,534,222	4,252,550
	<b>5,757,495</b>	<b>4,408,197</b>

(9) Loans

**Current**

Particulars	As at 31-March-2020	As at 31-March-2019
Unsecured, considered good		
Advance recoverable in cash or kind	2,335,500	5,810,500
Advance BSE (Revocation Fees)	220,600	220,600
Advance to employees	241,300	241,300
	<b>2,797,400</b>	<b>6,272,400</b>



SANCHAY FINVEST LIMITED  
Notes to the financial statements as at 31st March 2020

(10) Equity share capital

Particulars	Numbers of shares	As at 31-March-2020	As at 31-March-2019
Equity shares of Rs.10 each	8,000,000	80,000,000	80,000,000
<b>Issued, subscribed and paid-up:</b>			
Equity shares of Rs.10 each per value	3,150,000	31,500,000	31,500,000
		<b>31,500,000</b>	<b>31,500,000</b>

**Rights, preferences and restrictions attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity share(s) is entitled to one vote per share. The final dividend, if any, proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. 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 proportion to their shareholding.

**Details of shareholders holding more than 5% equity shares in the Company on reporting date**

Name of the shareholders	Numbers of shares	Percentage of shareholding as at 31-March-2020	Percentage of shareholding as at 31-March-2019
Sujala Industrial Supplying Pvt Ltd	1,085,450	34%	28%
Manish Kumar Sharma	493,700	16%	16%
Narottam Kumar Sharma	300,000	10%	10%

**The reconciliation of the number of shares outstanding on reporting date**

Particulars	As at 31-March-2020	As at 31-March-2019
Shares at the beginning of the year	3,150,000	31,500,000
Add : Shares issued during the year	-	-
Shares at the end of the year	<b>3,150,000</b>	<b>31,500,000</b>



*Handwritten signatures and initials*

**SANCHAY FINVEST LIMITED**  
Notes to the financial statements as at 31st March 2020

(13) Trade Payables

Non current

Particulars	As at 31-March-2020	As at 31-March-2019
Total outstanding dues of micro and small enterprises	-	-
Others	-	-

Current:

Particulars	As at 31-March-2020	As at 31-March-2019
Total outstanding dues of micro and small enterprises	-	-
Others	18,611,241	11,551,976
	18,611,241	11,551,976

(14) Other financial liabilities

Non current

Particulars	As at 31-March-2020	As at 31-March-2019
Others	-	-

Current:

Particulars	As at 31-March-2020	As at 31-March-2019
Accrued Expenses	748,701	470,039
Statutory Liabilities	-	430,970
	748,701	901,009

(15) Other liabilities

Non-Current:

Particulars	As at 31-March-2020	As at 31-March-2019
Others	-	-

Current:

Particulars	As at 31-March-2019	As at 31-March-2018
Book Overdraft	27,956	116,244
(Due to Reconciliation)	27,956	116,244



**SANCHAY FINVEST LIMITED**  
Notes to the financial statements as at 31 March 2020

(16) Revenue from Operations

Particulars	For the year ended 31-March-2019	For the year ended 31-March-2019
Brokerage Income	1,336,089	628,282
Sale of Shares (Delivery)	(4,529,538)	(1,415,703)
	<b>(3,193,449)</b>	<b>(787,421)</b>

(17) Other income

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Interest income	389,605	359,022
Dividend on shares	123,365	117,914
Miscellaneous income	1,275,610	4,309,445
	<b>1,788,580</b>	<b>4,786,381</b>

(18) Employee benefits expense

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Salaries and Wages	120,000	103,000
	<b>120,000</b>	<b>103,000</b>

(19) Finance costs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Bank charges	193	-
	<b>193</b>	<b>-</b>

(20) Other expenses

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Legal and professional fees	525838	50,000
Payment to auditors ; as auditors	100300	100,300
Demat Charges	59471	60,671
Computer & Software Expenses	-	60,000
Insurance Expenses	15901	14,811
ROC filing Fees	-	19,100
Registration & satmap charges	-	59,212
Listing Fees (BSE)	354000	1,404,790
Society Maintenance Charges	223534	-
REGISTRAR & TRANSFER AGENT EXPS	-	-
Electricity Expenses	264576	221,762
Travelling Expenses	-	15,000
Telephone Expenses	65560	85,653
Miscellaneous Expenses	-	138,969
Exchange Dues and Lease line Charges NSE	439640	3,171,687
	<b>2,048,820</b>	<b>5,401,956</b>



**SANCHAY FINVEST LIMITED**  
Notes to the financial statements as at 31 March 2020

**(21) Contingent liability**

The Company has disputed income tax liability of Rs. 4449590 for AY 2007-08 against which Company has filed an appeal before CIT (Appeals - II) Indore.

**(22) Financial risk management objectives and policies**

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

**Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020.

**(23) Income tax**

The major components of income tax expense for the years are

Profit or loss section Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
<b>Income tax:</b>		
Current income tax charge	-	-
Adjustments in respect of short provision of income tax of previous year	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	24,002	17,445
<b>Income tax expense reported in the statement of profit or loss</b>	<b>24,002</b>	<b>17,445</b>

The current tax has not been provided as the company has been incurring losses as per tax. Deferred tax assets has been reversed in respect of depreciation arising due to timing differences.

**(24) Earning per share**

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

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

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

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Profit attributable to equity holders of the parent for basic earnings	(9,664,253)	(4,999,596)
Weighted average number of equity shares for basic EPS*	3,150,000	3,150,000
Weighted average number of equity shares adjusted	3,150,000	3,150,000
Face value per share	10	10
Basic earning per share	(3.07)	(1.59)
Diluted earning per share	(3.07)	(1.59)

\* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

**(25) Events Occurring After the Balancesheet date**

No subsequent event has been observed which may required an adjustment to the statement of financial position

As per our report of even date

For V.R.BHABHRA & Co.  
Firm Registration No 112861W  
(Chartered Accountants)

V. R. Bhabhra  
Partner  
Membership No : 46043

Place: Mumbai  
Dated: 29th May, 2020

For and on behalf of Board of Directors of Sanchay Finvest Limited

Naresh Kumar Sharma  
Director  
DIN : 00794218

Place: Mumbai  
Dated: 29th May, 2020

Narottam Kumar Sharma  
Director  
DIN : 00794167



**SANCHAY FINVEST LIMITED**  
Notes to the financial statements as at 31 March 2020

**26 Related party relationships and transactions**

Ind AS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) a person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**A Related Parties**

**a Associate Company**  
Sanchay Fincom Ltd

**b Other related parties**

**Key Management Personnel**

Name of Related Party	Relationship
Narmada Sharma	Director Relative
Naresh Kumar Sharma	Director
Narottam Kumar Sharma	Director
Naresh Kumar Sharma Huf	Director Relative

**Transactions during the year with related parties**

Name of the Party	Nature of Transactions	For the year ended	For the year ended
		31-March-2020	31-March-2019
Narmada Sharma	Brokerage Income	245	2,245
Naresh Kumar Sharma Huf	Brokerage Income	-	4,418

**Balance outstanding of related parties**

Name of the Party	Receivable / (Payable)	As at	As at
		31-Mar-20	31-Mar-19
Narmada Sharma	Receivable / (Payable)	(16,235,690)	(9,473,136)
Naresh Kumar Sharma Huf	Receivable / (Payable)	(265,169)	(265,169)
Sanchay Fincom Ltd	Receivable / (Payable)	7,681,642	(930,368)

As per our report of even date

For **V.R.BHABHRA & Co.**

Firm Registration No. 112861W  
(Chartered Accountants)

V. R. Bhabhra  
Partner

Membership No : 46043

Place: Mumbai  
Dated: 29th May, 2020



For and on behalf of Board of Directors of Sanchay Finvest Limited

Naresh Kumar Sharma  
Director  
DIN : 00794218

Place: Mumbai  
Dated: 29th May, 2020

Narottam Kumar Sharma  
Director  
DIN : 00794167

