

ANNUAL REPORT 2013 - 2014



SANCO[®]

 *We make connection
that powers your life !*

SANCO[®]

**WIRES & CABLES
PVC CONDUIT PIPES
PVC CASING 'N' CAPPING**

Be 100% Sure



The advertisement features a collection of SANCO products: three white PVC pipes on the left, a box of wires in the bottom center, and several white PVC casing and capping pieces on the right. A yellow seal with the text 'Be 100% Sure' is positioned above the casing. The SANCO logo is repeated in the top left and center. The CE mark is located in the bottom right corner.

Chairman's Message

Dear Shareholders & Investors,



It gives me immense pleasure to apprise that we have attained the status of listed company and raised INR 4.32 Cr from Capital market for expansion of our existing facilities of PVC Pipes/Profiles and PVC Wires and Cables. This coming year we shall focus on manufacturing & sales of capacity expanded.

We continued to invest in upgrading our existing infrastructure. Our infrastructure platform giving us significant additional capacity to add customers and greater operational efficiencies to manage them.

We stand more confident today of significant future growth, than we probably ever have been. Most of the pieces of the jigsaw are in place for us and we are working hard to embrace the current and future opportunities. The coming few years look set to be the ones that will significantly reward all shareholders who have been a part of this journey.

Sanjay Gupta

Chairman and Managing Director

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BOARD OF DIRECTORS**MR. SANJAY GUPTA**

R/o. C-56, Suraj Mal Vihar,
Delhi-110092.
DIN : 00726005

Chairman & Managing Director**MS. SHAKUNTLA GUPTA**

R/o. C-56, Suraj Mal Vihar,
Delhi-110092.
DIN : 00725963

Whole Time Director**MR. SIDHANT GUPTA**

R/o. C-56, Suraj Mal Vihar,
Delhi-110092.
DIN : 02676750

Whole Time Director**MR. DEEPAK GUPTA**

R/o. 25/2, Ram Bagh Road,
Muzaffarnagar-251001 (U.P.)
DIN : 02643569

Non-Executive Independent Director**MR. SAURABH GUPTA**

R/o. 3/25, Vishnupuri,
Kanpur-208002 (U.P.)
DIN : 03093901

Non-Executive Independent Director**MR. SANJEEV KR. JAIN**

R/o. 131, AJ and K Pocket
Dilshad Garden, Delhi-95
DIN : 03121505

Non-Executive Independent Director**Chief Financial Officer**

Mr. Vipul Kumar Singhal

Company Secretary

Ms. Preeti Gupta

Auditors

Vijay Mukesh & Company
Chartered Accountants
D-4 Naveen Shahdara
Delhi-110032

Registrar & Share Transfer Agents

Beetal Financial & Computer Services (P) Ltd
Beetal House 3rd Floor, 99 Madangir,
New Delhi-110062

Corporate Office

D-161 Surajmal Vihar
Delhi-110092

Registered Office

9/51, Bazar Gali,
Vishwas Nagar
Delhi-110032

BANKERS

Union Bank of India
State Bank of India
Central Bank of India
Citi Bank

Website

www.sancopipes.com
E-mail-ipo@sancopipes.com

Notice of Annual General Meeting

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **M/s Sanco Industries Limited** will be held on Monday, 25th August, 2014 at 11.30 A.M. at “**Sancos**” D-9, Aditya Mega Mall, CBD Ground, Shahdara, Delhi-110032 to transact the following businesses:

ORDINARY BUSINESS

ITEM NO. 1

To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2014, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

ITEM NO. 2

To appoint a Director in place of Ms. Shakuntla Gupta, who retires from office by rotation, and being eligible, offers herself for re-appointment.

ITEM NO. 3

To appoint M/s V.P. Aditya & Co., Chartered Accountants, 15/198 A, Civil Lines, Kanpur-208001 in place of M/s Vijay Mukesh & Co. , Chartered Accountants, B-4, Naveen Shahdara, Delhi-110032, who has given their resignation , as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Fourth consecutive Annual General Meeting of the Company (subject to ratification of their appointment at each Annual General Meeting) and fix their remuneration.

ITEM NO. 4

The Board of Directors of the Company is of the opinion that no dividend should be declared for this financial year.

SPECIAL BUSSINESS

ITEM NO. 5

Authorization to Borrow Funds for the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

“RESOLVED that in supersession of the Resolution passed by the Members of the Company at the Annual General Meeting of the Company held on July 2, 2010 and Pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act 1956) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to borrow any sum or sums of money either in rupees or in such other foreign currencies as may be permitted by law from time to time, at its discretion, for the purpose of the business of the Company, from, including without limitation, any one or more banks, financial institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided however, that the total amount(s) so borrowed by the Board and outstanding at any time point of time shall not exceed the sum of Rs. 150 Crores (Rupees One hundred and fifty crores) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose); and that the Board be and is hereby authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time, as to interest, repayment, security or otherwise, as it may in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of borrowing(s) as aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to said resolution.”

ITEM NO. 6**Increase in the remuneration of Mr. Sidhant Gupta, Whole Time Director of the Company**

“**RESOLVED THAT** pursuant to the provisions of companies act, 2013, the remuneration of Mr. Sidhant Gupta, whole time director of the company is and hereby increased w.e.f. 1st September, 2014 as mention below:

Terms & Conditions of Appointment:

Salary	:	Rs. 40,000 per month
Perquisites	:	In addition to the salary, he Shall also be entitled to the following perquisites:
i) Medical Expenses	:	Actual expenses incurred on the medical treatment for self and the family shall be reimbursed by the Company.
ii) Telephone	:	Free Telephone facility at residence shall be provided to be used for the business of the Company.

Minimum Remuneration:

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Mr. Sidhant Gupta shall be entitled to minimum remuneration by way of Salary, Perquisites and Allowances not exceeding the limit specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT there is no other change in the terms & conditions of the appointment of Mr. Sidhant Gupta.

RESOLVED FURTHER THAT Mr. Sanjay Gupta, director of the Company be & is hereby authorized to file necessary forms with ROC & to comply with other formalities which may be required to give effect to all above resolutions.

For and on Behalf of the Board of Directors of
SANCO INDUSTRIES LTD.

Date: 25th July, 2014
Place: New Delhi

Sd/-
(Sanjay Gupta)
Managing Director

Notes:

- 1. MEMBERS ENTITLED TO ATTEND AND VOTE ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.

A Proxy Form is attached to the Annual Report.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number on the Attendance Slip for attending the Meeting.
5. An Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto. Brief resume and other particulars of Directors who are proposed to be appointed/ re-appointed, as required under Listing Agreement.
6. M/s Beetal Financial Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi - 110062, is Registrar and Share Transfer Agent of the Company for electronic mode and transfer of shares held in physical form.
7. Members are requested to intimate to M/s Beetal Financial Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi – 110062, regarding change, if any, of their address for mailing purposes.
8. Members desiring information / clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of the Annual general Meeting so that the same may be responded well in advance.
9. Members are requested to intimate their email address in order to reduce the consumption of paper for copies of Balance Sheet and Auditors Report, to the members of the company. As required under Companies Act, 2013, Balance Sheet and Auditors report have now been allowed to be served through electronic mode as per the new initiatives of Ministry of corporate affairs for corporate governance.
10. As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report at the meeting.
11. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company during the office hours on all the working days except Saturdays and holidays, between 11:00 a.m. to 1:00 p.m., up to the date of Annual General Meeting.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 AND DISCLOSURES PURSUANT TO CLAUSE 52 OF THE SME LISTING AGREEMENT**ITEM NO. 5**

The Members of the Company at their 20TH Annual General Meeting held on July 02, 2010 approved the Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 authorising the Board of Directors of the Company to borrow upto Rs. 100 Crores (Rupees One Hundred Crores only). For the purpose of additional fund requirements for the existing business operations and future growth plans of the Company, it is proposed to increase the borrowing limits of the Board of Directors of the Company to

Rs. 150 Crores (Rupees One hundred and fifty Crores only). Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 provides that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

Accordingly consent of members by way of Special Resolution is required under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 5 of the Notice, to empower the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company.

The Board recommends the Special Resolution at Item No. for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

The Shareholders in their meeting held on December 13, 2011 had approved the remuneration payable to Mr. Mr. Sidhant Gupta Whole time Director of the Company with effect from December 1, 2011 upto November 30, 2016, in terms of provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any read with Schedule XIII of the Companies Act 1956.

Keeping in view his vast expertise and knowledge, it has been decided to increase the remuneration of Mr. Sidhant Gupta w.e.f. September 1, 2014 and the Board recommends the resolution for approval of the members.

The Board of Directors and Remuneration Committee of the Company in their meetings held separately on June 19, 2014, had approved the remuneration payable to Mr. Sidhant Gupta w.e.f. 1st September, 2014, as specified in the body of the resolution.

His brief resume and other particulars have been given under the heading 'Information regarding the Directors proposed to be appointed/re-appointed.'

Save and except Mr. Sidhant Gupta as an appointee and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

Accordingly, the Board of Directors recommends the Special Resolution at Item No. 6 for approval of members.

Additional information of director seeking Appointment/ Re-appointment at this Annual General Meeting

ITEM NO. 2**Ms. Shakuntla Gupta**

Ms. Shakuntla Gupta is one of the Whole Time Director of our Company. She is an Intermediate in Arts stream and has more than 22 years of experience. She started her business journey in 1992 with “Sanco Plastics (P) Ltd, where she has been responsible for administration and human resource management. She made effective contribution towards the working of the company in capacity of an Whole Time Director during her tenure.

Company has benefited a lot by the knowledge and experience of Ms. Shakuntla Gupta. Her tenure is liable to retire in the ensuing Annual General Meeting. Ms. Shakuntla Gupta being eligible offers herself for re-appointment.

Other Companies in which Ms. Shakuntla Gupta holds directorship and committee membership.

Company/Committee	Designation
1. M/s Sanco Enterprises Pvt. Ltd.	Director

Shareholding in the Company

Ms. Shakuntla Gupta holds 502000 shares in the Company.

ITEM NO. 6**Mr. Sidhant Gupta**

Mr. Sidhant Gupta, aged 23 years, is one of the Whole Time Directors of our Company. He is a Pilot from Eagle Flight Training Limited, New Zealand. He has done his Bachelors in Business Administration from Dibrugarh University, Assam. He has been inducted as a Whole Time Director in the Board to provide “Technical Advice and innovative ideas in Research & Development”. He is expected to play a key role in the growth of our Company with his inputs in strategic planning and business development as well.

Other Companies in which Mr. Sidhant Gupta holds directorship and committee membership.

Company/Committee	Designation
1. M/s Superlink Polyfeb Ltd.	Whole Time Director
2. M/s Sanco Enterprises Pvt. Ltd.	Director
3. M/s Sanjita Polymet Ltd.	Director

Shareholding in the Company

Mr. Sidhant Gupta holds 30100 shares in the Company.

For and on Behalf of the Board of Directors of
SANCO INDUSTRIES LTD.

Date: 25th July, 2014
Place: New Delhi

Sd/-
(Sanjay Gupta)
Managing Director

DIRECTOR'S REPORT

Dear Members
M/s Sanco Industries Ltd

On Behalf of the Board of Director of your Company, it is our privilege to present the 24th Annual Report on the business and operations of the company together with the audited statement of accounts for the financial year ended March 31, 2014 and Auditor's Report thereon.

FINANCE:

The Company's authorised share capital is Rs. 1400.00 lacs. The issued and subscribed capital at the end of period was Rs. 857.00 lacs.

RESULT OF OPERATIONS:

The overall result of the company during the year of its working has been satisfactory. The financial results were as follows

(Rs. In lacs, except per share data)

Year ended March, 31	2014	2013
Gross Income from operations	6622.68	5853.34
Other Incomes	11.76	5.15
Net Profit before Tax	202.23	402.81
Provision for Taxation (including Deferred Tax)	62.06	103.25
Net Profit after Tax	140.17	299.56
Amount transferred to General Reserve	140.17	299.56
Earning per Share (Basic & Diluted)	1.64	4.83

PERFORMANCE

During the year under review witnessed an improved Turnover as compared to the previous year figure and the Profit after tax and consequently, Earning per share (EPS) of the Company has decreased as compared to previous year. A brief comparison of year on year (YOY) is as under:

Consolidated Results

Not Applicable

Standalone Results

Total income of the Company was Rs. 6634.44 lacs (previous year Rs. 5858.49 lacs) and the Net Profit after Tax was Rs. 140.17 lacs (previous year Rs. 299.56 lacs). The financials under review witnessed an improved turnover as compared to the previous year figure and the profit after tax has decreased as compared to the previous year. The Company do expects to achieve better results in near future. Earning per share (EPS) decreased from Rs. 4.86/- per share in March 31, 2013 to Rs. 1.64 per share in March 31, 2014.

BUSINESS OVERVIEW

Your Company achieved important mile stones in the year 2013-14. During the year, the Company has scaled new heights and set several benchmarks in terms of networth and turnover.

**SANCO**

SANCO INDUSTRIES LIMITED

In Order to meet the capital requirements for various expansions in business, your company has made an allotment of 24,00,000 equity shares of Rs. 10/- each for cash at a premium of Rs. 8/- per share by Initial Public Offering (IPO). And finally your company got listed on "NSE EMERGE"

Company is a recipient of "Certificate of Appreciation" for exemplary and outstanding achievement & is adjudged as one among the top 100 SMEs of India for the period 2012-13. We were conferred with the said award by India SME Forum in April 2013 which was sponsored by Bank of India.

Company has been chosen as one of the India's Small Giants across India and amongst the top 40 companies awarded by India SME Forum in the month of July 2014.

The Management Discussion and Analysis Section of the Annual Report present a detailed business review of the Company.

SUBSIDIARIES

Your Company has one Wholly-Owned Subsidiary, M/s Sanjita Polymet Ltd. (Company Incorporated in Hong Kong)

M/s Sanjita Polymet Ltd.

M/s Sanjita Polymet Ltd. was incorporated in August, 2013 in Hong Kong to promote trading of PVC Raw Materials and Metal Products in International market. However, the Company is yet to introduce its capital and start its business operations. That is why no Consolidated Accounts are made by the Statutory Auditor of your Company. A note of regarding the same has been given by the Auditor of your Company under the heading "NOTES ON ACCOUNTS" in the financials for the year ending 2014.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

As per section 212 of the Companies Act, 1956 and in accordance to the General Circular No: 2/2011 issued by Ministry of Corporate Affairs, Government of India the Annual Accounts of the subsidiary companies and the related detailed information shall be made available for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company shall include financial results of its subsidiary company and a statement in respect of the subsidiary company shall be attached to this report.

However the same has not been done since the business operations have not been started so far as well as capital is yet to be introduced in Subsidiary Company hence no accounts has been maintained for the same. A note regarding the same has been given by the Auditor of your Company under the heading "NOTES ON ACCOUNTS" in the financials for the year ending 2014.

DIVIDEND

Keeping in view the Company's need for capital and its growth plans, the Directors do not recommend any dividend for the year ended March 31, 2014. The Directors believe this would increase shareholder value and eventually lead to a higher return threshold.

DIRECTORS

The following are the directors of the company.

1. Mr. Sanjay Gupta
2. Ms. Shakuntla Gupta
3. Mr. Sidhant Gupta
4. Mr. Saurabh Gupta
5. Mr. Sanjeev Kumar Jain
6. Mr. Deepak Gupta

Ms. Shakuntla Gupta, Director of the Company retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends the appointment of the above Director.

During the year there is no any other change in the directorship of the company.

DIRECTORS RESPONSIBILTY STATEMENT

As required under section 217(2AA) of the companies Act 1956, yours directors state that:

- (i) In this preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures in the financial statement;
- (ii) The accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required so as to give a true and fair view of the state of affairs of the company at the end of the financial year.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts for the financial year have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the employees was in receipt of remuneration exceeding the amount prescribed u/s 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Personnel relations with all employees remained cordial and harmonious through out the year. Your Directors wish to place on record their sincere appreciation for the devoted services of all employees of the Company.

NOTES ON ACCOUNTS

The auditor's observations are on an informative nature and have been explained in the respective notes to the accounts.

AUDITORS AND AUDITOR'S REPORT

The Auditors of the Company M/s Vijay Mukesh & Co., Chartered Accountants, hold office until the conclusion of forthcoming Annual General Meeting has not offer themselves for re-appointment as they have already submitted their resignation with the company. The Company has proposed M/s V.P. Aditya & Co., Chartered Accountants, 15/198 A, Civil Lines, Kanpur-208001 to appoint as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Fourth consecutive Annual General Meeting of the Company (subject to ratification of their appointment at each Annual General Meeting). The Company has received intimation to the effect that their reappointment, if done, would be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

The notes to the accounts referred to in the Auditors' report are self-explanatory and therefore do not call for any further comments.



SANCO INDUSTRIES LIMITED

AUDIT COMMITTEE

The Audit Committee of the company has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general, the primary role/objective of the Audit Committee is to review the financial statements of the Company, strengthen internal controls & look into all transactions having monetary implications on the functioning of the Company. The nomenclature, constitution and terms of reference of the Committee are as per the provisions of the Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement of the Stock Exchange. The audit committee will also do the function required for vigil mechanism of the company.

The Committee consist of three Directors. Out of that two Directors are Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Saurabh Gupta, is the Chairman of the Committee. The other members are Mr. Deepak Gupta and Mr. Sanjay Gupta, Managing Director of the Company. The members of the Committee have adequate knowledge in the field of finance, accounting, and law. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions, as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013,

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and the requirements of the SME Listing Agreement and has implemented all the mandatory stipulations prescribed there under. Report on Corporate Governance for the year ended March 31, 2014 in terms of Clause 52 of the SME Listing Agreements entered into with the Stock Exchanges in India forms part of the Annual Report. Certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 52 of the Listing Agreement, is attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management Discussion and Analysis Statement on the Company's performance, industry trends and other material changes with respect to the Company is attached to this Report.

CODE OF CONDUCT

In terms of Clause 52 of the Listing Agreement, the Company has formulated a Code of Conduct for the Directors and Senior Managerial Personnel. All the Board Members and Senior Managerial Personnel have given their consent to adhere to the Code of Conduct to the Compliance Officer of the Company. As per the requirement of Listing Agreement, the Code of Conduct is also available on Company's website www.sancopipes.com.

LISTING INFORMATION

Your Company is listed on the NSE EMERGE Stock Exchange (Symbol: SANCO). The Listing Fee for the year 2014-15 has been paid to the Stock Exchange.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION ETC.

The particulars required under section 217 (i) (a) of the companies Act, 1956 read with the companies (Discloser of particulars in the report of the Board of Directors) Rules, 1988 are attached of this report as Annexure-1

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any public deposit within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended up to date.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work and commitment, and the trust reposed on us by our customers, in the overall growth and prosperity of the Company.

We also acknowledge the support and wise counsel extended to us by the analysts, bankers, government agencies, shareholders and investors at large. We look forward to having the same support in our future endeavors.

The Company will make every effort to meet the aspirations of its Shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

For and on Behalf of the Board of Directors of
SANCO INDUSTRIES LTD.

Date: 19th June, 2014
Place: New Delhi

Sd/-
(Sidhant Gupta)
Whole Time Director

Sd/-
(Sanjay Gupta)
Managing Director

ANNEXURE-I

ADDITIONAL INFORMATION AS REQUIRED COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTOR'S) RULE 1988

A. CONSERVATION OF ENERGY

I Energy conservation measures taken

Conservation of energy is given top priority by the Company. During the year, the Company has taken following measures towards energy conservation:

1. Organizing the operating procedures in such a way that energy losses are minimized by eliminating idle running. This has helped in reducing Energy per unit.
2. Optimization of electrical load by matching motor power capacity to the exact operational requirements.

II Additional Investment and proposals, if any, being implied for reduction of consumption energy.

At present the company has no proposal for additional investment for reduction of consumption of energy.

III Impact of measures at (I), (II) above for reduction of energy consumption impacting the cost of production of goods.

The measures adopted by the company for energy conservation have been instrumental in bringing down the cost of energy per unit of production in addition to improving quality.

B. TECHNOLOGY ABSORPTION

Effects made in technology absorption in prescribed form-B Research & Development (R & D)

The company is carrying research & development in routine manufacturing activities. There is no specific expenditure in research & development.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The company has already absorbed technology fully

C. FOREIGN EXCHANGE EARNING & OUTGO (In Rs.)

Foreign Exchange Out goes		NIL
Foreign Exchange earning	NIL	

For and on Behalf of the Board of Directors of
SANCO INDUSTRIES LTD.

Date: 19th June, 2014
Place: New Delhi

Sd/- (Sidhant Gupta) Whole Time Director	Sd/- (Sanjay Gupta) Managing Director
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MANAGEMENT DISCUSSION AND ANALYSIS

a. Overview of our Business:

We are into the manufacturing of wide range of products such as Rigid PVC pipes, PVC casing & capping, PVC Insulated Domestic and industrial Wires & Cables. The products are used in various electrical, cable and construction industries. Since FY 2010 our company started the trading operations of PVC Raw Materials along with various metal products.

b. Quality and ISO certification

Our Company is an ISO 9001:2008 certified Company and sells its varied range of products under various brand names such as "SATYAM", "MARSHALL", "SUPERPLAST" and "SANCO". We are among the first few companies in "North India" and in its category which got "IS-14927" certification for PVC Profiles for quality assurance since December'2004. We are also awarded by the Government of NCT Delhi, for its outstanding performance in 1997. The manufacturing facility of our Company is located in Himachal Pradesh.

c. Capacity Expansion

Our company got listed with NSE "SME EMERGE" segment during the FY 2014 and raised fund amounting ` 4.32 crore through the capital market by diluting 28% equity stake to the Public for the purpose of expansion in its existing production capacity which described as under:

Activities	Existing Capacity	Capacity After Expansion
PVC Insulated Wires and Cables	18000 KMPA	36000 KMPA
PVC Pipes/Profiles	4000 MTPA	6000 MTPA

d Promoters experience & their Shareholding

Our promoters have been involved in the business for over two and a half decades. Our promoters & promoters group currently holds 72% shareholding of the company.

e. Factors that may affect Results of Operations

Except as otherwise and the following important factors could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
As a company operating in India, we are affected by the general economic conditions in the country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust services sector. The overall economic growth will therefore impact the results of its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macroeconomic growth.



SANCO INDUSTRIES LIMITED

- **Our ability to successfully implement its strategy and its growth and expansion plans;**
Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of its strategy and its growth and expansion plans could impact the Company's roll out schedules and cause cost and time over runs.
- **Factors affecting industrial activity;**
Any change in the factors such as industrial policies, tariffs, excise duties etc. which may affect the activities of the steel, oil & gas, pharmaceutical industry etc. may affect our results of operation.
- **Increasing competition in the industry;**
We face competition from some of the domestic companies like AKG Industries, Dimple Plastics Pvt Ltd. (Setia Pipes) and Nav Shikha Polypack Pvt. Ltd. (Polypack Pipes).
- **Cyclical or seasonal fluctuations in the operating results;**
Cyclical or seasonal fluctuations in the operating results of the Company may affect the enduring financial performance at large.
- **Changes in laws and regulations that apply to the industry;**
There are some laws and regulations applicable to the industry in which we operate, which we have to comply/ follow. In case of a failure to comply with these laws and regulations or to obtain or renew the necessary permits and approvals our business may be affected.
- **Changes in fiscal, economic or political conditions in India;**
External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase the costs and negatively affect our financial performance.
- **Changes in the foreign exchange control regulations, interest rates and tax laws in India.**
Any change in the foreign exchange control regulation, mainly interest rates and tax laws pertaining to India affects the liquidity of cash in the market which in turn affects the purchasing power of the economy.

f. Outlook

The company is committed to put continuous efforts for providing superior quality products with research and innovation using best practices, adopting sales and marketing strategies, investment in people development and expansion of manufacturing capacity. The company is confident of continuous good performance of growth by using better technologies and consistent efforts. Fundamental growth drivers of the Indian economy continue to exist. The overall scenario for economy is showing recovery trends and we believe it will help our industry to grow at a faster rate, and we at Sanco Industries Limited remains optimistic about our future.

d. Overview of Our Results of Operations

The following discussion of the financial condition and results of operations for the financial year ended March 31, 2014 & 2013.

The Audited Financial Statements are prepared in accordance with the Indian Accounting Standards

Particulars	For the Financial year	
	31st March, 2014	31st March, 2013
Income		
Revenue from operations	6622.68	5853.34
Other income	11.76	5.15
Total Income	6634.44	5858.49
Expenses		
Cost of raw material and components consumed	2496.60	2836.64
Purchase of Stock in Trade	3223.32	1893.82
Changed in inventories of finished goods and traded goods	(157.83)	27.35
Employee Benefits Expenses	166.68	140.75
Depreciation and Amortization Expenses	69.90	39.55
Finance Costs	377.43	266.45
Other Expenses	256.10	251.12
Total Expenditure	6432.20	5455.68
Profit Before Tax	202.24	402.81
Less: Tax Expense		
Current tax expense	67.65	99.40
Deferred tax (credit)/ charge	(5.59)	3.85
Total Tax Expense	62.06	103.25
Profit After Taxation	140.18	299.56

Comparison of FY 2014 with FY 2013:

Total Income

Total Income for FY 2014 was `6,634.44 lacs as compared to `5,858.49 lacs in FY 2013 showing an increase of 13.24%. The increase in income was mainly due to favorable market conditions for PVC Conduit Pipes and PVC Insulated Wires which enabled us to procure more orders from existing and new customers.

Expenditure:

Cost of Raw Materials consumed increased to `5,562.09 lacs in FY 2014 against `4,757.82 lacs in FY 2013. The increase of 16.90% in materials consumed was in line with the increase in the production of PVC Conduit Pipes and PVC Wires and trading of metal products.

Our employee benefits expenses increased to ` 166.68 lacs in FY 2014 against ` 140.75 lacs in FY 2013, showing an increase of 18.42%. The increase in employee benefits expenses was primarily due to the KeyMan Insurance and salaries and wages paid to its employees.

Other expenses increased to ` 256.10 lacs in FY 2014 as compared to ` 251.12 lacs in FY 2013. The increase of around 2% was on account of increase in payment of import custom duty, freight & forwarding expenses toward import of raw material.

Depreciation

Depreciation on fixed assets increased to ` 69.90 lacs in FY 2014 from ` 39.55 lacs in FY 2013. This increase of 76.74% was primarily due to written off of Initial Expenses related to our IPO process as well as additions of fixed assets to the tune of ` 120.63 lacs during FY 2014.

Finance costs

Finance costs increased to ` 377.43 lacs in FY 2014 against ` 266.45 lacs in FY 2013. An increase of 41.65% was primarily due to increase in various short & long term borrowings availed by the Company.

Profit after Tax

PAT decreased to ` 140.18 lacs in FY 2014 from ` 299.56 lacs in FY 2013. An decrease of 53.20% in PAT during FY 2014 was majorly due to increase in raw material price and various expenses such as finance cost, manufacturing cost etc.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company aims at achieving transparency, accountability and equity across all facets of operation and in all interactions with stakeholders, while fulfilling the role of a responsible corporate representative committed to sound corporate practices. The Company adheres to good corporate practices which constantly undergo changes and betterment, keeping its core goal in mind — maximizing stakeholder value. Adherence to the business ethics and commitment to Corporate Social Responsibility will help the Company achieve excellence. The Company believes that all its operations and actions must ultimately enhance overall benefits over a sustained period of time.

BOARD OF DIRECTORS

The Company has 3 Executive Directors and the number of Independent Directors is 50% of the total number of Directors. As on 31st March, 2014, the Company has 6 Directors on its Board, of which 3 Directors are independent. The number of Non- Executive Directors (NEDs) is 50% of the total number of Directors. The Company is in compliance with the Clause 52 of the SME listing Agreement pertaining to compositions of directors.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM (Yes/No)	No. of Directorships in other public Limited Cos.	No. of Chairmanship/ Memberships of Committees in other Public Ltd. Cos. *	
					Chairmanship	Membership
Mr. Sanjay Gupta	Non Independent, Executive Chairman	21	Yes	1	Nil	Nil
Mrs. Shakuntla Gupta	Non Independent, Executive Director	21	Yes	1	Nil	Nil
Mr. Sidhant Gupta	Non Independent, Executive Director	21	No	1	Nil	Nil

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM (Yes/No)	No. of Directorships in other public Limited Cos.	No. of Chairmanship/ Memberships of Committees in other Public Ltd. Cos. *	
					Chairmanship	Membership
Mr. Deepak Gupta	Independent, Non-Executive Director	21	Yes	-	Nil	Nil
CA Saurabh Gupta	Independent, Non-Executive Director	21	Yes	-	Nil	Nil
CA Sanjeev Kr. Jain	Independent, Non-Executive Director	21	Yes	-	Nil	Nil

Notes:-

1. During the Financial Year 2013-14, Twenty One Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 10th April 2013, 13th April, 2013, 27th April, 2013, 16th May 2013, 29th June 2013, 4th July, 2013, 1st August 2013, 5th August, 2013, 30th August, 2013, 25th September, 2013, 26th September, 2013, 12th December 2013, 21st December 2013, 27th December 2013, 10th January, 2014, 27th January 2014, 31st January, 2014, 4th February, 2014, 17th February, 7th March, 2014 and 20th March, 2014.
2. *Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.
3. The information as required under Clause 52 is being made available to the Board.
4. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

CODE OF CONDUCT

The Company has framed Code of Conduct which is applicable to all Directors and members of Senior Management. Pursuant to this Code all the Directors & Senior Management have affirmed compliance with this Code for the year ended March 31, 2014. A declaration of compliance of this Code signed by Managing Director is annexed to this report.

COMMITTEES OF THE BOARD

Currently there are three committees of the Board: Audit Committee, Remuneration Committee & Shareholder's Grievance/Transfer Committee. The terms of reference of the Committee(s) detailing their scope of work are determined by the Board from time to time. The Board periodically reviews the minutes of the meetings of Audit Committee & Shareholders Grievance/Transfer Committee. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed.

AUDIT COMMITTEE

The Audit Committee of the company has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general, the primary role/objective of the Audit Committee is to review the financial statements of the Company, strengthen internal controls & look into all transactions having monetary implications on the functioning of the Company. The nomenclature, constitution and terms of reference of the Committee are as per the provisions of the Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement of the Stock Exchange.

As on March 31, 2014, the Committee had three Directors. Out of that two Directors are Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Saurabh Gupta is the Chairman of the Committee. The other members are Mr. Deepak Gupta and Mr. Sanjay Gupta, Managing Director of the Company. The members of the Committee have adequate knowledge in the field of finance, accounting, and law. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions, as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013, which inter-alia include review of:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.
9. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
10. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control system.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority to the official heading the department, reporting structure coverage and frequency of internal audit.
12. Discussion with internal auditors any significant findings and follow-up thereon.
13. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
14. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
16. To review the functioning of the Vigil Mechanism. The Chairperson of Audit Committee will act as the chairperson of the vigil mechanism.

The CFO of the Company is permanent invitees to the meetings of the Committee. The Company Secretary acts as Secretary to the Committee. During the year, 4 (Four) meetings of the Audit Committee were held on 29th June, 2013, 6th September, 2013, 12th December, 2013, 19th January, 2014 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given as under:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
CA Saurabh Gupta	Chairman	4
Mr. Deepak Gupta	Member	4
Mr. Sanjay Gupta	Member	4

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall be deemed to be "Nomination and Remuneration Committee" within the meaning of Clause 52 of the Listing Agreement, Section 178 of the Companies Act, 2013 and for all other purposes as may be required under any / all Acts, Rules, Regulations, Circulars etc, for the time being or as amended from time to time. The composition of the Committee as on 31.03.2014 was as under:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
CA Sanjeev Kr. Jain	Chairman	0
Mr. Deepak Gupta	Member	0
CA Saurabh Gupta	Member	0

During the year no meeting of Nomination and Remuneration Committee was held.

The Committee has been constituted to recommend/review the remuneration package of the Whole Time Directors apart from deciding other matters. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices. This committee meets as and when required. Ms. Preeti Gupta, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders relationship Committee to specifically consider and resolve the grievances of security holders of the Company. The Stakeholders Relationship Committee consists of the following directors:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. Deepak Gupta	Chairman	1
CA Sanjeev Kr. Jain	Member	1
Mr. Sanjay Gupta	Member	1

Ms. Preeti Gupta, Company Secretary and Compliance Officer of the company act as Secretary to the Committee.

The terms of reference of the Committee include the following:

**SANCO INDUSTRIES LIMITED**

1. It shall have the authority to investigate into any matter in relation to transfer of securities or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
2. To investigate any activity within its terms of reference.
3. To seek any information from any employee.
4. To seek information from share transfer agents.
5. To obtain outside legal or other professional advice.
6. To secure attendance of outsiders with relevant expertise, if it consider necessary.
7. To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities.
8. To approve share transfer / transmission securities periodically, whether by circular resolution or otherwise.
9. To look into redressing of shareholders' complaint like transfer of shares, non-receipt of balance sheet, non receipt of declared dividends etc.
10. To oversee the performance of the Registrar and transfer Agents an recommended measures or overall improvement in the quality of investors services.

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31st March 2014 are given as follows:

Detail of complaints received/resolved during the year

❖	No. of Complaints received during the year	:	Nil	
❖	No. of Complaints not resolved to the satisfaction of Shareholders	:	Nil	Nil
❖	No. of Pending Complaints	:	Nil	
❖	No. of Pending share transfer as on 31.03.2013	:	Nil	

GENERAL BODY MEETING**(I) Annual General Meeting (AGM) Detail**

The last three Annual General Meeting were held at 9/51, Bazar Gali, Vishwas Nagar, Delhi, the Registered Office of the company. The other detail is as follows:

YEARS	DAY	DATE	TIME	SPECIAL RESOLUTION PASSED
2011	Thursday	18.08.2011	11.30 A. M.	NIL
2012	Friday	07.09.2012	11.30 A. M.	NIL
2013	Monday	29.07.2013	11.30 A. M.	NIL

(II) Extra Ordinary General Meeting Detail

During the period one Extra Ordinary General Meeting was held on 6th September, 2013 at 10:30 A.M. at D-161, Surajmal Vihar, Delhi-110092, at the Corporate Office of the company to pass a special resolution to Authorized Initial Public Issue.

(III) Postal Ballot

During the year no resolution has been passed by Postal Ballot.

DISCLOSURES**(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.**

The Board of Directors receives the required disclosures, from time to time, relating to financial and commercial transactions from the key managerial personnel of the company and have been disclosed under the Related Party Transactions as per Accounting Standards 18 "Related Party Disclosures" issued by ICAI to the Notes to Accounts of the Annual Report for the year ended March 31, 2014. There have been no materially significant related party transactions which may have a potential conflict with the interests of the Company.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to Capital Markets, during the last three years.

During the last three years, there have been no instances of non compliance by the Company, no penalties or strictures were imposed on the Company by any Stock Exchange, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter relating to the Capital Markets.

(iii) Whistle Blower Policy and affirmation that no Personnel have been denied access to the audit committee.

The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or the Chairman of Audit Committee. The reports received from any employee will be reviewed by the Audit Committee. The Directors and Management Personnel are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices. Any employee, if he/she so desires, have free access to meet Senior Level Management and report any matter of concern. No employee of the Company is denied access to the Audit Committee to make any representation. During the year, no Personnel had approached the Audit Committee.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 52 of SME Listing Agreement.

The Company has fully complied with mandatory requirements as stipulated under clause 52 of SME Listing Agreement with the National Stock Exchange SME Emerge and has also adopted the following non-mandatory requirements as prescribed in Annexure 1D to the clause 52 of the Listing Agreement.

(i) Nominations and Remuneration Committee

The Company has set up a Nominations and Remuneration Committee to approve specific aspects of the remuneration of Directors and Senior Management Personnel.

MEANS OF COMMUNICATION**(I) Half Yearly/ Annual Results**

Half Yearly and Annual Results published at company's website www.sancopipes.com as well as at www.nseindia.com/emerge.

(II) News Releases
Official News, Releases are displayed on the Company website

(III) Website
The Company's website www.sancopipes.com contains a separate dedicated section to Investors, where the shareholders information and Financial Results are available.

GENERAL SHAREHOLDER INFORMATION

(I) Annual General Meeting
Day, Date and Time : Monday, August 25, 2014 at 11.30 A. M.
Venue : "Sancos" D-9, Aditya Mega Mall, CBD Ground, Shahdara Delhi-110032.
Date of Book Closure : Friday, July 4, 2014
Dividend Payout Date : N.A.

(II) Listing on Stock Exchange
The company's shares are listed with NSE Emerge stock exchange.
The details regarding the Stock Exchange and Stock code are as under:

Name of the Stock Exchange along with its Address	Symbol
National Stock Exchange Limited SME EMERGE Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051.	SANCO

(III) Market Price Data
The High, Low Share Price of the Company on the National Stock Exchange (NSE), Number of Shares traded and Net Turnover, during the period from April, 2013 to March, 2014 are as under:

Month	Share Prices		NSE Sensex		No. of shares traded	Net turnover (Rs. in thousands)
	High	Low	High	Low		
March 2014#	18.75	18.75	18.75	18.75	40000	750

*Source: www.nseindia.com/emerge

Company has listed as on 12th March, 2014, so data prior March, 2014 is not available.

(IV) Distribution of Shareholding and Shareholding Pattern
The Distribution of shareholding and shareholding pattern of the shares as on 31.03.2014 are as follows:

(V) Dematerialization of Shares and Liquidity
The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. As on 31.03.2014, 8570000 Equity Shares aggregating to 100% of the total Equity Capital is held in dematerialised form, of which 11.10% (952000 Equity Shares) of total equity capital is held in NSDL & 88.90% (7618000 Equity Shares) of total equity capital is held in CDSL as on 31.03.2014.

Security Code No of the company with NSDL and CDSL (ISIN) – INE 782L01012.

(VI) Registrar and Share Transfer Agent
The company has appointed Beetal Financial & Computer Services (P) Ltd. as the Registrar

and Share Transfer Agent of the company. The Correspondence address of the agent is as follows:

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor
99 Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi – 110 062
Email – beetal@beetalfinancial.com

(VII) Plant Location

WORKS (Existing)
Village Satiwala,
Tehsil Paonta Sahib,
Himachal Pradesh - 173025

(VIII) Correspondence Address

The Investor's may send their correspondence to the Registrar and Share Transfer agent or directly to the company at the following Address:

D-161, Surajmal Vihar (Near Karkardooma Court)
New Delhi – 110092.
Email: ipo@sancopipes.com

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,
The Board of Directors,
Sanco Industries Ltd.

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 52 of the Listing Agreement to further strengthen Corporate Governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them.

Place: Delhi
Date: 19th June, 2014

Sd/-
Sanjay Gupta
(Managing Director)

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Sanco Industries Ltd.

I have examined the compliance of condition of Corporate Governance by Sanco Industries Ltd. for the year ended 31st March 2014, as stipulated in Clause-52 of listing agreement of the said Company with the stock exchanges.

The Compliance of the condition of Corporate Governance is the responsibility of the management. My examination was limited to procedure and implementation thereof, adopted by the company for the compliance of the condition of the Corporate Governance. It is neither an auditor nor an expression of opinion on the financial statement of the company. In my opinion and to the best of information and according to the explanation given to me I certify that the company has complied with the condition of corporate Governance as stipulated in the said clause of the above mentioned Listing agreement (s). As per the record of the company, there were no investor complaints/grievances unattended for a period more than 30 days against the company.

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

Place: Delhi
Dated: 19st June, 2014

Sd/-
Vivek Sharma & Associates
(Practicing Company Secretary)
M. No. -28083
COP No.-10026

MANAGING DIRECTOR AND CFO CERTIFICATION

To,
The Board of Directors,
Sanco Industries Ltd.

We, Sanjay Gupta, Managing Director and Vipul Singhal, Chief Financial Officer of Sanco Industries Ltd., to the best of our knowledge and belief hereby certify that:

A. We have reviewed the financial statements and the cash flow statement of the Company for the year 31st March 2014 and that to the best to our knowledge and belief:

- (i) These statements does not contain any materially untrue statement or omit any material fact or contains statement/statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct;

C. We accept responsibility for the establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

D. We have indicated whatever applicable, to the auditor and to the audit committee.

- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
- iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Delhi
Date: 19th June, 2014

Sd/-
Sanjay Gupta
(Managing Director)

Sd/-
Vipul Singhal
(Chief Financial Officer)

Independent Auditor's Report

To the Members of
SANCO INDUSTRIES LIMITED.
Regd. Office: 9/51, BAZAR GALI,
VISHWAS NAGAR,
DELHI-110032

Report on the Financial Statements

1. We have audited the accompanying financial statements of SANCO INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Delhi
Date: 19/06/2014

For VIJAY MUKESH & CO.
Chartered Accountants
FRN: 014554N
Sd/-
CA SUNIL JAIN
(Partner)
M. No.: 094673

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF**M/s SANCO INDUSTRIES LIMITED****ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014.****(Referred to in paragraph 7 thereof)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- (b) As per the information and explanations given to us, there is a phased programme of physical verification of fixed assets adopted by the company and no materials discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its business.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) (a) As per the information furnished, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, having regard to the nature and location of the stocks, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of the physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of business.
- (c) The company is maintaining proper records of inventory. In our opinion, the discrepancies noticed on physical verification of stocks were not material in relation to the size of the company and the same have been properly dealt with the books of accounts.
- (iii) In respect to loans:
- (a) According to the information given to us, the company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 301 of Companies Act, 1956. Accordingly, paragraph 4(iii)(b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company for the current year.
- (b) According to information and explanation given to us, the company has not taken Loans from any parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of assets and for the sale and purchase of inventory fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that during the year, transactions that needed to be entered into the registered maintained under section 301 of the companies Act, 1956, has been duly entered.
- (vi) The Company has not accepted any deposits from the public within the meaning of the provision of Section 58 A and 58 AA of the companies Act, 1956.
- (vii) In our opinion the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are applicable to the co and as per the information provided by the management the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (ix) (a) In our opinion and according to the information and explanations given to us and records examined by us, the Company is in general regular in depositing, with the appropriate authorities, undisputed statutory dues including income tax, wealth tax, custom duty, cess, and other material statutory dues applicable to it except TDS of Rs. 806678.00, which has

not been has not deducted & deposited and due Advance Income Tax.

- (b) According to the information and explanation given to us there is disputed amount payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess for the period of more than six months from the date they become payable, except for Income Tax Demand of Rs.59,160 (A/Y 2009-10), Rs. 38,970 (A/Y 2010-11), and Rs. 72,42,280.00 (For A/Y 2012-13, against which company has deposited Rs. 64,14,172.00 as self assessment tax) for which rectification application has been filed.
- (c) According to the information and explanation given to us, there are no undisputed amounts outstanding over six months in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess for the period of more than six months from the date they become payable except Income tax demand of Rs.1,105.00 (previous assessment years).
- (x) In our opinion, since the company has neither any accumulated loss nor incurred losses in the current financial year and immediately preceding financial year, the clause 4(x) of the Companies (Auditors Report) order 2003 is not applicable.
- (xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debenture.
- (xii) On the Basis of our examination of the records and information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As per the information and explanations given to us the provisions of any Special Statute applicable to Chit Fund do not apply to the Company. The Company is also not a nidhi / mutual benefit fund /society.
- (xiv) In our opinion and according to explanations given to us, the company is not engaged in dealing or trading in shares, securities, debentures and other investments. Accordingly the clause 4(xiv) of the Companies (Auditors Report) order 2003 is not applicable.
- (xv) According to explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to information and explanations given to us, (on an overall basis) the term loans have been applied for which they were obtained.
- (xvii) In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that neither any short-term funds have been used for long term investments.
- (xviii) According to information and explanation given to us, the company has not made a preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any debenture during the year covered by our audit report.
- (xx) The company has raised Rs. 4,32,00,000.00 by public issue during the year covered by our audit report. (24,00,000 equity share of Rs. 10 each at a premium of Rs. 8 per share)
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Delhi
Date: 19/06/2014

For VIJAY MUKESH & CO.
Chartered Accountants
FRN: 014554N

CA SUNIL JAIN
(Partner)
M. No.: 094673

SANCO INDUSTRIES LIMITED



SANCO

SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
BALANCE SHEET AS AT 31/03/2014

Particulars	Note No	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	8,57,00,000.00	6,17,00,000.00
(b) Reserves and Surplus	3	14,34,51,342.85	11,02,33,869.39
(c) Money received against share warrants		0.00	0.00
		22,91,51,342.85	17,19,33,869.39
(2) Share application money pending allotment	4	0.00	0.00
	0.00		
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	3,40,29,964.72	3,27,98,527.97
(b) Deferred tax liabilities (Net)	6	4,11,618.00	9,71,303.00
(c) Other Long term liabilities	7	0.00	0.00
(d) Long-term provisions	8	18,24,514.61	12,30,801.61
		3,62,66,097.33	3,50,00,632.58
(4) Current Liabilities			
(a) Short-term borrowings	9	14,45,93,533.68	10,68,40,700.65
(b) Trade payables	10	9,58,78,230.55	12,14,94,990.14
(c) Other current liabilities	11	2,91,21,949.20	1,79,30,528.73
(d) Short-term provisions	12	41,64,958.78	81,31,258.00
		27,37,58,672.21	25,43,97,477.52
		53,91,76,112.39	46,13,31,979.49
		Total	
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	2,79,73,869.59	2,34,17,480.12
(ii) Intangible assets		2,791.80	4,653.00
(iii) Capital work-in-progress		30,37,128.00	1,27,72,683.00
(iv) Intangible assets under development		0.00	0.00
		3,10,13,789.39	3,61,94,816.12
(b) Non-current investments	14	3,50,00,000.00	3,50,00,000.00
(c) Deferred tax assets (net)		0.00	0.00
(d) Long term loans and advances	15	5,70,600.00	1,73,600.00
(e) Other non-current assets	16	2,10,51,401.42	2,01,10,940.64
		8,76,35,790.81	9,14,79,356.76
(2) Current assets			
(a) Current investments	17	0.00	0.00
(b) Inventories	18	10,52,06,215.39	5,80,98,513.53
(c) Trade receivables	19	29,44,53,422.38	28,65,17,789.95
(d) Cash and cash equivalents	20	1,49,56,691.30	83,88,943.40
(e) Short-term loans and advances	21	3,56,80,772.00	1,05,21,702.85
(f) Other current assets	22	12,43,220.51	63,25,673.00
		45,15,40,321.58	36,98,52,622.73
		53,91,76,112.39	46,13,31,979.49
		Total	

The notes are an integral part of these financial statements. 1 TO 50

For and on behalf of the Board

Auditors's Report
As per our report of even date
For Vijay Mukesh & Co.
Chartered Accountants
FRN No.: 014554N

Sd/-
Sanjay Gupta
Managing Director

Sd/-
Sidhant Gupta
Director

Sd/-
Preeti Gupta
Company Secretary

Sd/-
Vipul Singhal
CFO

Sd/-
(CA Sunil Jain)
Partner
M. No.: 094673

Place : DELHI
Dated : 19-06-2014

SANCO INDUSTRIES LIMITED



SANCO

SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31/03/2014

Particulars	Note No	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
I. Revenue from operations (net)	26	66,22,68,100.30	58,53,33,731.37
II. Other Income	27	11,75,778.60	5,15,105.03
III. Total Revenue (I +II)		66,34,43,878.90	58,58,48,836.40
IV. Expenses:			
a) Cost of materials consumed	28	24,96,60,278.60	28,36,64,218.39
b) Purchase of Stock-in-Trade	29	32,23,32,137.47	18,93,82,455.00
c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	30	1,57,82,977.16	27,35,173.08
d) Employee benefit expense	31	1,66,67,637.80	1,40,74,644.53
e) Financial costs	32	3,77,43,424.03	2,66,45,046.74
f) Depreciation and amortization expense	33	69,90,336.17	39,54,786.18
g) Other expenses	34	2,56,10,027.53	2,51,11,516.46
Total Expenses		64,32,20,864.44	54,55,67,840.38
V. Profit before exceptional and extraordinary items and tax (III - IV)		2,02,23,014.46	4,02,80,996.02
VI. Exceptional Items	35	0.00	0.00
VII. Profit before extraordinary items and tax (V - VI)		2,02,23,014.46	4,02,80,996.02
VIII. Extraordinary Items	36	0.00	0.00
IX. Profit before tax (VII - VIII)		2,02,23,014.46	4,02,80,996.02
X. Tax expense:	37	62,05,541.00	1,03,24,731.00
XI. Profit/(Loss) from the period from continuing operations (IX-X)		1,40,17,473.46	2,99,56,265.02
XII. Profit/(Loss) from discontinuing operations		0.00	0.00
XIII. Tax expense of discounting operations		0.00	0.00
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0.00	0.00
XV. Profit/(Loss) for the period (XI + XIV)		1,40,17,473.46	2,99,56,265.02
XVI. Earning per equity share:	39		
(1) Basic		1.64	4.86
(2) Diluted		1.64	4.86

The notes are an integral part of these financial statements. 1 TO 50

For and on behalf of the Board

Auditors's Report
As per our report of even date
For Vijay Mukesh & Co.
Chartered Accountants
FRN No.: 014554N

Sd/-
Sanjay Gupta
Managing Director

Sd/-
Sidhant Gupta
Director

Sd/-
Preeti Gupta
Company Secretary

Sd/-
Vipul Singhal
CFO

Sd/-
(CA Sunil Jain)
Partner
M. No.: 094673

Place : DELHI
Dated : 19-06-2014

SANCO INDUSTRIES LIMITED



SANCO

M/S SANCO INDUSTRIES LTD
9/51, BAZAR GALI, VISHWAS NAGAR, SHAHDARA, DELHI 110032
Cash Flow Statement as at and for the year ended March 31, 2014

	Figures as at the end of Current Reporting Period 31/03/2014	Figures as at the end of Pervious Reporting Period 31/03/2013
A CASH FLOW FROM OPERATING ACTIVITIES	Amount(Rs.)	Amount(Rs.)
Net Profit Before Tax	2,02,23,014.46	4,02,80,996.02
Adjustments for:		
Depreciation	69,90,336.17	39,54,786.18
Mat Credit adjustment	(26,00,267.22)	(17,70,103.00)
Other non current assets	-	-
Deferred Revenue Expenditure	-	-
Loss/(Profit) on sale of Assets	12,25,861.63	9,952.92
Provision for Gratuity & Leave Encashment	5,93,713.00	4,71,439.53
Interest & Finance Charges	3,27,47,528.29	2,16,39,823.96
TOTAL	3,89,57,171.87	2,43,05,899.59
Operating Profit before Working Capital Changes	5,91,80,186.33	6,45,86,895.61
Adjustments for:		
Decrease/(Increase) in Receivables	(79,35,632.43)	(8,17,88,596.52)
Decrease/(Increase) in Inventories	(4,71,07,701.86)	1,31,35,154.63
Decrease/(Increase) in other current Assets	(2,00,76,616.66)	4,32,46,290.15
Increase/(Decrease) in Other Current Liabilities	1,11,91,420.47	92,22,795.23
Increase/(Decrease) in Payables	(2,56,16,759.59)	2,38,11,743.91
Changes in Working Capital	(8,95,45,290.07)	76,27,387.40
Cash generated from operations	(3,03,65,103.74)	7,22,14,283.01
Income Tax paid	81,31,258.00	57,01,573.39
Net Cash flow from Operating activities	(3,84,96,361.74)	6,65,12,709.62
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,20,62,551.00)	(97,41,390.00)
Capital Work in Progress	97,35,555.00	-
Sale of Fixed Assets	14,30,769.00	21,31,878.40
Investments	-	(83,721.00)
Other non current assets	(4,23,971.85)	(28,19,881.00)
Dividend Income	-	-
Net Cash used in Investing activities	(13,20,198.85)	(1,05,13,113.60)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	3,89,84,269.78	(3,48,67,022.03)
Issue of shares	4,32,00,000.00	51,00,000.00
IPO Expenses	(30,52,433.00)	(13,56,257.00)
Interest paid	(3,27,47,528.29)	(2,16,39,823.96)
Net Cash used in financing activities	4,63,84,308.49	(5,27,63,102.99)
Net increase in cash & Cash Equivalents	65,67,747.90	32,36,493.03
Cash and Cash equivalents as at 01.04.13	83,88,943.40	51,52,450.37
Cash and Cash equivalents as at 31.03.14	1,49,56,691.30	83,88,943.40

Auditors's Report
As per our report of even date
For Vijay Mukesh & Co.
Chartered Accountants
FRN No.: 014554N

Sd/-
Sanjay Gupta
Managing Director

Sd/-
Sidhant Gupta
Director

Sd/-
Preeti Gupta
Company Secretary

Sd/-
Vipul Singhal
CFO

Sd/-
(CA Sunil Jain)
Partner
M. No.: 094673

Place : DELHI
Dated : 19-06-2014

M/S SANCO INDUSTRIES LIMITED

Corporate Information: Sanco Industries Limited (the 'Company') is engaged in manufacturing & Trading of PVC Resin, PVC Compound, PVC Pipe & Profiles, and Wire & Cables, Chemicals etc. Registered office of the Company is in the state of Delhi. The Company has manufacturing facilities in the State of Himachal Pradesh. The products of the Company are mainly sold in India. The Company has raised Rs. 4,32,00,000.00 through Public Issue during the year (24,00,000 equity shares of Rs. 10 each at a premium of Rs. 8 per share) which are fully subscribed and accordingly shares has been allotted as per Prospectus filed with Registrar of Companies and National Stock Exchange.

NOTE 1

Significant Accounting Policies

1A Basis of Accounting and Preparation of Financial Statements:

'The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 211 (3C) Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in the Schedule VI to the companies Act, 1956.

Accrual method of accounting is followed with regard to Income & Exp except ROC Fees on Payment basis.

1B. Fixed Assets:

Tangible Fixed Assets:

Fixed assets will be stated at cost (net of Cenvat, wherever applicable and including other expenses related to acquisition and installation and other directly attributable cost of bringing the assets to their working condition for intended use) less accumulated depreciation till the end of the Financial Year.

Intangible Fixed Assets:

Internally generated intangible asset arising from development activity are recognized only on demonstration of its technical feasibility, the intention and ability of the company to complete, use or sell it. The intangible assets are recorded at cost and are carried at cost less accumulated amortization.

Capital Work in Progress:

Capital work in progress includes cost of equipments and other expenses incidental to its acquisition which are not ready for use.

1C. Depreciation:

Depreciation on Fixed Assets is provided on Written down value method at the rate and in accordance with Schedule XIV to the Companies Act, 1956 on Pro-rata basis.

1D. Investments:

Long term investments are carried at cost after providing for any diminution in value, if such diminution is of a permanent nature.

Current investments are carried at lower of cost and market value.

- 1E. **Inventories:**
 Inventories are valued as follows:
 Raw Materials, components, stores and spares: At cost, cost is determined on FIFO basis.
 Finished Goods : Lower of cost and net realizable value.
- 1F **Revenue Recognition**
Sale of Goods:
 Revenue from sales of goods is recognized when risk and rewards in respect of the ownership of the goods are transferred to the customers.
- Interest:**
 Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- 1G **Borrowing Cost:**
 Borrowing cost includes Interest, ancillary costs incurred in connection with the arrangements of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as adjustment to the Interest Cost.
- Interest and other financing costs relating to borrowed funds attributable to the construction or acquisition of fixed assets have been capitalized to the extent if they relate to the period up to which the asset was ready to use (As per AS-16). All other borrowing costs are charged to the statement of Profit & Loss.
- 1H. **Employee Benefits:**
Leave Encashment
 Provision for Leave Encashment has been made periodically by the company.
- Provident Fund**
 Provident fund is a defined contribution scheme (Government Scheme) and the contributions are charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.
- Gratuity**
 Provision for gratuity has been made periodically by the company.
- 1I. **Earnings per share:**
 'Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares).

Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1J. Taxes on Income:

Provision for Income Tax comprises of current tax, deferred tax charge or release. Current Tax provisions are made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961. The provision for the tax is adjusted for Minimum Alternate Tax (MAT) paid in earlier years.

Deferred Tax resulting from “timing difference” between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

1K. Segment Accounting and reporting:

Segment accounting and reporting which is done in accordance with the accounting policies of the company and the guidelines prescribed by Accounting Standard 17, Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006 is as follows:

- i) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.
- iii) Segment assets and liabilities include those directly identifiable with respective segments.

1L. Foreign currency transactions:

- a) The reporting currency of the Company is Indian Rupee.
- b) Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates prevailing at the date of the transaction.
- c) Foreign Exchange differences on settlement/conversion are included in the statement of Profit and loss in the period in which they arise.

1M. Cash and Cash Equivalent:

Cash and Cash equivalents for the purpose of cash flow comprise of cash at bank and cash in hand and short term investments/ bank deposits.

1N. Provisions, contingent liabilities and contingent assets:

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - i) the company has a present obligation as a result of a past event.
 - ii) a probable outflow of resources is expected to settle the obligation and
 - iii) the amount of the obligation can be reliably estimated.
- b) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and updated/ recognized as appropriate.

SANCO INDUSTRIES LIMITED



SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
2	Share Capital		
	(A) Equity Share Capital		
	a) Authorised Share capital		
	(14000000 equity shares of Rs. 10/- each)		
	(Previous Year :14000000 equity shares of Rs. 10/- each)	14,00,00,000.00	14,00,00,000.00
	b) Issued Subscribed & full Paid Share capital		
	(85,70,000 equity shares of Rs. 10/- each)		
	(Previous Year :61,70,000 equity shares of Rs. 10/- each)	8,57,00,000.00	6,17,00,000.00
	(B) Preference Share Capital		
	Authorised Share capital	0.00	0.00
	Issued, subscribed & fully paid share capital	0.00	0.00
	Calls unpaid	0.00	0.00
	Forfeited shares	0.00	0.00
	Total	8,57,00,000.00	6,17,00,000.00
2.1	Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
	Equity Shares at the beginning of the year	61,70,000.00	60,00,000.00
	Add: Shares issued during the year (Incl Bonus & ESOP Shares)	24,00,000.00	1,70,000.00
	Total	85,70,000.00	61,70,000.00
	Less: Buyback/Conversion/Other Changes	0.00	0.00
	Equity Shares at the end of the year	85,70,000.00	61,70,000.00
2.2	Details of shares held by each shareholder holding more than 5% shares:	"No. of Shares (% of Holding)"	"No. of Shares (% of Holding)"
	Mr.Sanjay Gupta	833700 (9.73%)	833700 (13.51%)
	M/s Sanjay Gupta HUF	3362800 (39.24%)	3362800 (54.50%)
	Ms. Shakuntla Gupta	502000 (5.86%)	502000 (8.13%)
	Mr. Anurag Gupta	699800 (8.17%)	699800 (11.34%)
	M/s CPR Capital Services Limited	872000 (10.18%)	-

SANCO INDUSTRIES LIMITED



SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
3	Reserves and Surplus		
	a) Capital Reserves	0.00	0.00
	b) Capital Redemption Reserves	0.00	0.00
	c) Securities Premium Reserves		
	Opening balance	34,00,000.00	0.00
	Add: Additions during the year	1,92,00,000.00	34,00,000.00
	Less: Utilised / transferred during the year	0.00	0.00
	Closing balance	2,26,00,000.00	34,00,000.00
	d) Debenture Redemption Reserves	0.00	0.00
	e) Revaluation Reserves		
	Opening balance	0.00	0.00
	Less: Utilised / transferred during the year	0.00	0.00
	Closing balance	0.00	0.00
	f) General Reserves		
	Opening balance	0.00	0.00
	Add: Additions during the year	0.00	
	Less: Utilised / transferred during the year	0.00	0.00
	Closing balance	0.00	0.00
	g) Surplus in statement of Profit and Loss		
	Opening Balance	9,63,60,673.39	6,64,04,408.37
	Profit for the period	1,40,17,473.46	2,99,56,265.02
	Less: Appropriations		
	Interim Dividend	0.00	0.00
	Proposed Final Dividend	0.00	0.00
	Tax on Dividend	0.00	0.00
	Transfer to General Reserve	0.00	0.00
	Closing balance	11,03,78,146.85	9,63,60,673.39
	h) Other Reserves		
	Specify the nature and purpose	1,04,73,196.00	1,04,73,196.00
	Total	14,34,51,342.85	11,02,33,869.39
	Money Received against share warrants	0.00	0.00
4	Share application money pending allotment	0.00	0.00

SANCO INDUSTRIES LIMITED



SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
	NON CURRENT LIABILITIES :		
5	Long-term borrowings		
	(A) Secured		
	a) Bonds/Debentures	0.00	0.00
	b) Term Loans		
	(i) From Banks:		
	HDFC Bank Ltd. (Aagainst hypothecation of Car A - Star)	1,00,366.60	1,75,417.36
	HDFC Bank Ltd. (Aagainst hypothecation of Eeco Car)	0.00	22208.51
	State Bank of India (Against Hyp. Of Car)	9,09,890.00	0.00
	SIDBI (Against Mortgage of Machinery)	54,72,165.00	83,37,786.00
	(ii) From Others :		
	BMW Financial Services (Against hypothecation of BMW Car)	8,36,508.53	12,45,987.87
	Intec Capital Ltd. (Secured against personal property of Third Party)	33,27,620.90	34,18,433.23
	Loan From LIC	98,40,411.00	91,58,571.00
		2,04,86,962.03	2,23,58,403.97
	(B) Unsecured		
	a) Bonds/Debentures	0.00	0.00
	b) Term Loans		
	(i) From Banks:	0.00	0.00
	(ii) From Other Parties:		
	Capital First Limited	14,77,076.03	0.00
	ECL Finance Ltd.	24,18,918.00	0.00
	ICICI Bank Ltd.	13,73,160.00	0.00
	Magma Fincorp Ltd.	24,06,895.66	0.00
	Religare Finvest Ltd.	21,52,731.00	0.00
	Bajaj Finance Limited	19,00,424.00	7,77,752.00
	TATA Capital Financial Services Ltd.	18,13,798.00	96,62,372.00
	c) Loans and advances from related parties	0.00	0.00
	d) Deferred payment liabilities	0.00	0.00
	e) Deposits:-	0.00	0.00
		1,35,43,002.69	1,04,40,124.00
	Total	3,40,29,964.72	3,27,98,527.97

SANCO INDUSTRIES LIMITED



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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
6	Deferred Tax Liabilities (Net):		
	Deferred Tax Liabilities :		
	Depreciation	-5,59,685.00	3,84,978.00
	last year balance	9,71,303.00	586325.00
	Deferred Tax Assets :		
	Provision For Doubtful Debts	0.00	0.00
	Provision For Leave Encashment	0.00	0.00
	others	0.00	0.00
	Total	4,11,618.00	9,71,303.00
7	Other long term liabilities		
	a) Trade Payables		
	Trade Payables	0.00	0.00
	b) Others	0.00	0.00
	Total	0.00	0.00
8	Long-term provisions		
	a) Provision for employee benefits		
	Gratuity & Leave Encashment	18,24,514.61	12,30,801.61
	(b) Provision - Others:	0.00	0.00
	Total	18,24,514.61	12,30,801.61

SANCO INDUSTRIES LIMITED



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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
9	Short-terms borrowings		
	(A) Secured		
	a) Loans repayable on demand	0.00	0.00
	b) Loans and advances from related parties	0.00	0.00
	c) Deposits	0.00	0.00
	d) Other loans and advances	0.00	0.00
	Central Bank of India O/D	8,13,01,189.83	9,48,95,920.85
	Central Bank of India CA	62,706.00	9,33,382.00
	Kotak Mahindra Bank	92,889.88	15,17,201.80
	Loan From Aditya Birla Finance pvt ltd (Under Channel Financing Scheme)	4,45,24,392.00	0.00
	Loan From NSIC (Under Raw Material Assistance Scheme)	1,86,12,355.97	94,94,196.00
	Total	14,45,93,533.68	10,68,40,700.65
	(B) Unsecured		
	a) Loans repayable on demand	0.00	0.00
	b) Loans and advances from related parties	0.00	0.00
	c) Deposits	0.00	0.00
	d) Other loans and advances	0.00	0.00
	Inter Corporate Loans	0.00	0.00
	Total	0.00	0.00
	Total	14,45,93,533.68	10,68,40,700.65
10	TRADE PAYABLES		
	TRADE PAYABLES	9,58,78,230.55	12,14,94,990.14
	Total	9,58,78,230.55	12,14,94,990.14

SANCO INDUSTRIES LIMITED



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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note Particulars No	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
11 Other current liabilities		
a) Current maturities of long term debt:		
HDFC Bank Ltd. (Aagainst hypothecation of Car A - Star)	74,488.15	66,107.70
HDFC Bank Ltd. (Aagainst hypothecation of Eeco Car)	21,146.25	1,16,675.66
Capital First Limited	9,46,234.25	0.00
ECL Finance Ltd.	9,80,713.00	0.00
ICICI Bank Ltd.	14,16,064.00	0.00
BMW Financial Services (Aagainst hypothecation of BMW Car)	4,06,185.47	364634.88
Intec Capital Ltd.	1,01,12,435.78	4573609.12
Intec Capital Ltd.	33,93,606.23	0.00
Magma Fincorp Ltd.	9,87,580.00	0.00
Religare Finvest Ltd	8,31,345.00	0.00
TATA Capital Financial Services Ltd.	14,90,189.00	67,74,000.00
State Bank of India (Against Hyp. Of Car)	2,34,000.00	0.00
Bajaj Finance Limited BL	18,69,882.00	19,65,192.00
b) Current maturities of finance lease obligation	0.00	0.00
c) Interest accrued but not due on borrowings	0.00	0.00
d) Interest accrued and due on borrowings	0.00	0.00
e) Income received in advance	0.00	0.00
f) Unpaid dividends	0.00	0.00
g) Refundable share application money	0.00	0.00
h) Unpaid matured deposits and interest accrued thereon	0.00	0.00
i) Unpaid matured debentures and interest accrued thereon	0.00	0.00
j) Other payables		
(i) Advances from customers	36,62,297.00	11,48,136.00
(ii) Duties & Taxes Payable	1,35,436.07	0.00
(iii) Branch a/c	0.00	0.00
(iv) Others : Expense Payable	25,60,347.00	29,22,173.37
Total	2,91,21,949.20	1,79,30,528.73
12 Short-term provisions		
a) Provision for employee benefits	0.00	0.00
(b) Provision - Others:		
(i) Provision for Income Tax	41,64,958.78	81,31,258.00
Total	41,64,958.78	81,31,258.00

SANCO INDUSTRIES LIMITED



**SANCO INDUSTRIES LIMITED
FIXED ASSETS AS ON 31 MARCH, 2014 AS PER COMPANIES ACT 1956**

NAME OF ASSETS	GROSS As on 01/04/2013	BLOCK		DEPRECIATION				NET BLOCK		
		Add.	Adj.	Total	As on 01/04/2013	During the year	Adj.	Total	As on 31-03-2014	As on 31-03*2013
Free Hold										
Land Paonta Sahib	6,61,224.00	-	-	6,61,224.00	-	-	-	-	6,61,224.00	6,61,224.00
Lease Hold										
Land DSIDC	7,54,222.00	-	-	7,54,222.00	-	-	-	-	7,54,222.00	7,54,222.00
Free Hold										
Buildings	1,08,10,226.02	-	-	1,08,10,226.02	51,83,910.83	5,62,631.52	-	57,46,542.35	50,63,683.67	56,26,315.19
"Office Equipments"	10,66,860.80	23,949.00	-	10,90,809.80	6,23,089.99	1,05,158.15	-	7,28,248.14	3,62,561.66	4,43,770.81
"Furniture & Fixtures"	45,889.00	2,178.00	-	48,067.00	34,863.57	2,126.29	-	36,989.86	11,077.14	11,025.43
"Plants & Equipments"	2,67,74,889.04	1,05,12,130.00	74,27,850.00	2,98,59,169.04	1,34,61,381.24	31,44,611.14	47,71,219.64	1,18,34,772.74	1,80,24,396.30	1,33,13,507.80
Vehicals	65,49,796.00	15,24,294.00	-	80,74,090.00	39,42,380.30	10,35,004.88	-	49,77,385.18	30,96,704.82	26,07,415.70
Total (A)	4,66,63,106.86	1,20,62,551.00	74,27,850.00	5,12,97,807.86	2,32,45,625.93	48,49,531.98	47,71,219.64	2,33,23,938.27	2,79,73,869.59	2,34,17,480.93
Intangible Assets										
Computer Software	9,000.00	-	-	9,000.00	4,347.00	1,861.20	-	6,208.20	2,791.80	4,653.00
Total (B)	9,000.00	-	-	9,000.00	4,347.00	1,861.20	-	6,208.20	2,791.80	4,653.00
Capital Work in Progress	1,27,72,683.00	-	97,35,555.00	30,37,128.00	-	-	-	-	30,37,128.00	30,37,128.00
Total (C)	1,27,72,683.00	-	97,35,555.00	30,37,128.00	-	-	-	-	30,37,128.00	30,37,128.00
Total (A+B+C)	5,94,44,789.86	1,20,62,551.00	1,71,63,405.00	5,43,43,935.86	2,32,49,972.93	48,51,393.18	47,71,219.64	2,33,30,146.47	3,10,13,789.39	2,64,59,261.93
Previous year	5,31,81,444.06	98,25,111.00	35,61,766.00	5,94,44,789.06	2,07,15,121.16	39,54,786.18	14,19,934.40	2,32,49,972.94	3,61,94,816.12	3,24,66,323.70

SANCO INDUSTRIES LIMITED



SANCO INDUSTRIES LIMITED
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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note Particulars No	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
NON CURRENT ASSETS :		
14 Non-current investments		
a) Trade Investments		
Unquoted Equity Shares (on Cost Price)	3,50,00,000.00	3,50,00,000.00
Fully Paid Preference Shares	0.00	0.00
b) Investment in property	0.00	0.00
c) Investments in Equity instruments	0.00	0.00
d) Investments in Preference shares	0.00	0.00
e) Investments in Government and Trust securities	0.00	0.00
f) Investments in Debentures or bonds	0.00	0.00
g) Investments in Mutual funds	0.00	0.00
h) Investments in Partnership firms	0.00	0.00
i) Other non-current investments	0.00	0.00
Total	3,50,00,000.00	3,50,00,000.00
15 Long Term Loans and Advances		
(A) Secured considered good		
a) Capital Advances	0.00	0.00
b) Security Deposits	0.00	0.00
c) Loans and advances to related parties	0.00	0.00
d) Other loans and advances	0.00	0.00
Sub Total	0.00	0.00
(B) Unsecured considered good		
a) Capital Advances	0.00	0.00
b) Security Deposits	5,70,600.00	1,73,600.00
c) Loans and advances to related parties	0.00	0.00
d) Other loans and advances :	0.00	0.00
Sub Total	5,70,600.00	1,73,600.00
(C) Doubtful		
a) Capital Advances	0.00	0.00
b) Security Deposits	0.00	0.00
c) Loans and advances to related parties	0.00	0.00
d) Other loans and advances	0.00	0.00
Sub Total	0.00	0.00
Total	5,70,600.00	1,73,600.00

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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
16	Other non-current assets		
	Long term trade receivables :		
	Secured considered good	0.00	0.00
	Unsecured considered good	0.00	0.00
	Doubtful	0.00	0.00
	TOTAL	0.00	0.00
	Preliminary & Pre operative Expenses :		
	Opening Balance/Addition	1,06,94,717.00	76,42,284.00
	Less:Written off during the year	21,38,943.00	0.00
		85,55,774.00	76,42,284.00
	MAT Credit Entitlement	78,48,432.64	96,18,535.64
	Less:Written off during the year	26,00,267.22	17,70,103.00
	TOTAL	52,48,165.42	78,48,432.64
	Others :		
	Margin Money Deposit with banks	72,47,462.00	46,20,224.00
	Total	2,10,51,401.42	2,01,10,940.64
	CURRENT ASSETS :		
17	Current Investments		
	a) Trade Investments	0.00	0.00
	b) Investment in property	0.00	0.00
	c) Investments in Equity instruments	0.00	0.00
	d) Investments in Preference shares	0.00	0.00
	e) Investments in Government and Trust securities	0.00	0.00
	f) Investments in Debentures or bonds	0.00	0.00
	g) Investments in Mutual funds :	0.00	0.00
	h) Investments in Partnership firms	0.00	0.00
	i) Other current investments	0.00	0.00
	Total	0.00	0.00
18	Inventories		
	Raw materials	5,67,87,772.50	2,54,63,047.80
	Work in progress	0.00	0.00
	Finished goods	4,48,48,886.48	3,02,95,465.73
	Stock in trade	35,69,556.41	23,40,000.00
	Stores and spares	0.00	0.00
	Loose Tools	0.00	0.00
	Others	0.00	0.00
	Total	10,52,06,215.39	5,80,98,513.53

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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
19	Trade receivables		
	a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	5,52,12,624.88	5,17,69,454.32
	b) Other Trade receivables	23,92,40,797.50	23,47,48,334.55
	Consider doubtful	0.00	0.00
	Less: Allowance for Bad debts	0.00	0.00
	Total	29,44,53,422.38	28,65,17,788.87
20	Cash and cash equivalents		
	(a) Cash in hand	6,28,373.90	17,03,728.90
	(b) Cheques, drafts on hand	0.00	0.00
	(c) Balances with banks		
	(i) In current accounts	11,86,546.40	61,48,214.50
	(ii) In ESCROW accounts	10,000.00	0.00
	(iii) In Fixed deposit accounts	1,31,31,771.00	5,37,000.00
	(iv) In earmarked accounts	0.00	0.00
	(v) In Unpaid Dividend Accounts	0.00	0.00
	(vi) Others	0.00	0.00
	Total	1,49,56,691.30	83,88,943.40
21	Short term loans and advances: (Unsecured Considered good)		
	a) Loans and advances to related parties	0.00	0.00
	b) Security deposits	0.00	0.00
	c) Loans and advances for capital goods	0.00	0.00
	d) Prepaid expenses - Unsecured, considered good (Bank Guarantee)	0.00	0.00
	e) Balances with government authorities		
	(i) Vat Receivable	0.00	0.00
	(ii) Income Tax A.Y. 05-06	1,00,000.00	1,00,000.00
	(iii) Special Additional Duty	0.00	0.00
	(iv) TDS 48,450.00	0.00	0.00
	f) Inter-corporate deposits	0.00	0.00
	g) Others : Advance with Suppliers	1,68,67,807.00	98,42,485.85
	h) Others: Advance for Fixed Assets	1,81,50,000.00	0.00
	i) other advances	5,14,515.00	5,79,217.00
	Total	3,56,80,772.00	1,05,21,702.85

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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
22	Other current assets		
	(a) Accruals		
	(i) Interest accrued on investments	4,71,528.51	69,857.00
	(ii) Incidental Charges Accrued	0.00	0.00
	(b) Prepaid Expenses	1,07,846.00	1,37,316.00
	(c) BRANCH	0.00	0.00
	Other current assets	663846.00	6118500.00
	Total	12,43,220.51	63,25,673.00
23	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities		
	(i) Claims against the company not acknowledged as debt	0.00	0.00
	(ii) Guarantees (Bank Guarantee given to NSIC)	2,00,00,000.00	1,00,00,000.00
	(iii) Other money for which the company is contingently liable	0.00	0.00
	Sub Total	2,00,00,000.00	1,00,00,000.00
24	Commitments		
	(i) Estimated amount of contracts unexecuted on capital account	0.00	0.00
	(ii) Uncalled liability on shares and other investments partly paid	0.00	0.00
	(iii) Other commitments	0.00	0.00
	Sub Total	0.00	0.00
	Total	2,00,00,000.00	1,00,00,000.00
25	<u>THE AMOUNT OF DIVIDENDS PROPOSED TO BE DISTRIBUTED TO EQUITY AND PREFERENCE SHAREHOLDERS FOR THE PERIOD</u>		
	AMOUNT OF DIVIDEND PROPOSED	Nil	Nil
	AMOUNT PER EQUITY SHARE	Nil	Nil
26	Revenue from Operations (for companies other than a finance company)		
	Sale of products :		
	Finished Goods	33,25,99,156.00	38,33,65,756.38
	Traded Goods	32,96,68,944.30	20,19,67,974.99
	Sale of services	0.00	0.00
	Other operating revenues :		
	Less: Excise Duty	0.00	0.00
	Net Revenue From Operation	66,22,68,100.30	58,53,33,731.37

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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
27	Other Income		
	a) Interest income		
	(i) From Banks	1,83,846.62	4,67,816.00
	(ii) From Others	9,34,313.38	46,920.00
	(iii) From Loans & Advances	0.00	0.00
	(iv) On Income Tax Refunds	0.00	0.00
	b) Dividend income		
	(ii) On long-term investments	0.00	0.00
	c) Net gain/ loss on sale of investments	0.00	0.00
	d) Income on units of mutual fund	0.00	0.00
	e) Other non-operating income (net of expenses directly attributable to such income)	0.00	0.00
	(i) Miscellaneous income [net of expenses directly attributable]	57,618.60	369.03
	Total	11,75,778.60	5,15,105.03
	EXPENSES :		
28	Cost of materials consumed		
	a) Opening Stock	2,54,63,047.80	3,58,63,029.35
	b) Add: Purchases	28,09,85,003.30	27,32,64,236.84
		30,64,48,051.10	30,91,27,266.19
	c) Less: Closing stock	5,67,87,772.50	2,54,63,047.80
	Total	24,96,60,278.60	28,36,64,218.39
29	Purchase of Stock in Trade/Traded Goods		
	Purchases	32,23,32,137.47	189382455.00
	Total	32,23,32,137.47	18,93,82,455.00

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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
30	Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	a) Inventories at the end of the year:		
	(i) Finished goods	4,48,48,886.48	3,02,95,465.73
	(ii) Work-in-progress	0.00	0.00
	(iii) Stock-in-trade	35,69,556.41	23,40,000.00
		4,84,18,442.89	3,26,35,465.73
	b) Inventories at the beginning of the year:		
	(i) Finished goods	3,02,95,465.73	2,86,88,433.76
	(ii) Work-in-progress	0.00	0.00
	(iii) Stock-in-trade	23,40,000.00	66,82,205.05
		3,26,35,465.73	3,53,70,638.81
	Net (Increase) / Decrease	-1,57,82,977.16	27,35,173.08
31	Employee Benefits Expense		
	a) Salaries and wages	93,52,613.00	85,34,240.00
	b) Director Remuneration	15,00,000.00	15,00,000.00
	b) Contribution to provident and other funds	9,45,581.00	8,75,040.00
	c) Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	0.00	0.00
	d) Gratuity and Leave Encashment	5,93,713.00	5,51,431.53
	e) KeyMan Insurance	31,60,173.80	19,17,728.00
	f) Staff welfare expenses	11,15,557.00	6,96,205.00
	Total	1,66,67,637.80	1,40,74,644.53
32	Finance Costs		
	a) Interest expenses		
	Interest to Bank	1,39,76,493.77	1,52,86,611.91
	Interest to Parties/Distributors	0.00	0.00
	Interest to bank on loan	0.00	0.00
	Interest on TDS and other Taxes	0.00	0.00
	Interest to others	1,87,71,034.52	63,53,212.05
	b) Other borrowing costs	49,95,895.74	32,66,150.78
	c) Applicable net gain/ loss on foreign currency transactions/ traslation	0.00	17,39,072.00
	Total	3,77,43,424.03	2,66,45,046.74

SANCO INDUSTRIES LIMITED



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NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
33	Depreciation and Amortization Expense :		
	Depreciation	48,51,393.17	39,54,786.18
	Preliminary and Pre-operative Expense written off	21,38,943.00	0.00
		69,90,336.17	39,54,786.18
34	Other Expenses		
A	MANUFACTURING EXPENSE :		
	Customs & Import Duty	23,67,632.00	2,16,204.00
	Consignment Clearing Charges	0.00	28,090.00
	Freight & Forwarding Charges	51,03,942.00	39,30,181.92
	Loading/Unloading Charges	26,878.87	2,65,450.00
	Power & Electricity	82,72,997.00	83,78,161.00
	Machinery Maint.	8,93,804.00	1,64,983.00
	Water Expenses	2,703.00	0.00
		1,66,67,956.87	1,29,83,069.92
B	ADMINISTRATIVE EXPENSE :		
	Additional Sales Tax Demand	1,30,644.00	13,78,389.00
	Additional ESIC Demand	0.00	42,838.00
	BIS fees	1,21,013.00	1,19,691.00
	Car Expenses	80,590.00	1,55,154.00
	Computer Expenses	83,980.00	37,700.00
	Conveyance Expenses	5,27,667.32	4,48,523.50
	Carriage and Forwarding Charges for Imports	11,236.00	0.00
	Charity & Donation	1,000.00	5,05,000.00
	Festival Celebration Expenses	85,827.00	81,205.00
	Electricity Expenses	1,57,350.00	1,60,310.00
	Inspection Charges	7,865.00	0.00
	Fees & Subscription	60,551.00	75,257.00
	Misc Expenses	3,12,154.31	1,33,424.00
	Registration Fees	25,156.00	0.00
	ROC Charges	36,042.00	16,618.00
	News Paper & Periodicals	792.00	2,117.00
	Insurance	2,46,213.00	1,69,803.00
	Legal & Professional Expenses	7,99,082.00	9,36,096.00
	Marking Fees	3,000.00	0.00
	Audit Fees	56,180.00	29,775.00
	Postage & Courier Expenses	31,236.00	27,456.00
	Printing & Stationery	91,769.00	53,498.00
	Repair & Maintenance	1,38,957.00	3,79,641.00

SANCO INDUSTRIES LIMITED



SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
	Rent Paid	8,58,000.00	8,98,000.00
	incorporation charges	2,24,042.00	0.00
	renewal fees	16,000.00	0.00
	stamp fee	5,490.00	0.00
	tendor fee	1,000.00	0.00
	Telephone Expenses	2,67,009.40	2,67,303.63
	Security Expenses	1,21,748.00	1,54,539.00
	Loss on Sale of Fixed Assets	12,25,861.63	9,952.92
	Service Tax	9,211.00	76,379.00
	Web Space Charges	14,000.00	13,500.00
		57,50,666.66	61,72,170.05
C	SELLING & DISTRIBUTION EXPENSE :		
	Bad Debts	0.00	0.00
	Sale Commission & Incentives	8,259.00	40,467.00
	Travelling Expenses	3,80,681.00	5,28,085.49
	Truck Running Expenses	16,96,760.00	22,83,192.00
	Publicity & Advertisement	24,000.00	30,766.00
	Discount Allowed	10,81,704.00	30,71,789.00
	Dr/Cr W/o	0.00	1,977.00
		31,91,404.00	59,56,276.49
	Grand Total	2,56,10,027.53	2,51,11,516.46

AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

When items of income or expense within profit or loss from ordinary activities are of size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such item is disclosed separately.

AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

Extraordinary items- income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprises and are not expected to recur frequently or regularly.
 from the ordinary activities of the enterprises and are not expected to recur frequently or regularly.

The nature and amount of each extraordinary item is separately disclosed in the statement of Profit and Loss in such manner that its impact on current profit or loss can be perceived.

SANCO INDUSTRIES LIMITED



SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
37	Tax expense:		
	a) Current tax	67,65,226.00	99,39,753.00
	b) Current tax expense relating to prior years	0.00	0.00
	c) Deferred tax	-5,59,685.00	3,84,978.00
	Total	62,05,541.00	1,03,24,731.00
38	Tax expense of discontinuing operations	0.00	0.00
	Total	0.00	0.00
39	Earning Per Share		
	Disclosure as required by Accounting Standard (AS)-20 Earnings Per Share (EPS)		
	Basic EPS		
	Weighted average number of shares issued (A)	85,70,000.00	61,70,000.00
	Profit for the year after tax (B)	1,40,17,473.46	2,99,56,265.02
	Basic EPS (B/A)	1.64	4.86
	Diluted EPS		
	Weighted average number of shares issued (C)	85,70,000.00	61,70,000.00
	Diluted EPS (B/c)	1.64	4.86
40	PAYMENT TO THE AUDITORS AS		
	AUDITOR STATUTORY AUDITOR	56,180.00	29,775.00
	FOR TAXATION MATTERS	0.00	0.00
	FOR COMPANY LAW MATTERS	0.00	0.00
	FOR MANAGEMENT SERVICES	0.00	0.00
	FOR OTHER SERVICES	0.00	0.00
	For Certification Work	0.00	0.00
	FOR REIMBURSEMENT OF EXPENSES	0.00	0.00
	TOTAL	56,180.00	29,775.00
41	VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF		
I	RAW MATERIALS;	16302000.00	16,23,707.00
II	COMPONENTS AND SPARE PARTS;	0.00	0.00
III	CAPITAL GOODS;	0.00	0.00
	TOTAL	1,63,02,000.00	16,23,707.00

SANCO INDUSTRIES LIMITED



SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

Note No	Particulars	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
42	EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR ON ACCOUNT OF		
	ROYALTY	0.00	0.00
	KNOWHOW	0.00	0.00
	PROFESSIONAL AND CONSULTATION FEES	0.00	0.00
	INTEREST	0.00	0.00
	FOREIGN TRAVELLING	0.00	0.00
	FEES AND TAXES	0.00	0.00
	TOTAL	0.00	0.00
43	THE AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDENDS	NIL	NIL
44	EARNING IN FOREIGN EXCHANGE		
I	EXPORT OF GOODS ON FOB BASIS;	0.00	0.00
II	ROYALTY,KNOWHOW,PROFESSIONAL AND CONSULTANCY FEES;	0.00	0.00
III	INTEREST AND DIVIDENDS;	0.00	0.00
IV	OTHER INCOME;	0.00	0.00
	TOTAL	0.00	0.00
45	Details of Related Party Transactions		
	Disclosures as required by Accounting Standard (AS)-18 'Related Party Disclosures.		
(i)	List of Related Parties	Relationship	
	Sanjay Gupta	Director	
	Shakuntla Gupta	Director	
	Sidhant Gupta	Director	
	Rita Gupta	Wife of Director	
	Superlink Polyfab Ltd.	Enterprise over which Key Management Personnel are able to exercise significant influence.	
	Sanco Enterprises Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant influence.	
	Sanjita Polymat Ltd. (Hong kong)	100% Subsidiary company	

(ii) Transaction with the related Parties during the year

**LOAN TAKEN/PAID FROM RELATED PARTIES
 DURING THE CURRENT YEAR:**

**LOAN TAKEN
 NIL**

**LOAN PAID
 NIL**

DIRECTOR REMUNERATION:

Amount (INR)

SANJAY GUPTA	600000.00
SHAKUNTLA GUPTA	600000.00
SIDHANT GUPTA	300000.00

TOTAL 1500000.00

RENT PAID TO RELATED PARTIES:

SHAKUNTLA GUPTA	450000.00
RITA GUPTA	150000.00

TOTAL 600000.00

SANCO INDUSTRIES LIMITED
COMPANY NO:-U74899DL1989PLC035549
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31/03/2014

46 Segment Reporting :

a) Primary Segment Reporting : (by business segment)

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS - 17), taking into account the organizational structure as well as the differential risk and returns of these segments. detail of products included in each of the segments are as under :

Manufacturing Goods :	PVC PIPES, WIRE & CABLE, COPPER WIRE
Trading Goods:	PVC RESIN, COPPER WIRE AND OTHERS

2. INFORMATION ABOUT BUSINESS SEGMENTS:

	MANUFACTURING	TRADING	TOTAL
A REVENUE	(RS)	(RS)	(RS)
GROSS SALES	332599156.00	329668944.30	662268100.30
OTHER INCOME	1175778.60	0.00	1175778.60
TOTAL REVENUE	333774934.60	329668944.30	663443878.90
B RESULTS			
SEGMENT RESULT (PBIT)	47991564.64	4978978.11	52970542.75
INTEREST	30666487.29	2081041.00	32747528.29
PROFIT BEFORE TAX	17325077.35	2897937.11	20223014.46
PROVISION FOR CURRENT TAX	0.00	0.00	6765226.00
DEFFERED TAX	0.00	0.00	-559685.00
PROFIT AFTER TAX	0.00	0.00	20782699.46
C OTHER INFORMATION			
SEGMENT ASSETS	431856783.67	123364219.92	555221003.59
SEGMENT LIABILITIES	205603377.93	120466282.81	326069660.74
DEPRECIATION	6990336.17	0.00	6990336.17

b) Secondary Segment Reporting (by geographic segment)- Business Segment & Geographical segments are same.

NOTES ON ACCOUNTS

47. M/s Sanjita Polymet Ltd. (Company incorporated in Hong Kong as 100% subsidiary of M/s Sanco Industries Ltd. w.e.f. August,2013) is not in operation till date and no Capital has been introduced so far in this company. That is why is not required to give consolidated accounts.
48. In the absence of confirmation from the parties the debit & credit balances in respect of Sundry Debtors, Security Deposits and Advances received from Customers & Sundry Creditors have been taken as reflected in the books. Balance appearing under the heads Current Assets, Loans and Advances and Current Liabilities are subject to confirmation.
- 48A In the opinion of the Board of Directors of the company, the current assets, loans and advances have the value at least equal to the figures stated in the Balance Sheet on realization in the ordinary course of business and provision for all determinable/known liabilities have been made in the accounts when reliable estimates can be made of the amount of obligation.
49. **Previous year Figures** have been reworked, regrouped, re-arranged and reclassified wherever considered necessary to make them comparable with current year's figures.
50. There has no Default of Principal repayment and interest repayment on Long term Borrowings and Short term Borrowings.

For Vijay Mukesh & Co.
Chartered Accountants
FRN : 014554N

FOR SANCO INDUSTRIES LIMITED.

Sd/-
(CA Sunil Jain)
Partner
M. No.: 094673

Sd/-
Sanjay Gupta
Managing Director

Sd/-
Sidhant Gupta
Director

Sd/-
Preeti Gupta
Company Secretary

Sd/-
Vipul Singhal
CFO

Place : DELHI
Dated : 19-06-2014

Attendance Slip
24th ANNUAL GENERAL MEETING – 25.08.2014

REGISTERED FOLIO NO./DP ID NO. /CLIENT ID NO.

--	--	--	--	--	--	--	--	--	--	--	--	--

Numbers of Shares held

--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member/proxy for the members of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company at 11:30 A.M. at “**Sancos**” D-9, Aditya Mega Mall, CBD Ground, Shahdara, Delhi-110032 as on Monday, 25th August, 2014.

.....
Signature of Member/Proxy

.....
Name of Member/Proxy
(In BLOCK letters)

Note:

1. Please complete the folio /DP Id –Client ID and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF MEETING HALL.

PROXY FORM
24th ANNUAL GENERAL MEETING – 25.08.2014

1. Name of Member:
2. Registered Address:
3. E-mail Id:
4. Folio/DP ID Client ID No.

I/we being the member(s) of theshares of above named company hereby appoint:

1. Name.....Address:.....
 Email Id.....Signature.....or failing him:
2. Name.....Address:.....
 Email Id.....Signature.....or failing him:
3. Name.....Address:.....
 Email Id.....Signature.....or failing him:

as my proxy to attend and vote (on a poll) for me/our behalf at the 24th Annual General Meeting of the Company to be held on Monday, 25th August, 2014 at 11:30 A.M. at “**Sancos**” D-9, Aditya Mega Mall, CBD Ground, Shahdara, Delhi-110032 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the period ended on March 31 st , 2014		
2	Re-appointment of Ms. Shakuntla Gupta, who retires from office by rotation, and being eligible, offers herself for re-appointment.		
3	Appointment of M/s & Co., Chartered Accountant, as Auditors and fixing their remuneration.		
4	Declaration of dividend		
5	Borrowing Limit under section 180 (1) (c) of Companies Act 2013		
6	Increase the remuneration of Mr. Sidhant Gupta, WTD of the Company.		

Signed this.....day of2014
 Signature of Shareholder.....
 Signature of Proxy Holder (s).....

Affix revenue stamp of not less than Rs. 0.15

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Meeting.
2. It is optional to indicate your preference. If you leave the for or against column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



Sanco Industries Ltd.

Registered Office

9/51, Bazar Gali, Vishwas Nagar, Delhi-110032

Corporate Office

D-161, Surajmal Vihar, New Delhi-110092

Tel : +91-11-47315500 (100 Lines)

Fax : +91-11-47315555

E-mail : sanco86@sancopipes.com

website : www.sancopipes.com