

Standalone Financial Statements

Senco Gold Limited

Year ended 31 March 2022

Independent Auditor's Report

To the Members of Senco Gold Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Senco Gold Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' report 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 in the audit or otherwise appears to be materially misstated.



Independent Auditor's Report to the members of Senco Gold Limited on the Standalone Financial Statements for the year ended 31 March 2022 (cont'd)

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of 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.
6. In preparing the standalone financial statements, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the standalone financial statements 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;



Independent Auditor's Report to the members of Senco Gold Limited on the Standalone Financial Statements for the year ended 31 March 2022 (cont'd)

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
 - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the director is disqualified as at 31 March 2022 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 with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - 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, as detailed in note 43 to the standalone financial statements, has disclosed the impact of pending litigations on its standalone financial position as at 31 March 2022;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;



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Independent Auditor's Report to the members of Senco Gold Limited on the Standalone Financial Statements for the year ended 31 March 2022 (cont'd)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a. The interim dividend declared and paid by the Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act.

b. As stated in note 38 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Rajni Mundra
Partner
Membership No.: 058644
UDIN: 22058644ANKHVV2360



Place: Kolkata
Date: 21 July 2022

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Senco Gold Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

Description of property	Gross carrying value (₹ in millions)	Held in name of	Whether promoter, director or their relative or employee	Period held
Building (Located at Kolkata)	87.23	Addyashakti Properties Private Limited (*)	No	01 April 2015
Building (Located at Mumbai)	142.69	Addyashakti Properties Private Limited (*)	No	01 April 2015
Building (Located at Kolkata-SEZ)	6.94	Senco Gold Impex Private Limited (*)	No	14 March 2007
Building (Located at Kolkata)	16.57	Senco Gold Private Limited (#)	No	06 December 2006

(*) Transferred as a result of merger of the said entities into the Company.

(#) This property is held by the Company in its erstwhile name.

- (d) The Company has not revalued its property, plant and equipment, right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Senco Gold Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

- (b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were/were not subject to audit or review, except for the following:

(₹ in millions)

Name of the Bank or Financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Amount as reported in the quarterly return / statement	Amount as per books	Difference	Remarks
Indian Bank (erstwhile Allahabad Bank) and consortium of other banks	7,970.00	Trade receivables	31 March 2022 (*)	395.70	395.37	(0.33)	Refer to note 50 to the standalone financial statements which summarizes the reason for the said variation.
		Inventories		13,954.60	13,886.63	(67.97)	
Indian Bank (erstwhile Allahabad Bank) and consortium of other banks	7,620.00	Trade receivables	31 December 2021 (^)	402.70	396.75	(5.95)	
		Inventories		13,337.50	13,494.94	157.44	
Indian Bank (erstwhile Allahabad Bank) and consortium of other banks	6,764.00	Trade receivables	30 September 2021 (^)	559.10	581.05	21.95	
		Inventories		12,713.80	12,613.46	(100.34)	
Indian Bank (erstwhile Allahabad Bank) and consortium of other banks	7,084.00	Trade receivables	30 June 2021 (^)	303.80	305.89	2.09	
		Inventories		11,088.50	10,870.98	(217.52)	

(*) As per books of accounts, which were subject to audit;

(^) As per books of accounts, which not subject to audit or review

- (iii) (a) The Company has provided loans to subsidiary as per the details given below:

Particulars	Loans (₹ in millions)
Aggregate amount provided /granted during the year:	28.00
- Subsidiary	
Balance outstanding as at balance sheet date in respect of above case:	28.00
- Subsidiary	



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Senco Gold Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

- (b) The Company has not made any investment, provided any guarantee or given any security during the year. However, the Company has granted loan to one entity amounting to ₹ 28.00 million (year-end balance: ₹ 28.00 million) as at an interest rate of 9% per annum which in our opinion and according to the information and explanation given to us, the terms and conditions of grant of the loan are prime facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal and interest are regular.
- (d) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days.
- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

(f) The Company has granted loan, which is repayable on demand, as per details below:

Particulars	All Parties (₹ in millions)	Promoters (₹ in millions)	Related Parties (₹ in millions)
Aggregate of loan: - Repayable on demand	28.00	Nil	28.00
Total	28.00	Nil	28.00
Percentage of loans to the total loans	100%	N.A.	100%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 186 of the Act in respect of loans and investments. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ('the RBI'), the provisions of sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which have been considered as deemed deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though income-tax have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Senco Gold Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

Name of the statute	Nature of dues	Amount (₹ in millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	21.58	0.73	2010-11 to 2014-15	Commissioner (Appeals) Service Tax
Chattisgarh Goods and Service Tax	Goods and Service Tax	0.36	0.29	2019-20	Office of Assistant Commissioner of State Tax
Goods & Service Tax Bihar	Goods and Service Tax	0.12	0.05	2017-18	Office of Assistant Commissioner of State Tax
Goods & Service Tax, Telangana	Goods and Service Tax	0.31	0.17	2017-18 - 2019-20	Office of Assistant Commissioner, Telangana
Central Excise Act, 1944	Cenvat Credit Disallowed	18.65	0.98	FY 2011-12 FY 2012-13	Central Excise and Service Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	20.08	-	AY 2010-11	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	1.89	2.75	AY 2015-16	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	74.74	66.50	AY 2017-18	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	2.09	-	AY 2010-11	Assistant Commissioner of Income-tax
Income-tax Act, 1961	Income-tax	0.51	-	AY 2019-20	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	1.63	-	AY 2020-21	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	0.13	-	AY 2020-21	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	28.92	-	AY 2017-18	Commissioner of Income-tax (Appeals)

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, including confirmations received from banks and financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have not been utilised for long-term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Senco Gold Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We were unable to obtain some of the Internal Audit Reports of the Company, hence the Internal Audit Reports have been considered by us, only to the extent made available to us.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Senco Gold Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundry
Rajni Mundry
Partner
Membership No.: 058644
UDIN: 22058644ANKHVVY2360



Place: Kolkata
Date: 21 July 2022

Annexure B to the Independent Auditor's Report of even date to the members of Senco Gold Limited on the Standalone Financial Statements for the year ended 31 March 2022

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Senco Gold Limited (the 'Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 the Company's 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 information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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Annexure B to the Independent Auditor's Report of even date to the members of Senco Gold Limited on the Standalone Financial Statements for the year ended 31 March 2022 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2022, based on internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 22058644ANKHVV2360



Place: Kolkata
Date: 21 July 2022

Senco Gold Limited
Balance Sheet as at 31 March 2022
(Amount in ₹ millions, except otherwise stated)

ASSETS

(1) Non-current assets

- (a) Property, plant and equipment
- (b) Capital work-in-progress
- (c) Right-of-use assets
- (d) Other intangible assets
- (e) Financial assets
 - (i) Investment in subsidiary
 - (ii) Investment in others
 - (iii) Other financial assets
- (f) Deferred tax assets (net)
- (g) Income-tax assets (net)
- (h) Other non-current assets

Total non-current assets

(2) Current assets

- (a) Inventories
- (b) Financial assets
 - (i) Trade receivables
 - (ii) Cash and cash equivalents
 - (iii) Other bank balances
 - (iv) Loans
 - (v) Other financial assets
- (c) Other current assets

Total current assets

TOTAL ASSETS

EQUITY AND LIABILITIES

Equity

- (a) Equity share capital
- (b) Instruments entirely equity in nature
- (c) Other equity

Total equity

Liabilities

(1) Non-current liabilities

- (a) Financial liabilities
 - (i) Borrowings
 - (ii) Lease liabilities
 - (iii) Other financial liabilities
- (b) Provisions
- (c) Other non-current liabilities

Total non-current liabilities

(2) Current liabilities

- (a) Financial liabilities
 - (i) Borrowings
 - (ii) Lease liabilities
 - (iii) Trade payables
 - (a) total outstanding dues of micro enterprises and small enterprises
 - (b) total outstanding dues of creditors other than micro enterprises and small enterprises
 - (iv) Other financial liabilities
- (b) Other current liabilities
- (c) Provisions
- (d) Current tax liabilities (net)

Total current liabilities

Total liabilities

TOTAL EQUITY AND LIABILITIES

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Standalone Financial Statement

This is the Balance Sheet referred to in our report of even date.

For Walker Chandlok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Munda

Rajni Munda
Partner

Membership No.: 058644

Place: Kolkata

Date: 21 July 2022



Note	As at 31 March 2022	As at 31 March 2021
4	668.24	673.83
5	85.14	24.38
6	1,500.51	1,417.26
7	23.87	27.35
8	20.00	20.00
8	0.26	0.26
9	166.24	268.31
10	141.42	127.04
11	180.33	185.18
12	202.71	185.87
	2,968.72	2,929.48
13	13,886.63	10,394.73
14	395.37	275.59
15	93.29	67.57
16	2,692.69	1,196.03
17	28.00	-
9	586.70	536.90
12	354.63	192.94
	18,039.31	12,663.76
	21,008.03	15,593.24
18	531.86	531.86
18	132.96	132.96
19	6,605.72	5,361.66
	7,270.54	6,026.48
20	3.95	4.06
21	1,451.03	1,327.63
22	8.28	8.12
23	12.54	30.72
24	0.12	0.12
	1,475.92	1,370.65
20	8,625.72	5,320.38
21	178.61	146.03
25	124.07	95.24
	1,048.71	514.11
22	333.34	256.63
24	1,811.93	1,832.19
23	0.68	0.38
26	138.51	31.15
	12,261.57	8,196.11
	13,737.49	9,566.76
	21,008.03	15,593.24

For and on behalf of the Board of Directors of
Senco Gold Limited

Suvankar Sen
Managing Director and
Chief Executive Officer
DIN: 01178903

Surendra Gupta
Company Secretary and
Compliance Officer
Membership No.: A20666
Place: Kolkata
Date: 21 July 2022

Jyoti Sen
Director
DIN: 08828875

Sanjay Banerjee
Chief Financial Officer

Senco Gold Limited
Statement of Profit and Loss for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
I. Revenue from operations	27	35,346.41	26,603.79
II. Other income	28	129.23	145.45
III. Total income (I + II)		<u>35,475.64</u>	<u>26,749.24</u>
IV. Expenses			
Cost of materials consumed	29	28,335.34	18,413.89
Purchases of stock-in-trade	30	5,643.80	2,903.47
Changes in inventories of finished goods and stock-in-trade	31	(4,173.74)	1,536.58
Employee benefits expense	32	743.01	521.81
Finance costs	33	708.79	666.37
Depreciation and amortisation expenses	34	420.76	395.72
Other expenses	35	2,017.78	1,474.50
Total expenses (IV)		<u>33,695.74</u>	<u>25,912.34</u>
V. Profit before tax (III - IV)		<u>1,779.90</u>	<u>836.90</u>
VI. Tax expenses	36		
Current tax:			
- Current year		494.94	287.76
- Earlier years		0.57	-
Deferred tax		(17.13)	(65.96)
Total tax expenses (VI)		<u>478.38</u>	<u>221.80</u>
VII. Profit after tax for the year (V - VI)		<u>1,301.52</u>	<u>615.10</u>
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss:			
(a) Remeasurement gain/ (loss) of defined benefit plans		5.33	(3.77)
(b) Income-tax relating to items that will not be reclassified to profit or loss		(1.34)	0.95
Items that will be reclassified to profit or loss:			
(a) Effective portion of gain/ (loss) on designated portion of hedging instruments in a cash flow hedge		5.60	(5.60)
(b) Income-tax relating to items that will be reclassified subsequently to profit or loss		(1.41)	1.41
Other comprehensive income/ (loss) for the year (VIII)		<u>8.18</u>	<u>(7.01)</u>
IX. Total comprehensive income for the year (VII + VIII)		<u>1,309.70</u>	<u>608.09</u>
X. Earnings per equity share (Nominal value per share ₹ 10 each)			
(a) Basic (₹)	37	19.58	9.25
(b) Diluted (₹)	37	19.52	9.25

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Standalone Financial Statement

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

Rajni Munda

Rajni Munda
Partner
Membership No.: 058844



Place: Kolkata
Date: 21 July 2022

For and on behalf of the Board of Directors of
Senco Gold Limited

Suvankar Sen
Suvankar Sen
Managing Director and
Chief Executive Officer
DIN: 01178803

Joita Sen
Joita Sen
Director
DIN: 08828875

Surendra Gupta
Surendra Gupta
Company Secretary and
Compliance Officer
Membership No.: A20666

Place: Kolkata
Date: 21 July 2022



Senco Gold Limited
Cash Flow Statement for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
A Cash flows from operating activities		
Profit before tax	1,779.90	836.90
Adjustments for:		
Depreciation and amortisation expenses	420.76	395.72
Assets written off	-	0.30
Loss on sale of property, plant and equipment	-	0.35
Finance costs	708.79	666.37
Share based payment expense	0.86	-
Unrealised foreign exchange gain	(0.92)	(2.14)
Liabilities no longer required written back	(14.11)	(31.39)
Allowance for expected credit loss	(2.44)	2.79
Impact for straight-lining of rental expenses	-	(20.79)
Interest income	(61.71)	(40.62)
Operating profit before working capital changes and other adjustments	2,831.13	1,807.49
(Increase) / decrease in assets:		
Inventories	(3,493.31)	476.40
Trade receivables	(116.42)	0.83
Loans	(28.00)	-
Other financial assets	(50.86)	(320.13)
Other assets	(167.78)	75.39
Increase / (decrease) in liabilities:		
Trade payables	563.43	(641.59)
Other financial liabilities	165.22	96.98
Provisions	(12.55)	2.02
Other liabilities	(12.80)	742.53
Cash (used in) / generated from operating activities	(321.94)	2,239.92
Income-taxes paid (net of refunds)	(399.28)	(421.35)
Net cash (used in) / generated from operating activities	(721.22)	1,818.57
B Cash flows from investing activities		
Acquisition of property, plant and equipment (including capital work-in-progress) and other intangible assets	(226.81)	(139.14)
Proceeds from disposal of property, plant and equipment	-	1.07
Investment made in subsidiary	-	(20.00)
Interest received	49.99	43.39
Deposits (made)/redeemed during the year	(854.50)	(110.13)
Changes in other bank balances	(529.31)	(338.73)
Net cash used in investing activities	(1,560.63)	(563.54)
C Cash flows from financing activities		
Dividends paid (net of taxes)	(147.48)	-
Repayment of long-term borrowings	(2.80)	(6.40)
Proceeds / (repayment) of others borrowings (net)	3,308.03	(422.30)
Repayment of lease liabilities	(157.49)	(123.27)
Interest paid	(692.69)	(671.74)
Net cash generated from / (used in) financing activities	2,307.57	(1,223.71)
Net increase in cash and cash equivalents (A+B+C)	25.72	31.32
Cash and cash equivalents at the beginning of the year (refer note 15)	67.57	36.25
Cash and cash equivalents at the end of the year (refer note 15)	93.29	67.57

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Senco Gold Limited

Cash Flow Statement for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statements of Cash Flows'.

(b) Reconciliation of liabilities from financing activities:

Particulars	Lease liabilities	Non-current borrowings (Including current maturities)	Current borrowings (Including accrued interest)	Dividend
Opening balance as on 01 April 2020	1,351.01	14.40	5,758.66	-
Add: Non-cash changes due to:				
- Recognition of lease liabilities	245.92	-	-	-
- Interest expense	165.30	1.10	499.38	-
- Dividend	-	-	-	99.74
Less: Cash outflows during the year:				
- Repayment of non-current borrowings	-	(6.40)	-	-
- Repayment of current borrowings (net)	-	-	(422.30)	-
- Repayment of lease liabilities	(123.27)	-	-	-
- Interest paid	(165.30)	(1.10)	(504.75)	-
- Dividend paid (including tax deducted at source)	-	-	-	(6.98)
Opening balance as on 31 March 2021	1,473.66	8.00	5,330.99	92.76
Add: Non-cash changes due to:				
- Recognition of lease liabilities	313.47	-	-	-
- Interest expense	190.41	1.10	505.51	-
- Dividend	-	-	-	68.50
Add: Cash inflows during the year:				
- Proceeds from current borrowings (net)	-	-	3,308.03	-
Less: Cash outflows during the year:				
- Repayment of non-current borrowings	-	(2.80)	-	-
- Repayment of lease liabilities	(157.49)	-	-	-
- Interest paid	(190.41)	(1.10)	(501.18)	-
- Dividend paid (including tax deducted at source)	-	-	-	(154.13)
Closing balance as on 31 March 2022	1,629.64	5.20	8,643.35	5.13

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandlok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Munda

Rajni Munda

Partner

Membership No.: 058644



Place: Kolkata

Date: 21 July 2022

For and on behalf of the Board of Directors of

Senco Gold Limited

Suvankar Sen
Suvankar Sen
Managing Director and
Chief Executive Officer
DIN: 01178803

Sufendra Gupta
Sufendra Gupta
Company Secretary and
Compliance Officer
Membership No.: A20665

Place: Kolkata

Date: 21 July 2022

Abhita Sen
Abhita Sen
Director
DIN: 08828875

Sanjay Banka
Sanjay Banka
Chief Financial Officer



Senco Gold Limited
Statement of Changes in Equity for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

A. Equity share capital (*)

Particulars	Balance at the beginning of year	Changes during the year	Balance at the end of year
As at 31 March 2022: Equity share capital	531.86	-	531.86
As at 31 March 2021: Equity share capital	531.86	-	531.86

B. Instruments entirely equity in nature (*)

Particulars	Balance at the beginning of year	Changes during the year	Balance at the end of year
As at 31 March 2022: Compulsorily convertible non-cumulative preference shares	132.96	-	132.96
As at 31 March 2021: Compulsorily convertible non-cumulative preference shares	132.96	-	132.96

C. Other equity (**)

Particulars	Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Share based payment reserve (***)	Equity Instruments through OCI	Cash flow hedge reserve	Other comprehensive Income (OCI)	Total
Balance as at 1 April 2020	314.35	153.64	1.15	4,383.92	-	-	-	0.25	4,853.31
Profit for the year (net of taxes)	-	-	-	615.10	-	-	-	-	615.10
Other Comprehensive Income (net of taxes):	-	-	-	(2.82)	-	-	-	-	(2.82)
- Remeasurement (loss) of defined benefit plans	-	-	-	-	-	-	-	-	-
- Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge	-	-	-	-	-	-	(4.19)	-	(4.19)
Total comprehensive Income for the year	314.35	153.64	1.15	4,996.20	-	-	(4.19)	0.25	5,461.40
Dividends (refer note 38)	-	-	-	(99.74)	-	-	-	-	(99.74)
Balance as at 31 March 2021	314.35	153.64	1.15	4,896.46	-	-	(4.19)	0.25	5,361.66
Profit for the year (net of taxes)	-	-	-	3.99	-	-	-	-	3.99
Other Comprehensive Income (net of taxes):	-	-	-	-	-	-	-	-	-
- Remeasurement gain of defined benefit plans	-	-	-	-	-	-	-	-	-
- Recognition of share based payment:	-	-	-	-	0.86	-	-	-	0.86
- Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge	-	-	-	-	-	-	4.19	-	4.19
Total comprehensive Income for the year	314.35	153.64	1.15	6,201.97	0.86	-	-	0.25	6,672.27
Dividends (refer note 38)	-	-	-	(68.50)	-	-	-	-	(68.50)
Balance as at 31 March 2022	314.35	153.64	1.15	6,133.47	0.86	-	-	0.25	6,605.72

(*) Refer note 18

(**) Refer note 19

(***) Refer note 40

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Standalone Financial Statement.

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration Number: 001076NNS00013

Rajni Munda

Partner

Membership No.: 053644



Place: Kolkata
Date: 21 July 2022

For and on behalf of the Board of Directors of
Senco Gold Limited

Julia Sen
Director
DIN: 08828975

Surenkar Sen
Managing Director and
Chief Executive Officer
DIN: 01178603

Surendra Gupta
Company Secretary and
Compliance Officer
Membership No.: A20666

Sanjay Banik
Chief Financial Officer

Place: Kolkata
Date: 21 July 2022

Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (Amount in ₹ millions, except otherwise stated)

1 Corporate Information

Senco Gold Limited (the 'Company') is a public company domiciled in India, with its registered office situated at Kolkata, India. The Company has been incorporated under the provisions of the erstwhile Companies Act, 1956. The Corporate Identification number of the Company is U36911WB1994PLC064637. The Company is engaged primarily in the business of manufacturing and trading of jewellery and articles made of gold, silver, diamond, platinum and other precious and semi precious stones.

2 (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised, have been considered in preparing these Standalone Financial Statements.

(b) Amendments to Schedule III of the Companies Act, 2013

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revised Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company has complied with the applicable changes.

(c) Recent accounting developments

Ministry of Corporate Affairs (MCA), vide notification dated 23 March 2022, has made the following amendments to Ind AS which are effective 1 April 2022:

(i) Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows: When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the Statement of Profit and Loss.

- Hedge accounting: The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

As per the management's assessment, these amendments would not have any significant impact on the standalone financial statements.

(ii) Amendment to Ind AS 103 "Business Combination" - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 - Business Combinations. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

(iii) Amendment to Ind AS 16 "Property, Plant and Equipment" - Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its standalone financial statements.

3 Significant accounting policies

3.01 Overall consideration

These standalone financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in the standalone financial statements, unless otherwise stated.

3.02 Basis of preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act (as amended).

The standalone financial statements were authorised for issue by the Company's Board of Directors on 21 July 2022. Revision, if any, to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3.03 Functional and presentation currency

These Standalone Financial Statements are presented in Indian rupee (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise stated.

3.04 Basis of measurement

The Standalone Financial Statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items
Derivative assets/liabilities
Certain financial assets and financial liabilities
Net defined benefit (asset)/liability

Measurement basis
Fair value
Fair value
Fair value of plan assets less present value of defined benefit obligations



Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

3 Significant accounting policies (cont'd)

3.05 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 47.

3.06 Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of operations, the Company has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing or purchase of stock-in-trade and their realisation in cash or cash equivalents.

(This space has been intentionally left blank)



Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

3 Significant accounting policies (cont'd)

3.07 Property, plant and equipment and capital work-in-progress

Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II of the Act except for lease hold building and lease hold improvements which have been depreciated over the useful lives or on the period of underlying lease agreement whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the period.

Depreciation method, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate. Based on the management evaluation the useful lives as given above best represent the period over which management expects to use these assets.

The estimated useful life of main category of property, plant and equipment are:-

Class of assets	Estimated useful life (years)
Freehold buildings	30 years
Plant and equipment	15 years
Furniture and fitting	10 years
Office equipment	5 years
Vehicles	8 years

Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

3.08 Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

Class of assets	Estimated useful life (years)
Computer software	5 years

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

3.09 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.

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income ('FVOCI').

(i) Non-derivative financial asset

Subsequent measurement

Financial assets at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Investments in equity instruments of subsidiaries

These are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

Investments in equity instruments of others

These are measured at fair value through other comprehensive income ('FVOCI').

De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(ii) Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition 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 and Loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its exposures towards fluctuation in gold prices.

Cash flow hedge

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions. The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provides principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in Other Comprehensive Income and accumulated as cash flow hedge reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecast transaction occurs upon which it is recognised in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in cash flow hedge reserve is recognised immediately to the Statement of Profit and Loss.

The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

Fair value hedge

The Company designates non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Company has designated the borrowings pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.



Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

3 Significant accounting policies (cont'd)

3.10 Inventories

Raw material - Lower of cost or net realisable value. Cost is determined on weight average basis. Cost of raw material comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Finished goods - Lower of cost or net realisable value. Cost is determined on weight average basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads.

Stock-in-trade - Lower of cost or net realisable value. Cost is determined on weight average basis and comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

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

3.11 Impairment

(i) Impairment of financial instruments: financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

(ii) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

3.12 Employee benefits

The Company's obligations towards various employee benefits have been recognised as follows:

Post employment benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

3 Significant accounting policies (cont'd)

3.12 Employee benefits (cont'd)

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

(iv) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in the Statement of Profit and Losses in the period in which they arise.

3.13 Revenue recognition

Revenue from sale of goods and rendering of services

Revenue from contracts with customers includes revenue for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company determines at contract inception whether each performance obligation will be satisfied (i.e. Control will be transferred) over time or at a point in time.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

Upfront/one time fees/charges received from franchisees at the time of entering into such agreement/ contract is recognised as and when earned.

Customer loyalty programme

The Company has a customer loyalty programme for its customers. The Company grants credit points to customers as part of a sales transaction and customer referrals which allows them to accumulate and redeem those credit points in future. The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

Recognition of dividend income, interest income or expense

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

3 Significant accounting policies (cont'd)

3.14 Leases

Company as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of right of use assets

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of right of use assets

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Further, the Company has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the COVID-19 pandemic, basis the following conditions prescribed under the standard:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before the 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in the Statement of Profit and Loss.

3.15 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

3.16 Foreign currency

Functional and presentation currency

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

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3 Significant accounting policies (cont'd)

3.17 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income ('OCI').

The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

3.18 Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

3.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.20 Earnings per equity share

Basic earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.21 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Company currently has only one operating segment and two geographical segments viz. Domestic Market and International Market.

3.22 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

3.23 Equity investment

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

3.24 Share based payments - Employee stock option Scheme (ESOP's)

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in the equity. The total amount to be expensed is determined by reference to the fair value of the options, derived using Black-Scholes model. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Statement of Profit or Loss, with a corresponding adjustment to the equity. Upon exercise of share options, the proceeds received are allocated to the share capital up to the par value of the shares issued with any excess being recorded as securities premium.

3.25 Share issue expenses

Contributed equity shares of the Company are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds.



Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

3 Significant accounting policies (cont'd)

3.26 Significant accounting judgments, estimates and assumptions

Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is as under:

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Useful lives of property, plant and equipment

The Company uses its technical expert along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

The Company has taken certain premises on lease for a period of 4 to 25 years. Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are depreciated over their respective lease terms or useful life, whichever is lower.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility.

Defined benefit obligation ('DBO')

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities

At each balance sheet date basis the management's judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Leases ("Ind AS 116"). Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

4 Property, plant and equipment

	Freehold buildings	Leasehold improvements	Plant and equipment	Furniture and fitting	Office equipment	Vehicles	Total
Gross block							
Balance as at 1 April 2020	589.58	120.90	292.13	360.32	38.11	27.22	1,428.26
Additions for the year	9.07	15.04	34.31	48.30	8.85	-	115.57
Adjustment during the year	-	-	(3.53)	-	(0.40)	-	(3.93)
Disposals during the year	-	-	(0.49)	-	-	(1.92)	(2.41)
Balance as at 31 March 2021	598.65	135.94	322.42	408.62	46.56	25.30	1,537.49
Additions for the year	-	25.52	50.29	61.50	26.18	1.69	165.18
Disposals during the year	-	-	-	-	-	-	-
Balance as at 31 March 2022	598.65	161.46	372.71	470.12	72.74	26.99	1,702.67
Accumulated depreciation							
Balance as at 1 April 2020	189.65	60.73	149.77	242.03	28.29	8.73	679.20
Charge for the year	41.38	27.92	41.70	64.78	7.93	5.37	189.08
Adjustment during the year	-	-	(3.26)	-	(0.37)	-	(3.63)
Disposals during the year	-	-	(0.43)	-	-	(0.56)	(0.99)
Balance as at 31 March 2021	231.03	88.65	187.78	306.81	35.85	13.54	863.66
Charge for the year	30.53	8.66	54.27	56.21	17.26	3.84	170.77
Balance as at 31 March 2022	261.56	97.31	242.05	363.02	53.11	17.38	1,034.43
Net block							
As at 31 March 2021	367.62	47.29	134.64	101.81	10.71	11.76	673.83
As at 31 March 2022	337.09	64.15	130.66	107.10	19.63	9.61	669.24

Notes:

- (a) Contractual obligations: Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(b) Refer note 20 for property, plant and equipment pledged as security.

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

4. Property, plant and equipment (cont'd)

Notes:

(c) Title deeds of immovable properties not held in the name of the Company:

Particulars	Description of the item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director	Property held since which date	Reason for not being held in the name of the Company
As at 31 March 2022						
Property, plant and equipment	Building	87.23	Addyashakti Limited	No	01-April-2015	Refer note (a) below
	Building	142.69	Addyashakti Limited	No	01-April-2015	Refer note (a) below
	Building	6.94	Senco Gold Impex Private Limited	No	14-March-2007	Refer note (a) below
	Building	16.57	Senco Gold Private Limited	No	06-Dec-2006	Refer note (b) below
As at 31 March 2021						
Property, plant and equipment	Building	87.23	Addyashakti Limited	No	01-April-2015	Refer note (a) below
	Building	142.69	Addyashakti Limited	No	01-April-2015	Refer note (a) below
	Building	6.94	Senco Gold Impex Private Limited	No	14-March-2007	Refer note (a) below
	Building	16.57	Senco Gold Private Limited	No	06-Dec-2006	Refer note (b) below

(a) The said properties were transferred as a result of merger of the said entities into the Company in the previous years. The management of the Company is in the process of getting the title deeds transferred in their name.

(b) This property is held by the Company in its erstwhile name. The management of the Company is in the process of getting the title deeds transferred in their name.

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	As at 31 March 2022	As at 31 March 2021
5 Capital work-in-progress (CWIP)		
Balance as at the beginning of the year	24.38	41.93
Addition for the year	161.17	71.54
Capitalised during the year	(120.41)	(89.09)
Balance as at the end of the year	<u>65.14</u>	<u>24.38</u>

Notes:

(a) CWIP ageing schedule :

Particulars	Amount of CWIP for a period of:				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022:					
Retail store	46.17	0.22	0.18	18.57	65.14
As at 31 March 2021:					
Retail store	5.41	18.97	-	-	24.38

(b) CWIP completion schedule for capital work in progress, whose completion is overdue compared to its original plan:

Particulars	To be completed in:				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022:					
Retail store	18.97	-	-	-	18.97
As at 31 March 2021:					
Retail store	-	18.97	-	-	18.97

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

6 Right-of-use assets

	Building	Total
Gross block		
Balance as at 1 April 2020	1,416.77	1,416.77
Additions during the year	371.25	371.25
Balance as at 31 March 2021	1,788.02	1,788.02
Additions during the year	330.84	330.84
Deletions during the year	(8.47)	(8.47)
Balance as at 31 March 2022	2,110.39	2,110.39
Accumulated depreciation		
Balance as at 1 April 2020	170.74	170.74
Charge for the year	200.02	200.02
Balance as at 31 March 2021	370.76	370.76
Charge for the year	241.44	241.44
Deletions during the year	(2.32)	(2.32)
Balance as at 31 March 2022	609.88	609.88
Net block as on 31 March 2021	1,417.26	1,417.26
Net block as on 31 March 2022	1,500.51	1,500.51

Notes:

(a) The Company as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of retail stores, work-shops and guest houses. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Company has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Company to sub-lease the asset to another party, the right-of-use asset can only be used by the Company. Some lease contain an option to extend the lease for a further term.

(b) Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable are based on consent of the Company.

(c) There are no leases which are yet to commence as on 31 March 2022.

(d) **Lease payments, not included in measurement of liability**

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short-term leases	3.45	1.53
Cancellable leases	39.68	52.31
Variable lease payments	7.68	6.30
	50.81	60.14

(e) **Total undiscounted future lease payments relating to underlying leases are as follows:**

Particulars	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at 31 March 2021					
Lease payments	319.26	305.96	798.91	1,069.94	2,494.07
	319.26	305.96	798.91	1,069.94	2,494.07
As at 31 March 2022					
Lease payments	362.48	347.49	880.34	1,089.17	2,679.48
	362.48	347.49	880.34	1,089.17	2,679.48

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

					As at 31 March 2022	As at 31 March 2021
6 Right-of-use assets (cont'd)						
(f) Amount recognised in the Balance Sheet:						
(i) Right-of-use assets						
Buildings					1,500.51	1,417.26
					<u>1,500.51</u>	<u>1,417.26</u>
(ii) Lease liabilities						
Non-current					1,451.03	1,327.63
Current					178.61	146.03
					<u>1,629.64</u>	<u>1,473.66</u>
(g) Amount recognised in the Statement of Profit and Loss:						
(i) Depreciation and amortisation expense:						
Building					241.44	200.02
(ii) Interest expense (Included in finance cost)					190.41	165.30
(h) Information about extension and termination options						
Right-of-use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Building premises	78	1.11 to 18.11	5.61	78	-	78
Other plant and equipment	3	6.34	6.34	3	-	3
Land	2	30	30	-	-	-

(i) Refer note 21 for lease liabilities and note 33 for finance costs on lease liabilities.

(j) The Company has renegotiated with certain landlords on the rent reduction/ waiver due to COVID 19 pandemic. The management believes that such reduction/ waiver in rent is short-term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Accordingly, the impact of all such rent concessions received during the year has been recorded under "Other income" in the Statement of Profit and Loss, amounting to ₹ 29.34 millions (Year ended 31 March 2021: ₹ 29.83 millions).

	As at 31 March 2022	As at 31 March 2021
7 Other intangible assets		
Computer software		
Gross block		
At the beginning of the year	57.78	50.94
Additions during the year	5.07	6.84
At the end of the year	<u>62.85</u>	<u>57.78</u>
Accumulated amortisation		
At the beginning of the year	30.43	23.81
Amortisation for the year	8.55	6.62
At the end of the year	<u>38.98</u>	<u>30.43</u>
Net block	<u>23.87</u>	<u>27.35</u>

8 Investments

Investment in equity instrument - unquoted

(a) Subsidiary		
(Measured at cost)		
2,000,000 shares in Senco Gold Artisanry Private Limited of ₹ 10 each, fully paid-up	20.00	20.00
	<u>20.00</u>	<u>20.00</u>
(b) Others		
(Measured at fair value through other comprehensive income)		
2,700 shares in Diamond Prestige Occupants Association, fully paid-up (31 March 2021: 2,400 shares) of ₹ 10 each	0.26	0.26
	<u>0.26</u>	<u>0.26</u>
	<u>20.26</u>	<u>20.26</u>

Note:

Aggregate amount of quoted investments and market value thereof:

Aggregate amount of unquoted investments:

Aggregate amount of impairment in value of Investments:

	20.26	20.26
	-	-



Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

	As at 31 March 2022	As at 31 March 2021
9 Other financial assets		
<i>(Unsecured, considered good)</i>		
Non - current		
Security deposits	142.59	131.81
Bank deposits with maturity of more than 12 months (refer note (a) below)	23.65	136.50
	166.24	268.31
Current		
Security deposits	79.56	130.00
Interest accrued but not due on fixed deposits	23.07	11.35
Margin money with brokers	437.25	394.19
Mark to market gain on gold future contracts	46.23	-
Other receivables	2.59	1.36
	588.70	536.90

Notes:

(a) Includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to ₹ 23.50 millions (31 March 2021: ₹ 119.00 millions).

10 Deferred tax assets (net)

Deferred tax assets arising on account of:		
Property, plant and equipment and other intangible assets	54.15	40.76
Provision for expense allowed for tax purpose on payment basis	43.48	57.27
Provision for employee benefits expense	4.04	7.83
Impact of right-of-use asset and lease liabilities	60.76	40.99
Other financial liabilities	(0.02)	0.02
Other adjustments	-	0.31
Total deferred tax assets	162.39	147.18
Deferred tax liabilities arising on account of:		
Fair valuation of financial instruments through OCI	(0.06)	(0.06)
Loans	(20.91)	(20.08)
Total deferred tax liabilities	(20.97)	(20.14)
Deferred tax assets (net)	141.42	127.04

(a) Movement in deferred tax assets/(liabilities)

Particulars	Balance as at the beginning of the year	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at the end of the year
Year ended 31 March 2022:				
Deferred tax assets arising on account of:				
Property, plant and equipment and other intangible assets	40.76	13.39	-	54.15
Provision for expense allowed for tax purpose on payment basis	57.27	(13.81)	-	43.46
Provision for employee benefits expense	7.83	(2.45)	(1.34)	4.04
Impact of right-of-use asset and lease liabilities	40.99	19.77	-	60.76
Other financial liabilities	0.02	(0.04)	-	(0.02)
Other adjustments	0.31	1.10	(1.41)	-
Deferred tax liabilities arising on account of:				
Fair valuation of financial instruments through OCI	(0.06)	-	-	(0.06)
Loans	(20.08)	(0.83)	-	(20.91)
	127.04	17.13	(2.75)	141.42
Year ended 31 March 2021:				
Deferred tax assets arising on account of:				
Property, plant and equipment and other intangible assets	20.04	20.72	-	40.76
Provision for expense allowed for tax purpose on payment basis	28.15	29.12	-	57.27
Provision for employee benefits expense	6.37	0.51	0.95	7.83
Impact of right-of-use asset and lease liabilities	20.95	20.04	-	40.99
Other financial liabilities	-	0.02	-	0.02
Other adjustments	7.11	(8.21)	1.41	0.31
Deferred tax liabilities arising on account of:				
Fair valuation of financial instruments through OCI	(0.06)	-	-	(0.06)
Loans	(19.52)	(0.56)	-	(20.08)
Other financial liabilities	(0.67)	0.67	-	-
Other adjustments	(3.65)	3.65	-	-
	58.72	65.86	2.36	127.04



	As at 31 March 2022	As at 31 March 2021
11 Income-tax assets		
Advance tax recoverable (net of provision for tax of ₹ 1,362.10 millions) (31 March 2021: ₹ 1,361.01 millions)	180.33	185.18
	180.33	185.18
12 Other non-current and current assets		
Non-current		
Capital advances	184.59	173.84
Advances other than capital advances:		
- Prepaid expenses	18.12	12.03
	202.71	185.87
Current		
Balance with statutory authorities	175.99	100.05
Prepaid expenses	65.25	32.83
Advance to suppliers	44.85	21.13
Contract assets [refer note (a) below]	54.93	38.93
Initial public offer ('IPO') expenses [refer note (b) below]	13.61	-
	354.63	192.94

Note:

(a) Contract assets represents the amount of goods expected to be received by the Company on account of sales return.

(b) Unamortised IPO related expenses:

The Company is in the process of launching its initial public offer ('IPO') of equity shares and accordingly has filed its draft offer documents with the Securities and Exchange Board of India ('SEBI') on 14 April 2022, and has incurred aforementioned expenses in connection with the said public offer. These IPO related expenses will largely be adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of the issue.

13 Inventories

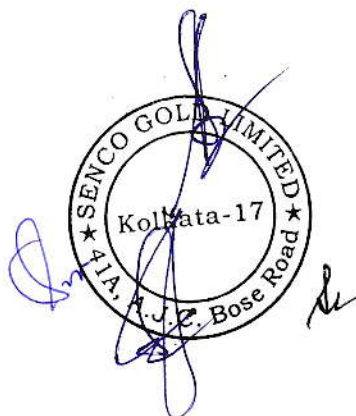
(Valued at lower of cost and net realizable value)

Raw materials	1,435.37	2,117.21
Stock-in-trade	2,749.60	1,870.66
Finished goods	9,701.66	6,406.86
	13,886.63	10,394.73

Note:

(a) Refer note 20 for information on inventories pledged as security by the Company.

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	As at 31 March 2022	As at 31 March 2021
14 Trade receivables		
Considered good - Unsecured	395.37	275.59
Credit impaired	23.12	25.56
	<u>418.49</u>	<u>301.15</u>
Less: Allowances for expected credit loss	<u>(23.12)</u>	<u>(25.56)</u>
	<u>395.37</u>	<u>275.59</u>

Notes:

(a) The movement in allowances for credit losses is as follows:

Balance as at beginning of the year	25.56	22.77
Additions / (reversals) during the year	<u>(2.44)</u>	<u>2.79</u>
Balance at the end of the year	<u>23.12</u>	<u>25.56</u>

(b) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022						
(i) Undisputed trade receivables:						
- considered good	389.44	0.43	0.53	4.97	-	395.37
- considered doubtful	-	-	-	-	-	-
(ii) Disputed trade receivables:						
- considered good	-	-	-	-	-	-
- considered doubtful	-	-	-	23.12	-	23.12
As at 31 March 2021						
(i) Undisputed trade receivables:						
- considered good	247.57	-	28.02	-	-	275.59
- considered doubtful	-	-	2.87	-	-	2.87
(ii) Disputed trade receivables:						
- considered good	-	-	-	-	-	-
- considered doubtful	-	-	-	22.69	-	22.69

(c) Refer note 47 for information about credit risk and market risk of trade receivables.

(d) There are no outstanding debts due from directors or other officers of the Company.

(e) Refer note 20 for information on trade receivables pledged as security by the Company.

15 Cash and cash equivalents

Balances with banks in current accounts (*)	27.09	40.66
Fixed deposits with maturity less than 3 months	47.44	-
Cash on hand	15.98	23.72
Cheques on hand	<u>2.78</u>	<u>3.19</u>
	<u>93.29</u>	<u>67.57</u>

(*) The balance in current account includes funds in transit primarily for credit card and online receipts, yet to be credited to the Company amounting to ₹ 22.21 millions (31 March 2021: ₹ 26.06 millions)

16 Other bank balances

Bank deposits held as margin money and earmarked against other commitments [refer note (a) below]	1,487.89	520.54
Balances with banks in current accounts [refer note (b) and (c) below]	<u>1,204.80</u>	<u>675.49</u>
	<u>2,692.69</u>	<u>1,196.03</u>

Notes:

(a) Includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to ₹ 119.00 millions (31 March 2021: Nil)

(b) Includes amounts held as margin monies with the banks as security amounting to ₹ 1,199.67 millions (31 March 2021: ₹ 360.69 millions)

(c) Includes amounts held in unpaid dividend account with the banks amounting to ₹ 5.13 millions (31 March 2021: ₹ 52.76 millions)

17 Loans

(Unsecured, considered good)

Current		
Loans to related parties (refer note 41)	28.00	-
	<u>28.00</u>	<u>-</u>

Notes:

(a) Disclosure pursuant to Section 186(4) of the Companies Act, 2013:

Loans and advances in the nature of loans, outstanding from subsidiaries as at year end:

Particulars	Loans outstanding as at year end	Maximum balance outstanding during the year
As at 31 March 2022:		
Subsidiary:		
Senco Gold Artisanship Private Limited	28.00	28.00
	<u>28.00</u>	<u>28.00</u>

(i) The above loan is given for the business purposes and is repayable on demand. It carries an interest of 9% p.a.

(ii) Details of investments made in the subsidiary have been provided in note 8.

(iii) There were no loans outstanding as on 31 March 2021, covered under Section 186 of the Companies Act, 2013.



Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

18 Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
100,000,000 equity shares of ₹ 10 each (31 March 2021: 100,000,000 equity shares)	1,000.00	1,000.00
14,000,000 0.01% compulsorily convertible non-cumulative preference shares of ₹ 10 each (31 March 2021: 14,000,000 compulsorily convertible non-cumulative preference shares)	140.00	140.00
	1,140.00	1,140.00
Issued, subscribed and paid up		
53,186,112 equity shares of ₹ 10 each (31 March 2021: 53,186,112 equity shares)	531.86	531.86
13,296,153 0.01% compulsorily convertible non-cumulative preference shares of ₹ 10 each (31 March 2021: 13,296,153 compulsorily convertible non-cumulative preference shares)	132.96	132.96
	664.82	664.82

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Balance as at the beginning of the year	5,31,86,112	531.86	5,31,86,112	531.86
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	5,31,86,112	531.86	5,31,86,112	531.86
Instruments entirely equity in nature				
0.01% compulsorily convertible non-cumulative preference shares				
Balance as at the beginning of the year	1,32,96,153	132.96	1,32,96,153	132.96
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	1,32,96,153	132.96	1,32,96,153	132.96

(b) Terms and rights attached to shares

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having face value of ₹ 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share is convertible into one equity share of par value ₹ 10 at any time on or after 8 October 2014 but not later than 7 October 2034. The Board of Directors of the Company have the power to decide the appropriate mechanism for transfer/buy back of these shares, in case the same is exercised by the holder of such preference shares. The holders of these shares are entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares are also entitled to participate in dividend and capital distributed by the Company over and above the preference dividend on as-if converted basis pari passu with the holders of the equity shares of the Company.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on preference shares is not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

18 Share capital (cont'd)

(c) Particulars of shareholders holding more than 5% shares of a class of shares

	31 March 2022		31 March 2021	
	Number of shares	% of shareholding	Number of shares	% of shareholding
(i) Equity shares				
Equity shares of ₹ 10 each fully paid up, held by:				
Jai Hanuman Shri Siddhivinayak Trust	3,44,36,529	64.75%	3,44,36,529	64.75%
(Trustees - Mr. Suvankar Sen, Mrs. Joita Sen (with effect from (w.e.f.) 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020))				
Om Gaan Ganpataye Bajrangbali Trust	53,34,246	10.03%	53,34,246	10.03%
(Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen (w.e.f. 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020))				
Legal heir(s) of late Mr. Sankar Sen (*)	56,94,603	10.71%	56,94,603	10.71%
Mr. Suvankar Sen	61,96,365	11.65%	61,96,365	11.65%
	5,16,61,743	97.14%	5,16,61,743	97.14%

(*) The management is in the process of transferring these shares to the legal heirs of Late Mr. Sankar Sen, post his demise on 28 July 2020.

	31 March 2022		31 March 2021	
	Number of shares	% of shareholding	Number of shares	% of shareholding
(ii) Instruments entirely equity in nature				
0.01% compulsorily convertible non-cumulative preference shares				
Saif Partners India IV Limited, Mauritius	1,32,96,153	100.00%	1,32,96,153	100.00%

(d) Shareholding of promoters are as follows:

Promoter Name	No. of shares	% of total shares	% change during the period
As at 31 March 2022			
Jai Hanuman Shri Siddhivinayak Trust	3,44,36,529	64.75%	0.00%
(Trustees - Mr. Suvankar Sen, Mrs. Joita Sen (with effect from (w.e.f.) 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020))			
Om Gaan Ganpataye Bajrangbali Trust	53,34,246	10.03%	0.00%
(Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen (w.e.f. 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020))			
Legal heir(s) of late Mr. Sankar Sen (*)	56,94,603	10.71%	0.00%
Mr. Suvankar Sen	61,96,365	11.65%	0.00%
As at 31 March 2021			
Jai Hanuman Shri Siddhivinayak Trust (Trustees - Mr. Suvankar Sen and late Mr. Sankar Sen (upto 28 July 2020))	3,44,36,529	64.75%	
Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and late Mr. Sankar Sen (upto 28 July 2020))	53,34,246	10.03%	
Legal heir(s) of late Mr. Sankar Sen (*)	56,94,603	10.71%	
Mr. Suvankar Sen	61,96,365	11.65%	

(*) The management is in the process of transferring these shares to the legal heirs of Late Mr. Sankar Sen, post his demise on 28 July 2020.

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

18 Share capital (cont'd)

(e) Equity shares reserved for issue under options and contracts/ Commitments for sale of share/ disinvestment:

	Number	Amount
As at 31 March 2022:		
- Compulsorily convertible non-cumulative preference shares (refer note (b) above)	1,32,98,153	132.98
- Employee's share based payment plans (refer note 40)	1,81,600	1.82

As at 31 March 2021:

- Compulsorily convertible non-cumulative preference shares (refer note (b) above)	1,32,98,153	132.98
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(f) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared aggregate number and class of shares allotted as fully paid-up by way of bonus shares:

	Number	Amount
Year ended 31 March 2019		
- Equity shares (refer note below)	3,54,57,408	354.57
- 0.01% compulsorily convertible non-cumulative preference shares (refer note below)	88,64,102	88.64

Note:

The Board of Directors of the Company at its meeting held on 3 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their ensuing general meeting, in the ratio of two equity shares of ₹ 10 each for every one equity share of ₹ 10 each and two compulsorily convertible non-cumulative preference shares of ₹ 10 each for every one compulsorily convertible non-cumulative preference share of ₹ 10 each of the Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Company has allotted 35,457,408 equity shares of ₹ 10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of ₹ 10 each on 6 May 2018 to their shareholders.

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	As at 31 March 2022	As at 31 March 2021
19 Other equity		
Reserves and surplus		
Securities premium	314.35	314.35
General reserve	153.64	153.64
Share based payment reserve	0.88	-
Special economic re-investment reserve	1.15	1.15
Retained earnings	6,135.47	4,896.46
Other comprehensive income		
Equity instruments through other comprehensive income ('OCI')	0.25	0.25
Cash flow hedge reserve	-	(4.19)
	6,605.72	5,361.66

The description, nature and purpose of each reserve within other equity are as follows:

(a) **Securities premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) **General reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the erstwhile provisions of the Companies Act, 1956. Consequent to the introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of net profit to general reserve.

(c) **Share based payment reserve:** This represents the fair value of the stock options granted by the Company, accumulated over the vesting period. The reserve will be utilised on exercise of the options.

(d) **Special economic re-investment reserve:** It has been created for the purpose of acquiring machinery or plant which is put to use before the expiry of three years following the previous year in which the reserve was created.

(e) **Retained earnings:** Retained earnings represents the profits earned by the company till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(f) **Equity instruments through OCI:** The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity.

(g) **Cash flow hedge reserve:** Represents effective portion of cumulative change in fair value of hedging instrument, for which the highly probable forecasted purchase will occur in future.

20 Borrowings

Non-current

Vehicle loans (secured):

- from financial institutions [refer note (a) below]
- from bank [refer note (a) below]

	3.28	4.41
	1.92	3.59
	5.20	8.00
	1.25	3.94
	3.95	4.06

Less: Current maturities of vehicle loans

Current

Loans repayable on demand from banks:

- Cash credit facilities (secured) [refer note (b) below]
- Short term demand loan (secured) [refer note (c) below]

	1,593.20	1,085.79
	2,717.73	1,612.50

Other loans from banks:

- Gold metal loans (secured) [refer note (d) below]
- Short-term loan (secured) [refer note (e) below]

	4,313.54	2,504.15
	-	114.00

Current maturities of non-current borrowings:

- Vehicle loans

	1.25	3.94
	8,625.72	5,320.38

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

20 Borrowings (cont'd)

Notes:

(a) Repayment terms (including current maturities) and security details of the borrowings:

(a) Repayment terms (including current maturities) and security details of the borrowings.					
Name of the lender	Original date of maturity	Number of instalment	Value of each instalment (₹)	Balances as at	
				31 March 2022	31 March 2021
Vehicle loans from:					
- HDFC Bank Limited (*) (Rate of interest (RoI): 8.56% p.a.)	05 April 2021	60	22,063	-	0.02
- Daimler Financial Services India Private Limited (*) (RoI: 8.75% p.a.)	23 April 2021	60	61,915	-	0.07
- HDFC Bank Limited (*) (RoI: 9.00% p.a.)	05 August 2021	36	38,962	-	0.19
- HDFC Bank Limited (*) (RoI: 9.25% p.a.)	05 May 2022	60	2,63,575	0.52	3.48
- HDFC Bank Limited (*) (RoI: 8.75% p.a.)	05 September 2022	60	42,326	0.24	0.71
- BMW Financial Services Private Limited (*) (RoI: 9.65% p.a.)	16 September 2023	48	47,759	3.29	3.53
- HDFC Bank Limited (*) (RoI: 10.75% p.a.)	07 June 2028	60	28,103	1.15	-
				5.20	8.00

(*) Vehicle loans are secured by way of hypothecation of the vehicles financed there against.

(b) Cash credit facilities from banks carry interest ranging between 8.00% p.a. - 10.75% p.a. (31 March 2021: 8.55% p.a. - 12.05% p.a.), computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the company's entire inventories and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the company, entire property, plant and equipments, present and future, except for land and building not provided as collateral in a form and manner satisfactory to the bank. The loan is also secured by the unconditional and irrevocable personal guarantees given by Mrs. Jolita Sen (Director) and Mr. Suvankar Sen (Executive Director and Chief Executive Officer).

(c) Short-term demand loan (working capital demand loan) has been availed from banks for financing of the working capital requirement for a period of 60 - 90 days. The rate of interest on the facilities is ranging between 7.30% p.a. - 12.00% p.a. (31 March 2021: 7.35% p.a. - 11.20% p.a.) fixed and shall be payable at monthly rests on the 1st day of the subsequent month/maturity, wherever applicable. The security for the facilities is personal guarantees of Mrs. Jolita Sen (Director) and Mr. Suvankar Sen (Executive Director and Chief Executive Officer).

(d) Gold metal loans carry interest ranging between 2.75% p.a. - 4.98% p.a. (31 March 2021: 2.75% p.a. - 4.98% p.a.; 31 March 2020: 2.30% p.a. - 3.73% p.a.) calculated on the number of ounce outstanding and are repayable within 270 days, if the end use of advance of bullion is for export purposes and 180 days if the end use of bullion is for domestic purpose. This is secured against Standby Letter of Credit, Cash credit limits, earmarked fixed deposits, margin account balance with an excess value of margin money of 1% - 12%, Standby Letter of Credit (SBLC) provided by the issuing bank to the bullion bank and earmarked fixed deposits and margin accounts pertaining to the bullion bank.

(e) Short-term loan has been availed from bank as a credit line facility for a period of 12 months and is payable at monthly rests in six equal installments beginning after 6 months from the date of disbursement. The rate of interest on the facility is ranging between 10.25% p.a. to 12.00% p.a. (31 March 2021: 7.30 % p.a.) fixed and is payable as and when it is due. This is secured by way of hypothecation of the company's entire stocks and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the company. The loan is also secured by the unconditional and irrevocable personal guarantees given by Mrs. Jolita Sen (Director) and Mr. Suvankar Sen (Executive Director and Chief Executive Officer).

(f) There has been no default in repayment of principal amount or interest thereon.

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	As at 31 March 2022	As at 31 March 2021
21 Lease liabilities		
Non-current		
Lease obligations (refer note 6)	1,451.03	1,327.63
	<u>1,451.03</u>	<u>1,327.63</u>
Current		
Lease obligations (refer note 6)	178.61	146.03
	<u>178.61</u>	<u>146.03</u>
22 Other financial liabilities		
Non - current		
Security deposits	8.28	8.12
	<u>8.28</u>	<u>8.12</u>
Current		
Creditor for capital goods	12.74	17.79
Accrued salaries and benefits	126.08	37.52
Interest accrued on borrowings	18.88	14.55
Unpaid dividends (*)	5.13	92.76
Mark to market loss on gold future contracts	-	81.16
Accrued expenses	170.51	12.85
	<u>333.34</u>	<u>256.63</u>
(*) These are not yet due for credit into the Investor Education and Protection Fund, in accordance with Section 124 of the Act, as on 31 March 2022		
23 Provisions		
Non - current		
Provision for employee benefits:		
Gratuity (refer note 39)	0.38	8.26
Compensated absences	12.16	22.46
	<u>12.54</u>	<u>30.72</u>
Current		
Provision for employee benefits:		
Gratuity (refer note 39)	-	-
Compensated absences	0.68	0.38
	<u>0.68</u>	<u>0.38</u>
24 Other liabilities		
Non - current		
Deferred income	0.12	0.12
	<u>0.12</u>	<u>0.12</u>
Current		
Advance from customers	591.97	944.30
Deposits received from customers under jewellery purchase schemes	1,013.94	724.29
Liability towards customer loyalty program	124.56	92.53
Statutory dues payable	21.00	27.41
Deferred income	-	0.41
Contract liability (*)	60.46	43.25
	<u>1,811.93</u>	<u>1,832.19</u>

Note:

(*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the group estimates to be returned on account of sales return.

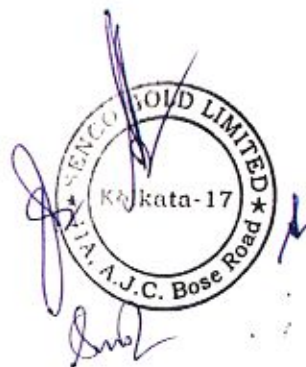
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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	As at 31 March 2022	As at 31 March 2021			
25 Trade payables					
Total outstanding dues of micro enterprises and small enterprises	124.07	95.24			
Total outstanding dues of creditors other than micro enterprises and small enterprises					
- Acceptances (**)	116.94	37.64			
- Other than acceptances	931.77	478.47			
	1,172.78	609.35			
Note:					
(**) The group enters into deferred payment arrangements (acceptances) wherein dues to micro, small and medium enterprises ("MSME") are paid by banks, which is subsequently settled by the group at a later date. Interest borne on such arrangements is accounted for as finance cost.					
(b) Trade payables ageing:					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
(i) MSME	124.07	-	-	-	124.07
(ii) Others	1,028.08	2.35	8.02	10.26	1,048.71
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-
	1,152.15	2.35	8.02	10.26	1,172.78
As at 31 March 2021					
(i) MSME	95.24	-	-	-	95.24
(ii) Others	464.15	35.25	7.42	7.29	514.11
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-
	559.39	35.25	7.42	7.29	609.35
	As at 31 March 2022				As at 31 March 2021
26 Current tax liabilities (net)					
Provision for tax	138.51				31.15
(net of advance tax and taxes deducted at source of ₹ 1,774.68 millions)					
(31 March 2021: ₹ 1,375.21 millions)					
	138.51				31.15

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
27 Revenue from operations		
Sale of products	35,253.92	28,546.66
Other operating revenue:		
- Franchisee fees	92.49	57.13
	35,346.41	28,603.79

Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:

(a) Revenue streams

The Company generates revenue primarily from the sale of jewellery and other articles. Other sources of revenue includes income from franchisee fees.

(b) Disaggregation of revenue from contracts with customers

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography.

A. Revenue by product lines and others:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gold Jewellery	32,351.42	24,449.52
Diamond and precious/semi precious stones	1,885.69	1,344.90
Silver jewellery and articles	338.10	207.04
Platinum Jewellery	570.05	469.29
Fashion Jewellery	67.83	49.72
Novelty and accessories	40.83	26.19
Franchisee fees	92.49	57.13
	35,346.41	28,603.79

Revenue by timing of revenue recognition:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Goods transferred at a point in time when performance obligation is satisfied	35,346.41	28,603.79
Revenue as per operating segment (refer note 42)	35,346.41	28,603.79

Revenue by geography:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Domestic	34,972.89	26,138.39
Export	373.52	465.40
Revenue as per operating segment (refer note 42)	35,346.41	28,603.79

B. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'trade receivables' (net of provision)	14	395.37	275.59
Contract assets	12	54.93	38.93
Contract liabilities (includes order advances, liability towards customer loyalty program and deposits received from customers under jewellery purchase schemes)	24	1,790.93	1,604.37

C. Reconciliation of revenue recognised in the Statement of Profit and Loss with the contracted price:

Sale of products	36,225.63	27,375.14
Less: Variable consideration (discounts, etc.)	971.71	828.48
Total sale of products	35,253.92	26,546.66

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
28 Other income		
Interest income on bank deposits	43.81	28.74
Interest income on financial assets measured at amortised cost	17.90	11.88
Net gain on foreign currency transactions and translations	8.11	3.62
Liabilities no longer required, written back	14.11	31.39
Others:		
- Discounting of financial liabilities/provision	-	0.45
- Unwinding of discount on financial assets	11.33	9.17
Rent concessions from lessors (refer note 6(i))	29.34	29.83
Ineffective portion of change in fair value of forward contracts	-	9.31
Reversal of allowance for expected credit loss	2.44	-
Miscellaneous income	2.19	21.06
	129.23	145.45
29 Cost of materials consumed		
Inventory of raw materials at the beginning of the year	2,117.21	1,057.03
Add: Purchases during the year	27,653.50	19,474.07
Less: Inventory of raw materials at the end of the year	1,435.37	2,117.21
	28,335.34	18,413.89
30 Purchases of stock-in-trade		
Purchases of stock-in-trade	5,643.80	2,903.47
	5,643.80	2,903.47
31 Changes in inventories of finished goods and stock-in-trade		
Opening stock		
- Finished goods	6,406.86	7,698.18
- Stock-in-trade	1,870.66	2,115.92
	8,277.52	9,814.10
Less: Closing stock		
- Finished goods	9,701.66	6,406.86
- Stock-in-trade	2,749.60	1,870.66
	12,451.26	8,277.52
Decrease/(Increase) in inventories	(4,173.74)	1,536.58
32 Employee benefits expense		
Salaries and wages	687.48	473.01
Contribution to provident and other funds (refer note 39)	32.78	39.75
Share based payment expenses (refer note 40)	0.86	-
Staff welfare expenses	21.89	9.05
	743.01	521.81
33 Finance costs		
Interest expense on financial liabilities:		
- on working capital loans and term loans	339.51	390.61
- on gold metal loans	108.98	63.43
- unwinding of discount on security deposits	0.59	0.59
Interest on lease liabilities (refer note 6)	190.41	165.30
Interest on income-tax	11.77	-
Other borrowing costs	57.53	46.44
	708.79	666.37
34 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 4)	170.77	189.08
Depreciation of right-of-use assets (refer note 6)	241.44	200.02
Amortisation of intangible assets (refer note 7)	8.55	6.62
	420.76	395.72

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
35 Other expenses		
Advertising and sales promotion	505.82	261.87
Assets written off	-	0.30
Job work charges	705.57	462.44
Packing materials consumed	42.11	42.36
Rent	50.81	53.84
Repairs and maintenance:		
- plant and equipments	10.68	10.12
- buildings	16.25	13.41
- others	117.44	87.46
Travelling expenses	15.47	7.79
Electricity charges	54.40	42.99
Legal and professional	57.22	34.49
Brokerage and commission	16.45	32.24
Bank charges	94.28	63.60
Insurance	24.28	15.12
Fair value loss on commodity hedging contracts	-	166.78
Loss on disposal of property, plant and equipment	-	0.35
Rates and taxes	49.41	29.28
Payment to auditors (refer note (a) below)	4.43	3.06
Corporate social responsibility expenses (refer note 44)	22.10	22.83
Allowance for expected credit loss	-	2.79
Security expenses	97.42	77.50
Ineffective portion of change in fair value of forward contracts	94.69	-
Miscellaneous expenses	38.75	43.90
	2,017.78	1,474.59
Note:		
(a) Payments to auditors (excluding applicable taxes)		
Auditors	3.70	2.30
For other services	0.40	0.65
For reimbursement of expenses	0.33	0.11
	4.43	3.06
36 Tax expenses		
A. Tax expense recognised in the Statement of Profit and Loss:		
Current tax:		
- Current years	494.94	287.76
- Earlier years	0.57	-
Deferred tax	(17.13)	(65.96)
	478.38	221.80
B. The major component of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in the Statement of Profit and Loss are as follows:		
Profit before tax	1,779.90	836.90
Enacted tax rates in India (%)	25.17%	25.17%
Computed tax expense	447.97	210.63
Effect of non-deductible expenses	29.84	11.17
Prior year taxes	0.57	-
Total tax expense as per the Statement of Profit and Loss	478.38	221.80

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

C. The following tables provides the details of Income-tax assets and current tax liabilities:

Advance tax (refer note 11)
Provision for tax (refer note 26)
Net position (Income-tax asset)

a. Income-tax assets

Opening balance
Prior year taxes
Transfer to current tax liabilities
Less: Refunds received

b. Current tax liabilities

Opening balance
Provision for tax
Advance tax paid during the year
Tax deducted at source during the year
Self assessment tax paid
Transferred to/(from) income-tax assets

Net position

37 Earnings per equity share (EPS)

I. (a) Weighted average number of equity shares of ₹ 10 each for basic earnings per share:

Number of equity shares at the end of the year
Effect of compulsorily convertible non-cumulative preference shares
Weighted average number of equity shares outstanding at the end of the year for calculating basic earnings per equity share
Add: Stock options granted to employees (refer note 40)
Weighted average number of equity shares outstanding at the end of the year for calculating diluted earnings per equity share

II. Net profit for the year

III. Basic earnings per equity share (₹)

IV. Diluted earnings per equity share (₹)

38 Dividend on shares

(a) Dividend on shares declared and paid during the year

Interim dividend on equity shares @ ₹ 1/share for the year ended 31 March 2022
Interim dividend on preference shares @ ₹ 1.001/share for the year ended 31 March 2022
Interim dividend on equity shares @ ₹ 1.50/share for the year ended 31 March 2021
Interim dividend on preference shares @ ₹ 1.501/share for the year ended 31 March 2021

(b) Proposed dividend

The Board of Directors at its meeting held on 21 July 2022 have recommended payment of final dividend of ₹ 0.50 per equity share of face value of ₹ 10 each and ₹ 0.501 per compulsorily convertible non-cumulative preference share of face value of ₹ 10 each, for the financial year ended 31 March 2022, amounting to ₹ 33.25 millions. The above is subject to approval at the ensuing Annual General Meeting of the Company and is in accordance with section 123 of the Act in the extent it applies to declaration of the dividend.

Year ended 31 March 2022	Year ended 31 March 2021
180.33	185.18
(138.51)	(31.15)
41.82	154.03
185.18	130.28
(0.57)	-
(4.28)	54.90
-	-
180.33	185.18
31.15	107.55
506.71	287.76
(375.60)	(326.50)
(19.47)	(16.16)
-	(78.40)
(4.28)	54.90
138.51	31.15
41.82	154.03

(A)	5,31,86,112	5,31,86,112
(B)	1,32,96,153	1,32,96,153
[(C) = (A)+(B)]	6,64,82,265	6,64,82,265
(D)	1,81,600	-
[(E) = (C)+(D)]	6,66,63,865	6,64,82,265
(F)	1,301.52	615.10
(F) / (C)	19.58	9.25
(F) / (E)	19.52	9.25

53.19	-
13.31	-
-	79.78
-	19.96
66.50	99.74

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

39 Employee benefits

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to ₹ 35.71 millions (31 March 2021: ₹ 29.94 millions)

Defined benefit plans

The Company operates one post-employment defined benefit plan (i.e., gratuity). The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

	As at 31 March 2022	As at 31 March 2021
Net defined benefit obligation (Gratuity)	42.99	38.69
Net defined benefit asset (Gratuity)	(42.61)	(30.43)
Liability recognised in Balance Sheet	0.38	8.26
Non-current	0.38	8.26
Current	-	-
Net liability recognised in the balance sheet	0.38	8.26

The following tables analyse present value of defined benefit obligations, expense recognised in the Statement of Profit and Loss, actuarial assumptions and other information.

	As at 31 March 2022	As at 31 March 2021
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	38.69	25.66
(b) Current service cost	8.95	8.20
(c) Interest cost	2.77	1.76
(d) Past service cost	-	-
(e) Benefits paid	(1.52)	(0.32)
(f) Actuarial (gains) / loss recognised in Other Comprehensive Income:		
- change in financial assumptions	(3.17)	7.56
- experience adjustments	(2.73)	(4.17)
Balance at the end of the year	42.99	38.69
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	30.43	17.06
(b) Interest income	2.22	1.19
(c) Employer contributions	12.05	12.88
(d) Benefits paid	(1.52)	(0.32)
(e) Return on plan assets recognised in Other Comprehensive Income	(0.57)	(0.38)
Balance at the end of the year	42.61	30.43
(III) Net liability recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(42.99)	(38.69)
(b) Fair value of plan assets	42.61	30.43
Net defined benefit obligations in the Balance Sheet	(0.38)	(8.26)
(IV) Expense recognised in Statement of Profit and Loss		
(a) Current service costs	8.95	8.20
(b) Interest costs	2.77	1.76
(c) Expected return on plan assets	(2.22)	(1.19)
(d) Past service costs	-	-
Expense recognised in the Statement of Profit and Loss	9.50	8.77
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial loss on defined benefit obligation	(5.90)	3.39
(b) Return on plan asset excluding interest income	0.57	0.38
Amount recognised in Other Comprehensive Income	(5.33)	3.77
(VI) Plan assets:		
Plan assets comprise the following:		
(a) Invested with Life Insurance Corporation of India	42.61	30.43
	42.61	30.43
(VII) Maturity profile of the defined benefit obligation:		
Expected future payments (undiscounted):		
Not later than 1 year	0.95	0.52
Later than 1 year and not later than 5 years	3.14	2.54
More than 5 years	192.99	170.97
	197.08	174.03

Note:

The average duration of the defined benefit plan obligation at the end of the reporting period is 28 years (31 March 2021: 25 years).



Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)
39 Employee benefits (cont'd)

	As at 31 March 2022	As at 31 March 2021
(VIII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date		
(a) Discount rate (%)	7.30%	6.90%
(b) Future salary growth (%)	7.00%	7.00%
(c) Attrition rate (%)	16.00%	16.00%
(d) Retirement age (years)	60	60
(e) Expected average remaining working life of employee (years)	25	25
(f) Mortality rate	IALM 2012-2014 Ultimate	IALM 2012-2014 Ultimate

Note:

- (a) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
(b) Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

(IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	3.58	(4.00)	3.41	(3.85)
(b) Future salary growth (0.50% movement)	(3.93)	3.55	(3.76)	3.37
(c) Attrition rate (0.50% movement)	0.12	(0.11)	0.15	(0.15)
(d) Mortality rate (10% movement)	-	0.01	0.01	(0.01)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

- (X) The Company expects to contribute ₹ 0.95 millions (31 March 2021: ₹ 0.56 millions) to its gratuity plan for the next year.

(XI) Risk exposure:

- Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Company is exposed to follow risks -
a) Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.
b) Investment risk: Since the plan is funded then asset liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the defined benefit obligation.
c) Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
d) Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
e) Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.

40 Employee's share based payment plans

During the year ended 31 March 2018, the Company implemented its Employee Stock Option Scheme ('the Plan'). The plan was originally approved by the members of the Company on 24 May 2018 and amendments were approved on 25 October 2021. The Plan enables grant of stock options to the eligible employees of the Company. The Plan enables grant of stock options to the eligible employees of the Company not exceeding 1,000,000 options, which is 1.88 % of the paid-up equity share capital of the Company as on 31 March 2022. Further, the stock options to any single employee under the Plan shall not exceed 1% of the Issued capital of the Company, at the time of grant of options, during the tenure of the Plan, subject to compliance with applicable law. The options granted under the Plan have a maximum vesting period of 4 years.

(a) Details of stock options and fair value of stock options granted:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Grant date	2 February 2022	-
Vesting date	2 February 2026	-
Fair value as on Grant date (₹ per option)	331	-
Exercise price (₹ per option)	250	-
Method of valuation	Black-Scholes Model	-
Expected life (years)	3	-
Expected volatility (%)	58.52%	-
Dividend yield (%)	15.00%	-
Risk free rate of return (%)	5.35%	-

(b) Movement of options:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at the beginning of the year	-	-
Options granted during the year	1,81,800	-
Options exercised during the year	-	-
Options forfeited during the year	-	-
Options lapsed during the year	-	-
Balance as at the end of the year	1,81,800	-
Number of options exercisable at year end	-	-
Weighted average remaining contractual life (years)	9.84 years	-

- (c) During the year ended 31 March 2022, the Company has recognised an expense of ₹ 0.86 million (31 March 2021: Nil).



Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

41 Related party disclosures (as per Ind AS 24 - Related Party Disclosures)

A. List of related parties and their relationship

Nature of relation	Name of related parties
(i) Entity having control over the Company	Jai Hanuman Shri Siddhivinayak Trust
(ii) Entity having significant influence over the Company	SAIF Partners India IV Limited, Mauritius
(iii) Subsidiary	Senco Gold Artisanship Private Limited (Incorporated on 14 October 2020)
(iv) Key management personnel	Mrs. Ranjana Sen, Director [with effect from ('w.e.f.') 12 August 2020] Mr. Suvankar Sen, Executive Director and Chief Executive Officer (w.e.f. 12 August 2020) Late Mr. Sankar Sen, Managing Director (deceased on 28 July 2020) Mrs. Joita Sen, Director (w.e.f. 12 August 2020) Mr. Vivek Kumar Mathur, Nominee Director Mr. Bhaskar Sen, Independent Director (w.e.f. 18 September 2021) Mr. Kumar Shankar Datta, Independent Director Mr. Shankar Prasad Halder, Independent Director (w.e.f. 03 February 2022) Mrs. Suman Varma, Independent Director Late Mr. Hanuman Mal Choraria, Independent Director (deceased on 26 April 2021) Mr. Sanjay Banka, Chief Financial Officer (w.e.f. 21 December 2020) Mr. Vikram Nagpal, Chief Financial Officer (until 10 October 2020) Mr. Surendra Gupta, Company Secretary and Compliance Officer
(v) Relatives of key management personnel	Mr. Joydeep Majumder, Father-in-law of Mr. Suvankar Sen Mrs. Kavita Banka, wife of Sanjay Banka Mrs. Sandhya Gupta, wife of Surendra Gupta
(vi) Enterprises controlled by key management personnel or their relatives	Mangoes Construction Private Limited P C Sen Charitable Trust Senco Gold Limited Employee Group Gratuity Trust Fund Om Gaan Ganpataye Bajrangbali Trust Race Automobiles Private Limited

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

41 Related party disclosures (as per Ind AS 24 - Related Party Disclosures) (cont'd)

Nature of transaction	Transaction value		Balance outstanding	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
B. Transactions with entity having control over the Company				
Dividends	34.44	51.65	-	47.78
	<u>34.44</u>	<u>51.65</u>	<u>-</u>	<u>47.78</u>
C. Transactions with entity having significant influence over the Company				
Dividends	13.31	19.96	-	18.96
	<u>13.31</u>	<u>19.96</u>	<u>-</u>	<u>18.96</u>
D. Transactions with entity on which Company exercises control:				
Investments	-	20.00	20.00	20.00
Loans given	28.00	-	28.00	-
Advance to suppliers	30.00	-	-	-
Accrued interest on loans given	1.54	-	1.54	-
Expenses incurred on behalf of the subsidiary	-	0.04	0.04	0.04
	<u>59.54</u>	<u>20.04</u>	<u>49.58</u>	<u>20.04</u>
E. Transactions with key management personnel:				
Short-term employee benefits (#)	45.51	38.34	8.43	-
Share based payment expenses	0.21	-	0.21	-
Rent paid	0.54	0.60	0.05	-
Director sitting fees	1.40	0.42	0.32	-
Reimbursement of expenses	0.08	0.26	-	-
Dividends	7.72	20.12	-	18.61
Advances received	2.75	1.02	-	0.11
Advances adjusted towards sale of products	3.77	0.91	0.03	-
Sale of goods	8.04	6.95	-	-
Purchase of goods	1.16	-	-	-
Deposits received under jewellery purchase schemes	-	0.02	0.00	0.02
	<u>71.18</u>	<u>68.64</u>	<u>9.04</u>	<u>18.74</u>
(#) Compensation of the key management personnel includes salaries and contribution to post-employment defined benefit plan. It does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Company and individual information in respect of the directors is not available.				
F. Transactions with relatives of key management personnel:				
Dividends	5.69	-	5.12	-
Sale of goods	0.07	-	-	-
Purchase of goods	-	-	-	-
Rent paid	0.75	0.12	0.05	-
Repairs and maintenance	0.14	-	0.00	-
	<u>6.65</u>	<u>0.12</u>	<u>5.17</u>	<u>-</u>
G. Transactions with enterprises controlled by key management personnel or their relatives:				
Rent paid	26.87	24.22	-	-
Maintenance and licensee fee paid	11.00	10.00	4.96	8.49
Purchase of goods	0.12	-	0.12	-
Dividends	5.34	8.00	-	7.40
Contribution made towards CSR expenses	22.10	12.78	-	-
Contribution made towards Employee Gratuity Fund	12.21	12.88	-	-
	<u>77.64</u>	<u>67.88</u>	<u>5.08</u>	<u>15.89</u>

Note:

For personal guarantees given by directors and their relatives, refer note 20.

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

42 Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) i.e., Mr. Suvankar Sen (Executive Director and Chief Executive Officer), to make decisions about resources to be allocated to the segments and assess their performance.

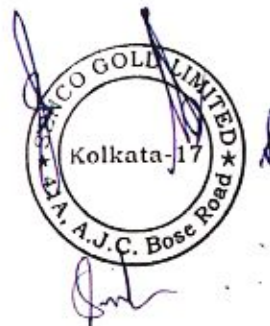
The Company is engaged in the business of manufacture and sale of jewellery and other articles of various designs/ specification based on customer's requirements. The Company's manufacturing facilities are located in India and products sold in the domestic and overseas market are manufactured in these facilities. Based on the dominant source and nature of risk and returns of the Company, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Company has only one business segment, viz., sale of jewellery and other articles.

Particulars	31 March 2022	31 March 2021
Revenue from external customers		
India (i.e., entity's country of domicile)	34,972.89	26,138.39
Outside India	373.52	465.40
Total Segment Revenue	35,346.41	26,603.79

B. Major customer

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31 March 2022 and 31 March 2021

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

43 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debts:

- Income-tax demands (also refer note (c) below)
- Central excise
- Service tax
- Goods and Service tax

As at 31 March 2022	As at 31 March 2021
130.01	94.65
18.65	18.65
21.58	21.58
0.79	-
171.03	134.88

Notes:

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.

(b) The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and do not include any penalty payable.

(c) Pursuant to a search and seizure operation under section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department in November 2017, notices under section 153A and section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18 to the Company. Subsequently, the Deputy Commissioner of Income-tax has raised demands amounting to ₹ 74.56 millions on the Company for the said assessment years. The Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against the Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by the company, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Company in this respect of the aforementioned demand/litigation and accordingly, no provision has been made in these financial statement.

(ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)

As at 31 March 2022	As at 31 March 2021
26.37	36.94
26.37	36.94

44 Corporate social responsibility expenses ("CSR"):

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The funds are utilised on the activities which are specified in Schedule VII of the Act. The Company has created a registered trust for purpose of CSR activities as approved by the CSR committee. The utilisation is done by way of contribution to this trust.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: ₹ 14.73 millions (year ended 31 March 2021: ₹ 22.83 millions)

(b) Details of amount spent:

Year ended 31 March 2022:

Construction/acquisition of any asset (refer note below)
On purposes other than above

Amount paid	Amount accrued	Total
-	-	-
22.10	-	22.10
22.10	-	22.10

Year ended 31 March 2021:

Construction/acquisition of any asset (refer note below)
On purposes other than above

Amount paid	Amount accrued	Total
-	-	-
22.83	-	22.83
22.83	-	22.83

(c) The Company has made a contribution of ₹ 22.10 millions for the year ended 31 March 2022 (year ended 31 March 2021: ₹ 12.78 millions) to a registered trust considered to be a related party as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures. Refer note 41 for details.

(d) The Company does not carry any provisions for corporate social responsibility expenses for current period or any of the previous years.

(e) The Company does not wish to carry forward any excess amount spent during the year.

(f) The Company does not have any ongoing projects as at 31 March 2022 and 31 March 2021.

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Senco Gold Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(Amount in ₹ millions, except otherwise stated)

45 Dues to micro and small enterprises as per MSMED Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Particulars	31 March 2022	31 March 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each		
- principal	124.07	95.24
- interest	-	-
(b) the amount of interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

46 Outstanding foreign currency balances

The trade receivables and advance from customers as at 31 March 2022, *inter-alia*, include receivables and advances in foreign currency aggregating to Nil (31 March 2021 - ₹ 13.00 millions) and ₹ 8.93 millions (31 March 2021 - ₹ 5.43 millions) respectively, which, as on date, have been outstanding beyond the timelines stipulated by the applicable provisions of the Reserve Bank of India read with foreign exchange management regulations. The Company has filed necessary applications with appropriate authority in this regard as per the regulations. The management does not envisage any additional financial impact on account of the same at this stage.

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

47 Financial Instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, categorized by the fair value hierarchy.								
Particulars	Note	Fair value through profit or loss (FVTPL)	Carrying amount		Total carrying amount	Fair value		
			Fair value through Other Comprehensive Income (FVOCI)	Cost		Level 1	Level 2	Level 3
As at 31 March 2022								
Financial assets								
Investment in equity instruments		-	0.26	20.00	20.26	-	-	0.26
Loans	17	-	-	28.00	28.00	-	-	-
Other financial assets	9	46.23	-	708.71	754.94	46.23	-	-
Trade receivables	14	-	-	395.37	395.37	-	-	-
Cash and cash equivalents	15	-	-	93.29	93.29	-	-	-
Other bank balances	16	-	-	2,692.69	2,692.69	-	-	-
		46.23	0.26	3,938.06	3,984.55	46.23	-	0.26
Financial liabilities								
Borrowings	20	4,313.54	-	4,335.01	8,648.55	4,313.54	-	-
Lease liabilities	21	-	-	1,629.64	1,629.64	-	-	-
Other financial liabilities	22	-	-	322.74	322.74	-	-	-
Trade payables	25	-	-	1,172.78	1,172.78	-	-	-
		4,313.54	-	7,460.17	11,773.71	4,313.54	-	-
As at 31 March 2021								
Financial assets								
Investment in equity instruments		-	0.26	20.00	20.26	-	-	0.26
Other financial assets	8	-	-	805.21	805.21	-	-	-
Trade receivables	9	-	-	275.59	275.59	-	-	-
Cash and cash equivalents	14	-	-	67.57	67.57	-	-	-
Other bank balances	15	-	-	1,196.03	1,196.03	-	-	-
	16	-	0.26	2,364.40	2,364.66	-	-	0.26
Financial liabilities								
Borrowings	20	2,504.15	-	2,834.84	5,338.99	2,504.15	-	-
Lease liabilities	21	-	-	1,473.66	1,473.66	-	-	-
Other financial liabilities	22	81.16	-	169.04	250.20	81.16	-	-
Trade payables	25	-	-	609.35	609.35	-	-	-
		2,585.31	-	5,086.89	7,672.20	2,585.31	-	-

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

47 Financial Instruments - fair values and risk management (cont'd)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

- (a) The fair value of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.
- (b) Investments in equity instruments are classified as FVOCI. The carrying cost of unquoted equity instrument has been considered as an appropriate estimate of fair value in the current year. There are no such significant unobservable inputs used for the valuation technique.
- (c) In case of Derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.

C. Level 3 fair values - Movement in the values of unquoted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	0.26	0.26
Fair value gain through Other Comprehensive Income:		
- Net change in fair value (unrealised)	-	-
Balance as at the end of the year	0.26	0.26

D. Risk management

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits, loans and financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The following tables provide information about the exposure to credit risk for trade receivables:

	less than 60 days	from 61 to 90 days	from 91 to 180 days	from 181 to 365 days	more than 365 days	Total
As at 31 March 2022	290.96	83.58	19.88	0.42	23.65	418.49
As at 31 March 2021	184.30	45.51	17.76	-	53.58	301.15



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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

47 Financial Instruments - fair values and risk management (cont'd)

D. Risk management (cont'd)

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company liquidity position through rolling forecasts on the basis of expected cash flows.

The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Carrying amount	Contractual cashflows			
		Total	Less than 1 year	1 - 2 years	More than 5 years
As on 31 March 2022:					
Borrowings (including accrued interest)	8,648.55	8,648.55	8,644.60	1.06	2.89
Lease liabilities	1,629.64	2,679.48	362.48	347.49	1,089.17
Trade payables	1,172.78	1,172.78	1,172.78	-	-
Other financial liabilities	322.74	322.74	314.55	8.09	-
	11,773.71	12,823.55	10,494.51	356.64	883.23
					1,089.17
As on 31 March 2021:					
Borrowings (including accrued interest)	5,338.99	5,338.99	5,334.93	1.06	3.00
Lease liabilities	1,473.66	2,494.07	319.26	305.96	798.91
Trade payables	609.35	609.35	609.35	-	-
Other financial liabilities	250.20	250.20	250.20	-	-
	7,672.20	8,692.61	6,513.74	307.02	801.91
					1,069.94

(iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Particulars	Currency	31 March	
		2022	2021
Trade receivables (unhedged)	USD (in millions)	1.19	1.56
	INR	90.59	114.67
Trade payables (unhedged)	USD (in millions)	-	-
	INR	-	-

Sensitivity analysis

A reasonably possible strengthening/weakening of the Indian Rupee against US dollars as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2022		31 March 2021	
	Profit or (loss)	Equity (net of tax)	Profit or (loss)	Equity (net of tax)
INR/USD strengthening [5% movement]	4.53	3.39	5.73	4.29
INR/USD weakening [5% movement]	(4.53)	(3.39)	(5.73)	(4.29)



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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

47 Financial Instruments - fair values and risk management (cont'd)

(b) **Interest rate risk**
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2022	31 March 2021
Fixed rate Instruments		
Financial assets	1,558.98	657.04
Financial liabilities	5.20	8.00
Variable rate Instruments		
Financial assets	8,643.35	5,330.99
Financial liabilities	8,643.35	5,330.99

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Profit or Loss	Equity (net of tax)	Profit or Loss	Equity (net of tax)
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Variable rate instruments - increase by 100 basis points (1%)	86.43	64.68	53.31	39.89
Variable rate instruments - decrease by 100 basis points (1%)	(86.43)	(64.68)	(53.31)	(39.89)

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.



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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

47 Financial instruments - fair values and risk management (cont'd)

E. Hedging activity and derivatives

Fair value hedge of gold price risk in inventory

The Company is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold and inventory of gold lying with the Company. To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at anytime during the tenor of the loan.

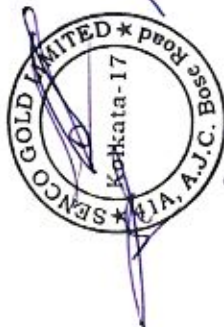
The Company designates certain derivatives as hedging instruments in respect of commodity price risk in fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. The Company assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Company actually uses.

(a) Disclosures of effects of hedge accounting on balance sheet:

(a) Disclosures of effects of hedge accounting on balance sheet:								
	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)	
	Assets	Liabilities	Assets	Liabilities				
Commodity price risk								
As at 31 March 2022								
Hedged item - inventory of gold	11,139.14	-	N.A.	N.A.	N.A. Range - with six to nine months	Inventories	253.68	
Hedging instrument - option to fix gold price (gold metal loans)	N.A.	N.A.	-	4,313.54	Current borrowings	Current borrowings	253.68	
As at 31 March 2021								
Hedged item - inventory of gold	8,077.68	-	N.A.	N.A.	N.A. Range - with six to nine months	Inventories	(90.65)	
Hedging instrument - option to fix gold price (gold metal loans)	N.A.	N.A.	-	2,504.15	Current borrowings	Current borrowings	(90.65)	

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

47 Financial Instruments - fair values and risk management (cont'd)

E. Hedging activity and derivatives (cont'd)

Fair value hedge of gold price risk in inventory (cont'd)

(b) Disclosure of effects of hedge accounting in the Statement of Profit and Loss:

Type of hedge	Change in value of hedging instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised [Gain / (loss)]	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
For the year ended 31 March 2022				
Commodity price risk	(327.44)	2.02	333.04	Purchase cost
For the year ended 31 March 2021				
Commodity price risk	(173.84)	-	168.24	Purchase cost

(c) Movement in cash flow hedge reserve and cost of hedging reserve:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow hedge reserve		
Balance as at the beginning of the year	(4.19)	-
Add: Changes in fair value of future commodity derivatives	(327.44)	(173.84)
Less: Amounts reclassified to the Statement of Profit and Loss	333.04	168.24
Less: Deferred tax relating to above (net)	(1.41)	1.41
Balance as at the end of the year	-	(4.19)



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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

48 Ratios disclosed as per requirement of Schedule III to the Act

	As at 31 March 2022	As at 31 March 2021
(a) Return on equity ratio		
Profit for the year (Numerator)	1,301.52	615.10
Average shareholder's equity (Denominator)	6,648.51	5,772.31
Return on equity (%)	19.58%	10.66%
% Change as compared to the preceding year	83.71%	
Explanation for variation:		
(i) The aforementioned variation is largely owing to a increase in gross margins of the company.		
(b) Return on capital employed		
[Capital Employed = Total equity + borrowings (including accrued interest)]		
Earning before interest and taxes (Numerator)	2,488.69	1,503.27
Capital employed (Denominator)	15,919.09	11,385.47
Return on capital employed	15.63%	13.23%
% Change as compared to the preceding year	18.20%	
	Refer note (i) below	
(c) Current ratio		
[Current assets / Current liabilities]		
Current assets (Numerator)	18,039.31	12,663.76
Current liabilities (Denominator)	12,261.57	8,196.11
Current ratio (times)	1.47	1.55
% Change as compared to the preceding year	(4.78%)	
	Refer note (i) below	
(d) Debt-equity ratio		
[Total debt / Shareholder's equity]		
Total debt (Numerator)	8,648.55	5,338.99
Shareholder's equity (Denominator)	7,270.54	6,026.48
Debt-equity ratio (times)	1.19	0.89
% Change as compared to the preceding year	34.27%	
Explanation for variation:		
(i) The aforementioned variation is largely owing to increase in Gold metal loans and working capital loans		
(e) Inventory turnover ratio		
[Average Inventory = (Opening balance + Closing balance) / 2]		
Sales for the year (Numerator)	35,346.41	26,603.79
Average inventory (Denominator)	12,140.68	10,632.93
Inventory turnover ratio (times)	2.91	2.50
% Change as compared to the preceding year	16.36%	
	Refer note (i) below	
(f) Trade receivables turnover ratio		
[Average trade receivables = (Opening balance + Closing balance) / 2]		
Revenue from operations (Numerator)	35,346.41	26,603.79
Average trade receivable (Denominator)	335.48	276.33
Trade receivables turnover ratio (times)	105.36	96.28
% Change as compared to the preceding year	9.44%	
	Refer note (i) below	

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Senco Gold Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

48 Ratios disclosed as per requirement of Schedule III to the Act (cont'd)

	As at 31 March 2022	As at 31 March 2021
(g) Trade payables turnover ratio [Average trade payables = (Opening balance + Closing balance) / 2]		
Purchase of raw materials and stock-in-trade (Numerator)	33,297.30	22,377.54
Average trade payables (Denominator)	891.07	930.15
Trade payables turnover ratio (times) (*)	37.37	24.06
% Change as compared to the preceding year	55.32%	
Explanation for variation: (i) The aforementioned variation is primarily owing to increase in the operations of the Company during the year		
(h) Net capital turnover ratio [Working capital is calculated as current assets (-) current liabilities]		
Revenue from operations (Numerator)	35,346.41	26,603.79
Working capital (Denominator)	5,777.74	4,467.65
Net capital turnover ratio (times) (*)	6.12	5.95
% Change as compared to the preceding year	2.74%	
	Refer note (i) below	
(i) Net profit ratio Profit for the year (Numerator)	1,301.52	615.10
Revenue from operations (Denominator)	35,346.41	26,603.79
Net profit ratio	3.68%	2.31%
% Change as compared to the preceding year	59.26%	
Explanation for variation: (i) The aforementioned variation is owing to increase in level of operations and improvement in gross margins.		
Note: (i) Explanations have been furnished for change in ratio by more than 25% as compared to the preceding year as stipulated in Schedule III to the Act.		

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

49 Capital management

The Company policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Company is not subject to externally imposed capital requirements. For the purpose of the Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings and lease liabilities.

The company monitors capital on the basis of the following gearing ratio.

Particulars	As at 31 March 2022	As at 31 March 2021
Total debt (Bank and other borrowings)	8,648.55	5,338.99
Equity (including other equity)	7,270.54	6,026.48
Debt to equity ratio	1.19:1	0.89:1

50 Details related to borrowings secured against current assets

The Company has given current assets as security for borrowings obtained from banks. The Company duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

Quarter ended	Particulars	Amount as per books of accounts	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material variations
For the year ended 31 March 2022					
31 March 2022	- Trade receivables	395.37	395.70	(0.33)	Refer note (a) below.
	- Inventories	13,886.63	13,954.60	(67.97)	Refer note (c) below.
31 December 2021	- Trade receivables	396.75	402.70	(5.95)	Refer note (a) below.
	- Inventories	13,494.94	13,337.50	157.44	Refer note (b) below.
30 September 2021	- Trade receivables	581.05	559.10	21.95	Refer note (d) below.
	- Inventories	12,613.46	12,713.60	(100.34)	Refer note (b) below.
30 June 2021	- Trade receivables	305.89	303.80	2.09	Refer note (a) below.
	- Inventories	10,870.98	11,088.50	(217.52)	Refer note (b) below.
For the year ended 31 March 2021					
31 March 2021	- Trade receivables	275.59	266.80	8.79	Refer note (a) below.
	- Inventories	10,394.73	10,264.00	110.73	Refer note (c) below.
31 December 2020	- Trade receivables	455.22	472.60	(17.38)	Refer note (a) below.
	- Inventories	11,431.93	11,473.10	(41.17)	Refer note (b) below.
30 September 2020	- Trade receivables	325.45	285.70	39.75	Refer note (d) below.
	- Inventories	11,769.37	11,482.70	286.67	Refer note (e) below.
30 June 2020	- Trade receivables	99.68	40.90	58.78	Refer note (d) below.
	- Inventories	10,591.99	9,970.30	621.69	Refer note (e) below.

Notes:

- No significant variation.
- Variation is owing to the purchase difference of unfixed gold metal loans, which is not recorded in the books at the quarter end. However, the same is included on estimation basis in the quarterly returns submitted to the banks.
- Variation is owing to the purchase difference recorded in the books at the year end on the unfixed gold metal loans on actual basis whereas the same was included in the quarterly statements submitted to the banks on an estimated basis.
- Variation is owing to certain debtors viz. wholesale, export etc. which were not considered by the management while submission of the quarterly return/ statement to the banks.
- Variation is owing to manual adjustment of inventory lying with the Karigars which submitting the inventory to the banks.

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Senco Gold Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(Amount in ₹ millions, except otherwise stated)

51 Relationship with struck-off companies

The Company has balance with the below mentioned companies struck off under section 248 of Companies Act, 2013:

Name of the struck-off entity	Balance outstanding	Relationship with the struck-off entity
As at 31 March 2022		
Trade payables		
- Maharani Jewellery India Private Limited	4.17	Vendor to the company
As at 31 March 2021		
Trade payables		
- Maharani Jewellery India Private Limited	4.17	Vendor to the company

52 Other statutory information

- The Company does not have any Benami property, where any proceeding have been initiated or pending against the Company for holding any Benami property.
- The Company does not have any charge or satisfaction of charge, which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in crypto-currency or virtual currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

53 Code of Social Security, 2020

The Code of Social Security, 2020 ("Code") relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the standalone financial statements in the period when the Code will come into effect.

54 Impact of Covid - 19 pandemic

The Company continues to closely monitor the impact of the Coronavirus Disease 2019 (COVID-19), which was declared as a pandemic by the World Health Organisation and has made detailed assessment of the impact of the aforementioned pandemic on its liquidity position and recoverability of its assets as at the balance sheet date and currently believes that there will not be any significant adverse impact on the long-term operations, financial position and performance of the Company.

55 In the Board Meeting dated 10 July 2021, the Board of Directors of the Company have approved capital raising comprising of fresh issue of equity shares through an Initial Public Offerings ('IPO').

As per our report of even date attached

For Walker Chandlok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Rajni Mundra

Partner

Membership No.: 058644



Place: Kolkata
Date: 21 July 2022



For and on behalf of the Board of Directors of
Senco Gold Limited

Suryankar Sen
Suryankar Sen
Managing Director and
Chief Executive Officer
DIN: 01178803

Surendra Gupta
Surendra Gupta
Company Secretary and
Compliance Officer
Membership No.: A20666

Place: Kolkata
Date: 21 July 2022

Sanjay Banka
Sanjay Banka
Director
DIN: 08828875

Sanjay Banka
Sanjay Banka
Chief Financial Officer