



ANNUAL REPORT

2017-18

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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. Rita Gupta

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

DIN : 00725963

Whole Time Director & Non Independent Director

Mr. Sidhant Gupta

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

DIN : 02676750

Whole Time Director & Non Independent Director

Mr. Surendra Kumar Gupta

D-85, Surajmal Vihar, Delhi-110092

DIN : 07613952

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

Ms. Sonu Kumari

441B, Gali No. 29 C1-Block, Khajoori Khas,
Delhi - 110094

DIN : 07911978

Non-Executive Independent Director

<p>Chief Financial Officer Mr.Vipul Kumar Singhal</p> <p>Company Secretary Ms. Preeti Gupta (resigned w.e.f 31.03.2018) Ms. Akriti Mahajan (appointed w.e.f. 01.04.2018)</p> <p>Auditors: VJM & Associates Chartered Accountants 403, 4th Floor, Raja House, Nehru Place, New Delhi-19</p> <p>Registered Office: D-161, Surajmal Vihar Delhi-110092</p> <p>Website www.sancopipes.com</p> <p>E-mail sanco86@sancopipes.com</p> <p>Registrar & Share Transfer Agents Beetal Financial & Computer Services (P) Ltd Beetal House,3rd Floor, Madangir, New Delhi-110062</p>	<p>Banks Union Bank of India South Indian Bank</p> <p>CONTENTS</p> <p>Chairman's Message.....</p> <p>Notice.....</p> <p>Directors Report.....</p> <p>Annexure to Director Report (MGT-9).....</p> <p>Secretarial Audit Report.....</p> <p>Management Discussion & Analysis.....</p> <p>Corporate Governance.....</p> <p>Balance Sheet.....</p> <p>Profit & Loss Account.....</p> <p>Cash Flow Statement.....</p> <p>Notes to Financial Statements.....</p>
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Chairman's Message

Dear Shareholders & Investors,

I am pleased to present before you the 2017-18 Annual Report and the overall performance of the Company during the year. This year has indeed been both interesting and eventful. During this financial year the Company has enhanced its manufacturing activities resulting into higher turnover and profit.

The Company is expected to grow further as the Government has announced several schemes and incentives like Swachh Bharat Mission, Green Revolution-Krishonnati Yojana, Pradhan Mantri Awas Yojana and many more. All these schemes will have a very positive impact on the real estate, infrastructure and agriculture sectors, which will directly impact the plastic piping industry.

To take due advantage of these schemes and to further expand the business, the Company's priority objective is to add new production capacities and explore new products & areas of manufacturing & trading in India and abroad.

Looking ahead, I am very optimistic and strongly believe that with superior quality products and aggressive marketing across the right target market, we are at a vantage point to accelerate our growth momentum.

On behalf of the Board, I would like to thank all our stakeholders including shareholders, investors, bankers, creditors and employees for their continued trust, confidence and support to the Company.

Sd/-

Sanjay Gupta

Chairman and Managing Director

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of **Sanco Industries Limited** will be held on Saturday 22nd September, 2018 at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 at 3:30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Ms. Rita Gupta (DIN00725987), who retires by rotation and, being eligible, offers herself for re-appointment.
3. **Ratification of Appointment of Auditors:**

To consider and if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment M/s V.J.M & Associates, Chartered Accountants (Firm Registration No. 027535N), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the Thirtieth AGM of the Company to be held in the year 2020, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. **To approve the Re-appointment of Ms. Rita Gupta as Whole-Time Director**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 & 203 read with Schedule V of the Companies Act, 2013 ('the Act') and other applicable provisions of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications or re-enactment thereof, for the time being in force, the consent of members of the Company be and hereby accorded for re-appointment and payment of following remuneration to Ms. Rita Gupta (DIN-00725987), as Whole Time Director of the Company for the period of 5 years from

April 1, 2018 to March 31, 2023 on the remuneration and terms and conditions as given below, be and is hereby approved, confirmed and ratified:-

A. Remuneration

Rs. 50,000/- p.m (Rupees Fifty Thousand Only) with such annual increments/increase as may be decided by the Board of Directors from time to time.

B. Perquisites

- i. HRA & Transport allowances.
- ii. Contribution to provident fund, superannuation fund and payment to gratuity as per rules of the company.
- iii. Other Perquisites & Allowances as per service rules of the Company, as applicable.

C. Valuation of perquisites

Perquisites/allowances shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

D. Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the appointee shall be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013 from time to time.

E. Other Terms

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors as it may, in its discretion, deem fit within the maximum amount payable to the appointee in accordance with the provisions of the said Act or any amendments made therein or with the provisions of the said Act or any amendments made therein.

RESOLVED FURTHER THAT Director of the Company be and hereby authorized to do all such acts and deeds, matters or things as may be deemed necessary, appropriate, expedient or desirable to give effect to above resolution or otherwise considered by it in the best interest of the Company."

5. Remuneration of Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), pursuant to recommendation of Audit Committee and as approved by the Board of Directors of the Company, remuneration of Rs. 45,000/- plus GST exclusive of reimbursement of travelling and other incidental expenses, payable to M/s Rahul Jain & Associates, appointed as the Cost Auditor to conduct the audit of cost records of the Company for FY ending 31.03.2019 be ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**By Order of the Board of Directors
For Sanco Industries Limited**

**Sd/-
Sanjay Gupta
Managing Director
DIN - 00726005
R/o C-56, Block-C, Surajmal Vihar,
Delhi - 110092**

**Date: 14.08.2018
Place: New Delhi**

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 4 to 9 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 73(1) of ICDR Regulations are also annexed. Also the details pursuant to Regulations 26(4) and 36(3) of the LODR Regulations, and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed in respect of Item No. 2 and 7.
2. **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.**
PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013 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 at the end of this Annual Report.
3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
4. Members, Proxies and Authorised Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
5. 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.
6. The Register of Members and Share Transfer Books of the Company remained closed from Sunday, 16th September, 2018 to Saturday, 22nd September, 2018 (both days inclusive).
7. 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.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their

nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.sancopipes.com (under 'Investors' section). Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to M/s Beetal Financial Computer Services Pvt. Ltd.(Beetal) in case the shares are held by them in physical form.

9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s Beetal in case the shares are held by them in physical form.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, M/s Beetal in case the shares are held by them in physical form.
11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Beetal for assistance in this regard.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. 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.
14. 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.
15. 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.
16. 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, up to the date of Annual General Meeting.

The instructions for shareholders voting electronically are as under:

- A. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- B. The Board of Directors has appointed Ms. Shazan Ali (Membership No. FCS 8748) and failing her Mr. Astik Tripathi (Membership No. FCS 8670) of SAS & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner
- C. The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.
- D. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- E. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
- F. The voting period begins on 19/09/2018 at 9:00 AM and ends on 21/09/2018 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <15/09/2018> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- G. The details of the process and manner for remote e-voting are explained herein below:
 1. The shareholders should log on to the e-voting website www.evotingindia.com.
 2. Click on Shareholders.
 3. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 4. Next enter the Image Verification as displayed and Click on Login.
 5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 6. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter

	RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

18. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**By Order of the Board of Directors
For Sanco Industries Limited**

**Sd/-
Sanjay Gupta
Managing Director
DIN – 00726005
R/o C-56, Block-C, Surajmal Vihar,
Delhi - 110092**

**Date: 14.08.2018
Place: New Delhi**

Explanatory Statement under Section 102 of the Companies Act, 2013**ITEM NO. 4****TO APPROVE THE RE-APPOINTMENT OF MS. RITA GUPTA AS WHOLE-TIME DIRECTOR**

The Board of Directors of the Company at its meeting held on 14th August, 2018 has, subject to approval of members, reappointed Ms. Rita Gupta as a Wholetime Director, designated as Executive Director, for a further period of 5 (five) years from the expiry of his present term, that is, 31st March, 2018, on terms and conditions including remuneration as recommended by Nomination and Remuneration Committee of the Board and approved by the Board.

Accordingly, it is proposed to seek members' approval for the re-appointment of and remuneration payable to Ms. Rita Gupta, as a Wholetime Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Act.

Hence, your Directors commend the resolution for approval as a Special Resolution.

Other than Ms. Rita Gupta, Directors, none of the other Directors, key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

IETM NO. 5 - REMUNERATION OF COST AUDITOR

The Board had approved the appointment and remuneration of M/s. Rahul Jain & Associates, Cost Accountants as the Cost Auditors on 14th August, 2018 on the recommendation of the Audit Committee to conduct the audit of the Cost records for the Financial Year 2018-19. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2018-19 by way of an Special Resolution is being sought from the Members as set out at Item No.11 of the Notice.

Your Directors commend the resolution for approval as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in passing of the said resolution.

**By Order of the Board of Directors
For Sanco Industries Limited**

Sd/-
Sanjay Gupta
Managing Director
DIN - 00726005
R/o C-56, Block-C,
Surajmal Vihar, Delhi - 110092

Date: 14.08.2018
Place: New Delhi

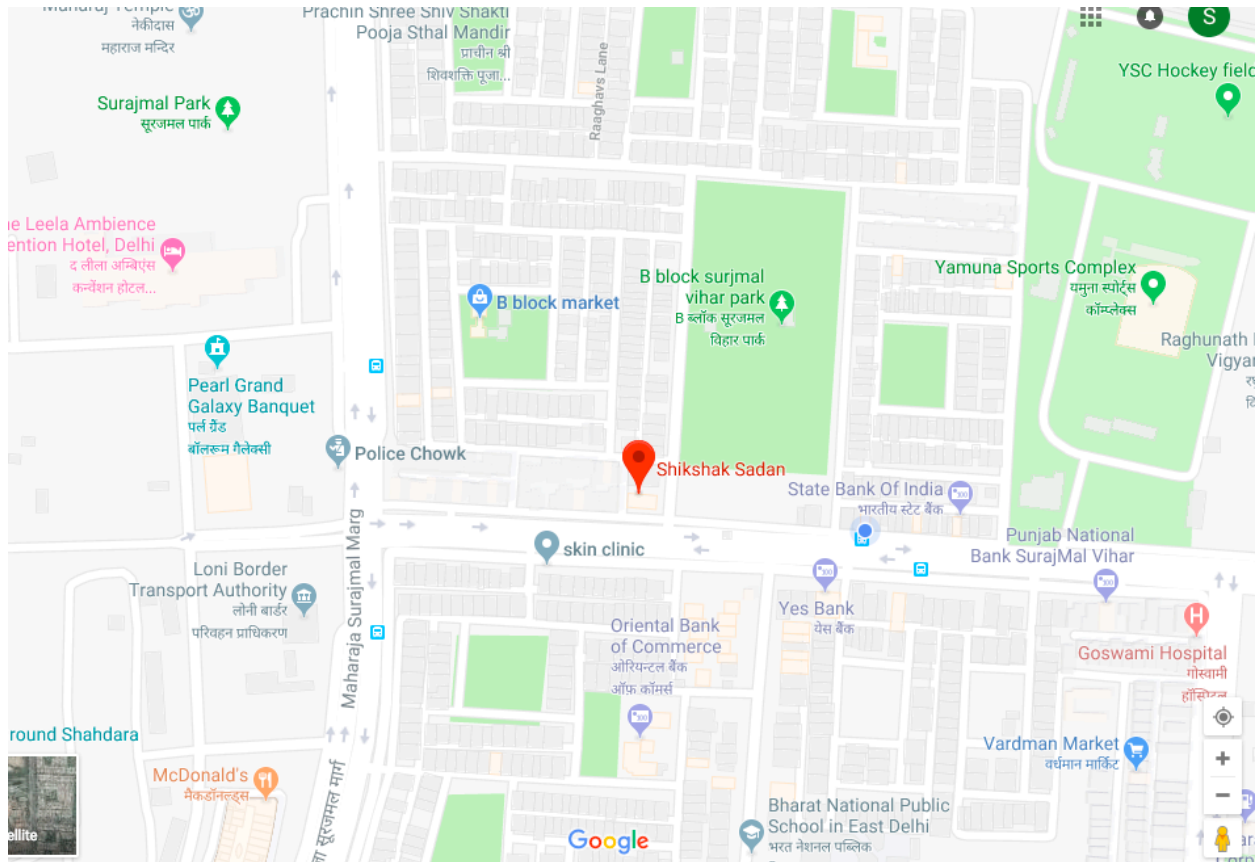
Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Particulars	Ms. Rita Gupta
Date of Birth	01.01.1969
Date of Appointment	29.12.2014
Qualifications	Post Graduate
Expertise in specific functional areas	Administration and Human Resource Management
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	NIL
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	NIL
Number of shares held in the Company	185385

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.

MAP OF AGM VENUE

(Shikshak Sadan, Surajmal Vihar, Delhi – 110092)



DIRECTORS' REPORT

To,
The Members,

On Behalf of the Board of Director of your Company, it is our privilege to present the 28th Annual Report on the business and operations of the company together with the audited statement of accounts for the financial year ended March 31, 2018 and Auditor's Report thereon.

1. FINANCIAL HIGHLIGHTS

The financial performance of your Company are as under:

Particulars	Standalone (Rupees in Lacs)	
	2017-18	2016-17
Turnover	17,212.27	10805.19
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	1355.48	1023.7
Less: Finance Charges	672.30	637.57
Profit before Depreciation/ Amortization (PBTDA)	683.18	386.13
Less: Depreciation	93.57	98.78
Add: Exceptional Items	-	131.38
Less: Prior Period Items	-	-
Net Profit before Taxation (PBT)	589.61	418.73
Provision for taxation	183.98	106.70
Profit/(Loss) after Taxation (PAT)	405.63	312.03
Provision for proposed Dividend	-	-
Dividend tax	-	-
Transfer to General Reserve (Profit for the year and depreciation written back)	405.63	312.03

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company show continuous growth over the years by achieving profit from Rs. 312.03 lacs to 405.63 lacs. The growth in profit is mainly driven by the expansion to new markets by way of appointing new distributors.

3. CHANGE(S) IN THE NATURE OF BUSINESS

During this period there is no change in business of the Company or in the subsidiaries' business or in the nature of business carried on by them.

4. 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, 2018.

5. TRANSFER TO RESERVES

The amount to be transferred to reserves during the year is Rs. 405.63 Lacs (Rs. 405.63 Lacs is on account of the profit during the year).

6. CHANGES IN SHARE CAPITAL

There is no change in the Share capital of the company during this financial year.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Following are the directors and KMPs of the company as on date:

1. Mr. Sanjay Gupta (Managing Director)

Brief Description	Promoter, Graduation from DU,MBA
Expertise	Marketing and Finance
Name of other Companies where holds directorship	<ul style="list-style-type: none">• Superlink Polyfab Ltd.• Sanco Enterprises Pvt Ltd.

2. Mr. Sidhant Gupta (Whole Time Director)

Brief Description	Promoter, B.B.A. from Dibrugarh University, Commercial Pilot from Eagle Flight Academy, New Zealand
Expertise	Strategic Planning & Business Development and Overseas Operations.
Name of other Companies where holds directorship	<ul style="list-style-type: none">• Superlink Polyfab Ltd.• Sanco Enterprises Pvt Ltd.• Sanjita Polymet Limited

3. Ms. Rita Gupta (Whole Time Director)

Brief Description	Promoter, Post-Graduation from CCS University.
Expertise	Fields of Business & Official Management
Name of other Companies where holds directorship	NA

4. Mr. Saurabh Gupta (Independent Director)

Brief Description	B.com, CA, DISA
Expertise	Audit and Taxation
Name of other Companies where holds directorship	NA

5. Mr. Sanjeev Kumar Jain (Independent Director)

Brief Description	Graduation from DU,CA
Expertise	Audit, Commerce and Taxation
Name of other Companies where holds directorship	NA

6. Mr. Sonu Kumari (Independent Director)

Brief Description	B.A from DU
Expertise	Marketing
Name of other Companies where holds directorship	NA

7. Ms. Preeti Gupta (Company Secretary)

Brief Description	Graduation from DU, Member of ICSI
Expertise	Corporate & Listing Compliances Matters.
Name of other Companies where holds directorship	NA

8. Mr. Vipul Singhal (Chief Finance Officer)

Brief Description	B.Com from CCS University, MBA Finance from UPTU University
Expertise	Finance
Name of other Companies where holds directorship	NA

9. Surender Kumar Gupta (Additional Director)

Brief Description	B.A from DU, M.Com from CCS University and CAIIB from IIBF
Expertise	Finance and Audit
Name of other Companies where holds directorship	NA

8. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

9. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of Directors met Six times as on 29.05.2017, 12.08.2017, 01.09.2017, 02.11.2017, 21.12.2017 and 14.02.2018 during the Financial Year ended March 31, 2018 and the maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

10. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. In a separate meeting of independent directors, performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The performance of all the directors during the year was satisfactory and towards the growth prospects.

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

11. DETAILS OF SUBSIDIARY

The Company has only one subsidiary, M/s Sanjita Polymet Ltd. (Company incorporated in Hong Kong).

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 has made investment of Rupees 291.77 Lacs in the paid up share capital of M/s Sanjita Polymet Ltd. during the year.

During the year the performance of M/s Sanjita Polymet Ltd. is satisfactory.

12. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, V.J.M.& Associates, Chartered Accountants (Firm Registration No. 027535N/N00093), were appointed as statutory auditors from the conclusion of the 25th AGM held on 30th September, 2015 till the conclusion of the 30th AGM of the Company in 2020, subject to the ratification of their appointment at every AGM, if required under law. Accordingly, necessary resolution for ratification of appointment of auditors is included in the Notice for this AGM.

13. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014, M/s Rahul Jain & Associates has been appointed as Cost Auditors for the year 2018-19.

14. SECRETARIAL AUDIT REPORT

There were no qualifications, reservations or adverse remarks or disclaimer given by the company secretary in practice in the secretarial audit report. Secretarial audit report is attached to this report.

15. RESPONSE TO AUDITOR'S REMARKS

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

16. DISCLOSURE ON EMPLOYEE STOCK OPTION/PURCHASE SCHEME

The Company has not provided any Employee Stock Option Scheme or Purchase Scheme to the employees.

17. AUDIT COMMITTEE

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

18. VIGIL MECHANISM

As per the provisions of Companies Act, 2013 there is a mandatory requirement to establish a mechanism called 'Vigil Mechanism' for the directors and employees of the Company to report concern about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

19. NOMINATION AND REMUNERATION COMMITTEE

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report.

20. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178(5) of the Companies Act, 2013 a Stakeholders Relationship Committee be constituted the details of the same has been the Corporate Governance Report, which is a part of this report.

21. RISK MANAGEMENT POLICY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors.

22. EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return in Form No. MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2018 is annexed hereto as Annexure A and forms part of this report.

23. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no material changes occurred subsequent to the close of the financial year ended 31.03.2017 affecting the financial position of the Company.

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS /TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

The Company has received a letter from SEBI dated 7th August, 2017 issued to a number of listed companies including our company just as a pre emptive measure to catch the Shell Companies. Such letters were issued on the basis of the order received from Ministry of Corporate Affairs and Serious Fraud Investigation Office, carrying the list of suspected shell companies. However, the Company duly filed replies, submitted all the proofs and made proper presentations. Accordingly, the SEBI Order was disposed off vide its Order dated 15th February, 2018 and it was declared that the Company is not a shell company.

Further, there are no significant and material orders passed by the regulators/ courts /tribunals impacting the going concern status and the Company's operations in future, during the year.

25. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

26. DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no loans, guarantees or security made by the Company under Section 186 of the Companies Act, 2013 during the year under review. However, the Company has made the following investments during the FY:

S. No.	Name of investee	Nature of Investment	Equity Shares	Amount (in Rs.Lacs)
1	Sanjita Polymet Ltd	Wholly owned Subsidiary Co.	450000	291.77

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into related party transactions as per Section 188 of the Act as detailed in AOC 2 attached as Annexure B, which are within the limits approved by the Board, Audit Committee and Members.

29. 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 Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015. Report on Corporate Governance for the year ended March 31, 2018 forms part of the Annual Report. The requisite certificate from the SAS & Associates (Practicing Company Secretaries) confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Statement on the Company's performance, industry trends and other material changes with respect to the Company is presented in a separate section forming part of annual Report.

31. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143

During the year, the company has reported no frauds.

32. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

During the Period no cases has been reported under Sexual Harassment of Women at Workplace.

33. CORPORATE SOCIAL RESPONSIBILITY(CSR) AND ITS TERMS OF REFERENCE

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

34. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

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:

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.

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. Lacs)

Foreign Exchange Out goes:	315.19
Foreign Exchange earning	3.66

35. REMUNERATION

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No	Name	Designation	Ratio to median remuneration
1	Mr. Sanjay Gupta	Managing Director	1:6
2	Ms. Rita Gupta	Whole Time Director	1:6
3	Mr. Sidhant Gupta	Whole Time Director	1:5
4	Mr. Saurabh Gupta	Non-Executive and Independent Director	NIL
5	Mr. Sanjeev Kumar Jain	Non-Executive and Independent Director	NIL
6	Mr. Surender Kumar Gupta	Non-Executive and Independent Director	NIL
7	Ms. Sonu Kumari	Non-Executive and Independent Director	NIL
8	Mr. Vipul Singhal	Chief Financial Officer	1:4
9	Ms. Preeti Gupta	Company Secretary	1:4

Further, there are 137 permanent employees on the rolls of company:

- Work Place – 112
- Corporate Office – 25

36. PARTICULARS OF EMPLOYEES

Employees was drawing in excess of the limits by the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, which needs to be disclosed in the directors' report.

Deatils of Top 10 Employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S. No	Name	Designation	Salary(p.a.)(in Rs.)
1	Mr. Sanjay Gupta	Managing Director	6,00,000
2	Ms. Rita Gupta	Whole Time Director	6,00,000
3	Mr. Sidhant Gupta	Whole Time Director	4,80,000
4	Mr. Vipul Singhal	Chief Financial Officer	4,20,000
5	Ms. Preeti Gupta	Company Secretary	3,60,000
6	Mr. Rahul Mittal	Assisstant Director	3,96,000
7	Mr. Sunil Kaushik	Manager Accounts	4,20,000
8	Mr. Shyam Sunder Vashishth	General Manager Production	3,96,000
9	Mr. Anurag Gupta	General Manager Works	6,00,000
10	Mr. Deepak Gupta	General Manager Purchase	3,00,000

37. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors state that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis; and
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

38. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for significant contribution made by the Company's executives, staff and workers through their deep sense of 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, financial institutions, bankers, Government authorities, customers, vendor, shareholders, investors and members at large. We look forward to having the same support in our future endeavours.

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 Sanco Industries Limited

Sd/-
Sanjay Gupta
Managing Director
DIN - 00726005
R/o C-56, Block-C,
Surajmal Vihar, Delhi - 110092

Sd/-
Sidhant Gupta
Whole Time Director
DIN - 02676750
R/o C-56, Block-C,
Surajmal Vihar, Delhi - 110092

Date: 24.05.2018

Place: Delhi

ANNEXURE A - FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN****As on the financial year ended on 2018****Form No. MGT-9**

[Pursuant to section 92(3) of the *Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

- i. CIN:**L47899DL1989PLC035549**
- ii. Registration Date: **17/03/1989**
- iii. Name of the Company: **Sanco Industries Limited**
- iv. Category/ Sub-Category of the Company: **Listed Company**
- v. Address of the Registered office and contact details: **D-161, Suarjmal Vihar, Delhi-110092**
- vi. Whether listed company: **Yes**
- vii. Name, Address and Contact details of Registrar and Transfer Agent: **"Beetal Financial & Computer Services (P) Ltd."** Beetal House 3rd floor, 99 Madangir, BH- Local Shopping Complex near Dada Harsukhdas Mandir, New Delhi-110062.
Ph. no: 29961281, 29961282, 29961283, Fax – 011-29961284

II. Principal business activities of the company

All the Business activities contributing 10 % or more of the total turnover of the company are:-

S.No	Name and Description of main products/services	NIC code of the Product / Service	% to total turnover of the company
1	PVC Pipes, Accessories & Allied Goods	22207	13.15
2	PVC Wires & Cables	27320	20.02
3	Copper Wire	2732	51.56
4	Copper Wire Rod	NA(Trading)	13.99

III. Particulars of holding, subsidiary and associates companies

S. No	Name Address of Company	CIN/GLN	Holding/Subsidiary/Associate
1.	Sanco Enterprises Private Ltd	U00000DL1990PTC040854	Associate
2.	Superlink Polyfeb Ltd.	U25209DL2002PLC115859	Associate
3.	Sanjita Polymet Ltd. (incorporated in Hong Kong)	1951307	Wholly Owned Subsidiary

IV. Shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6253460		6253460	60.81	4509655	0	4509655	43.85	-16.96
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0		0	0	0		0	0
d) Bodies Corp.	32040	0	32040	0.31	32040	0	32040	0.311	0
e) Banks/FI	0	0	0	0	0	0		0	0
Sub-total(A)(1)	6285500	0	6285500	61.12	4541695	0	4541695	44.16	-16.96
(2) Foreign									
a) NRIs- Individuals	0	0	0.00	0.00	0	0	0.00	0.00	0
b) Other Individuals	0	0	0.00	0.00	0	0	0.00	0.00	0
c) Bodies Corp.	0	0	0.00	0.00	0	0	0.00	0.00	0
d) Banks/FI	0	0	0.00	0.00	0	0	0.00	0.00	0
e) Any Other	0	0	0.00	0.00	0	0	0.00	0.00	0
Sub-total(A)(2)			0.00	0.00	0	0	0.00	0.00	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	6285500	0	6285500	61.12	4541695	0	4541695	44.16	-16.96

B. Public Shareholding									0
1. Institutions									0
a) Mutual Funds	0	0	0.00	0.00	0	0	0.00	0.00	0
b) Banks/FI	0	0	0.00	0.00	0	0	0.00	0.00	0
c) Central Govt.	0	0	0.00	0.00	0	0	0.00	0.00	0
d) State Govt.(s)	0	0	0.00	0.00	0	0	0.00	0.00	0
e) Venture Capital Funds	0	0	0.00	0.00	0	0	0.00	0.00	0
f) Insurance Companies	0	0	0.00	0.00	0	0	0.00	0.00	0
g) FIIs	0	0	0.00	0.00	0	0	0.00	0.00	0
h) Foreign Venture Capital	0	0	0.00	0.00	0	0	0.00	0.00	0
i) Others(specify)	0	0	0.00	0.00	0	0	0.00	0.00	0
Sub-total (B)(1)	0	0	0.00	0.00	0	0	0.00	0.00	0
2. Non-Institutions									0
a) Bodies Corp.	998740	0	998740	9.71	944332	0	944332	9.18	-0.53
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i. Individual shareholders holding nominal share capital up to Rs.1 lakh	892968	1	892968	8.68	2483668	1	2483668	24.15	15.47
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1471032	0	1471032	14.30	1283630	0	1283630	12.48	-1.82
c) Others(Specify)	635759	0	635759	6.18	1030674	0	1030674	10.02	3.84
Total Public Shareholding (B) = (B)(1) + (B)(2)	3998499	1	3998500	38.87	5742304	1	5742305	55.83	16.96

C. Shares held by Custodian or GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total = (A+B+C)	10283999	1	10284000	100	10283999	1	10284000	100	0

ii. Share-holding of Promoters

S. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Ms. Shakuntla Gupta	602400	5.86	0	0	0	0	-5.86
2	M/s Sanjay Gupta HUF	1109360	10.79	0	1109360	10.79	0	0
3	Mr. Sanjay Gupta	2142160	20.83	0	1981550	19.27	0	-1.56
4	M/s Sanco Enterprise Pvt Ltd	32040	0.31	0	32040	0.31	0	0
5	Ms. Mansi Gupta	492000	4.78	0	233980	2.28	0	-2.5
6	Mr. Sidhant Gupta	528120	5.14	0	528120	5.14	0	0
7	Ms. Seema Jain	48000	0.46	0	0	0	0	-0.46
8	Ms. Sadhna Gupta	168000	1.63	0	0	0	0	-1.63
9	Ms. Rita Gupta	692160	6.73	0	185385	1.80	0	-4.94
10	Mr. Anurag Gupta	471260	4.58	0	471260	4.58	0	0
	Total	6285500	61.12	0	4541695	44.17	0	-16.95

iii. Change in Promoters' Shareholding

S.No	Name	Shareholding at the beginning of the year		Reason	Date	Increase/ Decrease in Shareholding (No. of Shares)	Shareholding at the beginning of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Ms. Shakuntla Gupta	602400	5.86	Sale of Shares	16.11.2017	(100489)	0	0
					17.11.2017			
					27.11.2017	(292686)		
					28.11.2017			
					30.11.2017	(198000)		
					01.12.2017			
					04.12.2017	(11225)		
2	Mr. Sanjay Gupta	2142160	20.83	Sale of Shares	30.11.2017	(160610)	1981550	19.27
					01.12.2017			
3	Ms. Mansi Gupta	492000	4.78	Sale of Shares	15.11.2017	(100000)	233980	2.28
					30.11.2017	(65020)		
					01.12.2017			
					06.12.2017	(48000)		
					07.12.2017	(45000)		
4	Ms. Seema Jain	48000	0.46	Sale of Shares	06.12.2017	(48000)	0	0
5	Ms. Sadhna Gupta	168000	1.63	Sale of Shares	28.11.2017	(104513)	0	0
					30.11.2017	(63487)		
					01.12.2017			
6	Ms. Rita Gupta	692160	6.73	Sale of Shares	28.11.2017	(35000)	185385	4.93
					30.11.2017	(98000)		
					01.12.2017			
					04.12.2017	(338775)		
					05.12.2017			
					07.12.2017	(35000)		

iv. Shareholding pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and AD)

S. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Share India Securities Limited	280722	2.73	0	0	0	0	-2.73
2	Wind Pipe Finvest Private Limited	250000	2.43	0	0	0	0	-2.43
3	Raju Mehta HUF	121400	1.18	0	171400	1.67	0	0.49
4	Ajay Kumar Bokadia	113700	1.11	0	144787	1.41	0	0.30
5	Sangeeta Pareekh	100000	0.97	0	0	0	0	-0.97
6	Pawa Kumar Sarawgi	76800	0.75	0	0	0	0	-0.75
7	Premlatha	67100	0.65	0	0	0	0	-0.65
8	Bhikamchand Rajesh	62500	0.61	0	0	0	0	-0.61
9	Mitesh Kumar Mahendra Kumar Mehta	59675	0.58	0	0	0	0	-0.58
10	CPR Capital Services Limited	54040	0.52	0	0	0	0	-0.52
11	Globe Capital Market Limited	0	0	0	157579	1.51	0	1.51
12	PCS Securities Limited	0	0	0	127347	1.20	0	1.20
13	Anmol Kothari	0	0	0	85000	0.83	0	0.83
14	Motilal Oswal Financial Services Limited	0	0	0	80000	0.78	0	0.78

15	Praveen Kumar HUF	0	0	0	63305	0.62	0	0.62
16	MI Lifestyle Marketing Private Limited	0	0	0	61555	0.60	0	0.60
17	Gunvanthi	0	0	0	54000	0.53	0	0.53
18	Vanita	0	0	0	50870	0.49	0	0.49
	Total	1185937	11.53	0	1280769	9.64	0	-1.89

i. Shareholding of Directors and Key Managerial Personnel:

S.No	Name of Director & KMP	Shareholding at the beginning of the year		Reason	Date	Increase/ Decrease in Shareholding (No. of Shares)	Shareholding at the beginning of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Sanjay Gupta	2142160	20.83	Sale of Shares	30.11.2017 01.12.2017	(160610)	1981550	19.27
2	Mr. Sidhnat Gupta	528120	5.14	Nil	Nil	Nil	528120	5.14
3	Ms. Rita Gupta	692160	6.73	Sale of Shares	28.11.2017	(35000)	185385	4.93
					30.11.2017 01.12.2017	(98000)		
					04.12.2017 05.12.2017	(338775)		
					07.12.2017	(35000)		

I. Remuneration of Directors and Key Managerial Personnel
A. Remuneration to Managing Director

S. No.	Particulars of Remuneration	Sanjay Gupta	
1.	Gross salary		
	(a) Salary as per Provisions contained in Section17(1) of the Income-Tax Act, 1961	6,00,000 p.a.	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	0	
2.	Stock Option	0	
3.	Sweat Equity	0	
4.	Commission as % of profit Others, specify	0	
5.	Others, please specify	0	
	Total (A)	6,00,000p.a.	
	Ceiling as per the Act		

B. Remuneration to Whole Time Director

S. No.	Particulars of Remuneration	Rita Gupta	
1.	Gross salary		
	(a) Salary as per Provisions contained in Section17(1) of the Income-Tax Act, 1961	6,00,00 p.a.	
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0	

	(c)Profits in lieu of salary under Section17(3) Income-Tax Act,1961	0	
2.	Stock Option	0	
3.	Sweat Equity	0	
4.	Commissionas % of profit Others, specify	0	
5.	Others, please specify	0	
	Total(A)	6,00,000 p.a.	
	Ceiling as per the Act		

C. Remuneration to Whole Time Director:

S. No.	Particulars ofRemuneration	Sidhant Gupta	
	Grosssalary		
1.	(a)Salary as perprovisions containedin Section17(1) of the Income- tax Act, 1961	4,80,000p.a	
	(b) Value of perquisitesu/s 17(2) Income-Tax Act,1961	0	
	(c)Profits in lieu of salary under Section17(3) Income-Tax Act,1961	0	
2.	Stock Option	0	
3.	Sweat Equity	0	
4.	Commissionas % of profit Others, specify	0	
5.	Others, please specify	0	
	Total(A)	4,80,000p.a	
	Ceiling as per the Act		

D. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Saurabh Gupta	Surender Kumar Gupta	Sanjeev Kumar Jain	Sonu Kumari	
	1. Independent Directors Fee for attending board meeting/committee meetings Commission Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total(1)	NIL	NIL	NIL	NIL	NIL
	2. Other Non-Executive Directors Fee for attending board/committee meetings Commission Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total(2)	NIL	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

E. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 Value of perquisites u/s 17(2) Income-Tax Act, 1961 Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	3,60,000 p.a	4,20,000 p.a	7,80,000 p.a.
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0

4.	Commissionas % of profit Others specify.	0	0	0
5.	Others, please specify	0	0	0
	Total	3,60,000p.a	4,20,000p.a	7,80,000 p.a.

II. Penalties/Punishment/Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD/NCLT/COUR Authority [RD/NCLT/COURT]	Appeal made, if any (Give details)
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
Other officers in default					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

ANNEXURE B - FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions: NIL
- (c) Duration of the contracts / arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value: NIL
- (e) Justification for entering into such contracts or arrangements or transactions: NIL
- (f) Date of approval by the Board: NIL
- (g) Amount paid as advances: NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis.

Name of Related Party	Nature of Relationship	Nature of Contract	Duration of Contract	Amount (in Rs.Lacs)
Ms. Shakuntla Gupta	Key Managerial Personnel	Rent Agreement	Ongoing	4.50
Ms. Rita Gupta	Key Managerial Personnel	Rent Agreement	Ongoing	4.50

FORM NO. MR-3

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

**SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31.03.2018**

**To,
The Members,
Sanco Industries Limited
D-161, Surajmal Vihar, Delhi - 110092**

Date of Incorporation: **17.03.1989**
Authorized Share Capital: **140,000,000.00**
Paid up Share Capital: **102,840,000.00**

We have conducted the secretarial audit of the compliance of applicable statutory provisions to **Sanco Industries Limited** here in after referred to as ("**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Sanco Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st Day of March, 2018** complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sanco Industries Limited ("**the Company**") for the financial year ended on **31st Day of March, 2018** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s),

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting, however, Company does not have proof of payment of sitting fee to the directors.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**For SAS & Associates
Company Secretaries**

**Sd/-
Shazan Ali (Partner)
Membership No.: 8748
COP No.9354**

**Date: 24.05.2018
Place: Delhi**

This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE-A

To,
The Members,
Sanco Industries Limited
D-161, Surajmal Vihar, Delhi - 110092

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representations about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provisions of corporate and other applicable laws, rules, regulations & standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability nor of the efficacy of the effectiveness with which the management has conducted the affairs of the Company.

**For SAS & Associates
Company Secretaries**

**Sd/-
Shazan Ali(Partner)
Membership No.: 8748
COP No.9354**

**Date: 24.05.2018
Place: Delhi**

MANAGEMENT DISCUSSION AND ANALYSIS

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.

Expanded into product segments that are complementary to the electrical wire and cable market i.e. LED lights and PVC insulation electrical tapes – this move has brought additional market reach at minimal cost expansion.

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.

Capacity Expansion

During the year there is no capacity expansion in the company.

The total capacity that is actually being achieved in a given period is:

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

ECONOMIC OVERVIEW

Global economy remained at slow growth during 2017-18. Indian economy growth was around 7%, slightly lower partly due to numerous factors. But current year is promising for Indian economy as several measures like GST; housing, sanitation & water supply schemes will aid the growth.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India’s plastic pipe industry has been growing at a pace higher than overall economy’s growth in past few years. Plastic pipes are mainly used for Agriculture, Housing, Infrastructure and Industries to carry water, air or chemicals. Almost half of India’s plastic pipe market is catered by small and unorganized processors. But with GST implementation and aggressive reaching strategy from large manufacturers, the market is shifting towards organized, branded products.

OPPORTUNITIES AND THREATS

The Government's various infrastructure spending plans in irrigation, drinking water, affordable housing and Smart City projects will give very good opportunity to your company in next couple of years. Replacement of metal plumbing pipes with plastic pipes are increasing taking place in India.

Major risks and threats to your company are related to Global Economic Situation and how India is affected in this. Stagnant building and construction industry is a threat faced by your company. Further, the Board is in the process of devising and implementing the risk management policy for the Company.

BUSINESS OUTLOOK

The company has devised a strategy of not depending heavily on a specific market or customer. Sanco is focusing on expanding reach of its products to more and more locations throughout the country and outside the country.

The Company enjoys the advantages of economies of scale. The Company negotiates price variation contracts with bulk buyers. The Company has been fair in dealing with its customers and accordingly enjoys customer confidence in pricing decisions.

Future growth of India PVC pipes and fittings Market is expected to be led by rapidly increasing population leading to increased demand for production and expanding housing sector and significant role played by the government in the development of infrastructure and real estate sector in the country.

RISKS AND CONCERNS

Based on the operations of the Company, new risks, if any, are identified, and appropriate steps are taken to mitigate them. The surplus generated during the course of business is sometimes invested with banks/mutual funds

Further, the Board is in the process of devising and implementing the risk management policy for the Company.

INTERNAL CONTROL SYSTEMS

The Company employs rigorous internal controls to ensure commitment to operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

These internal control procedures are proportionate to the nature of business and size of operations for the smooth conduct of business.

Internal audits are conducted at regular intervals at all the plants and cover key areas of operations. These audits are independent, objective and responsible for evaluating and improving the effectiveness of

risk management, control and governance processes monitored by the Audit Committee of the Company.

HUMAN RESOURCES

Human resource is the life of every organisation. Sanco is steered by this firm belief and gives the utmost significance to its manpower by maintaining a healthy relationship with its employees.

The Company provides a positive work environment which keeps the employees motivated and happy.

The Company has also adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee.

Further, to keep an inspired and reinforced work team, the Company keeps on changing its human resource as the need and in the best interest of the stakeholders.

Overview of Our Results of Operations

The following discussion of the financial condition and results of operations for the financial year ended March 31, 2017 & March 31, 2018.

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

Particulars	For the Financial year	
	31 st March, 2018	31 st March, 2017
	(In Rs. Lacs)	(In Rs. Lacs)
Income		
Revenue from operations	17,192.28	10,783.04
Other income	19.99	22.15
Total Income	17,212.27	10,805.19
Expenses		
Cost of raw material and components consumed	12,116.83	3,037.67
Purchase of Stock in Trade	2,556.06	6,503.22
Changed in inventories of finished goods and traded goods	629.84	(291.15)
Employee Benefits Expenses	216.31	202.18
Depreciation and Amortization Expenses	93.57	98.78
Finance Costs	672.30	637.57
Other Expenses	337.75	329.57
Exceptional Items	-	131.38
Total Expenditure		
Profit Before Tax	589.61	418.73
Less: Tax Expense		
Current tax expense	182.19	118.84
Taxes for earlier year	-	-
Deferred tax (credit)/ charge	1.79	(12.14)
Total Tax Expense	183.98	106.70
Profit After Taxation	405.63	312.03

Comparison of FY 2018 with FY 2017:

Total Income

Total Income for FY 2018 is increased to Rs. 17,212.27 lacs as compared to Rs 10,805.19 lacs in FY 2017. The increase in income was mainly due to reduction in trade sales and increase in manufacturing activity because of which the profit margin of the Company has increased.

Expenditure:

Cost of Raw Materials consumed increased to Rs. 12,116.83 lacs in FY 2018 against Rs.3,037.67 lacs in FY 2017. The increase in materials consumed is parallel to increase in sales of the Company from Rs 10,805.19 lacs in FY 2017 to Rs. 17,212.27 lacs in FY 2018.

Our employee benefits expenses increased to Rs 216.31 lacs in FY 2018 against Rs. 202.18 lacs in FY 2017, this increase is due to increase in number of employees and enhancement of marketing team for increasing the sales of the Company.

Other expenses increased to Rs. 337.75 lacs in FY 2018 as compared to Rs. 329.57 lacs in FY 2017. This increase is on account of increase freight & forwarding expenses, repairs & maintenance etc.

Depreciation and Amortization expenses:

Depreciation on fixed assets decreased to Rs. 93.57 lacs in FY 2018 from Rs. 98.78 lacs in FY 2017. This decrease is on account of disposal of assets and consideration of salvage value of some of the other fixed assets.

Finance costs:

Finance costs increased to Rs. 672.30 lacs in FY 2018 against Rs. 637.57 lacs in FY 2017. This increase is due to increase in various short & long term borrowings availed by the Company.

Profit after Tax

PAT increased to Rs. 405.63 lacs in FY 2018 from Rs. 312.03 lacs in FY 2017. The growth in profit is mainly driven by reduction in trade sales and increase in manufacturing activity because of which the profit margin of the Company has increased.

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 2018 and that to the best to our knowledge and belief:
 - 1) These statements do not contain any materially untrue statement or omit any material fact or contains statement/statements that might be misleading;
 - 2) 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 a violation 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.
 - iv. Have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
 - v. All Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Sd/-
Sanjay Gupta
(Managing Director)

Sd/-
Vipul Singhal
(Chief Financial Officer)

Date: 24.05.2018
Place: Delhi

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 that 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

As on 31st March, 2018, the Company has 7 Directors on its Board, of which 3 are Executive Directors and 4 are Non Executive Independent Directors. The Company is in compliance with the Regulation 17 of the LODR pertaining to compositions of directors.

Non executive directors do not hold any shares of the Company. 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 last AGM (Yes/No)	No. of Directorships in other public Limited Cos.	No. of Chairmanship/Memberships in other Public Limited Cos. *	
					Chairmanship	Memberships
Mr. Sanjay Gupta	Non Independent Executive Chairman	6	Yes	1	1	Nil
Mr. Sidhar Gupta	Non Independent Executive Director	6	Yes	1	Nil	Nil
Ms. Rita Gupta	Non Independent Executive Director	6	Yes	-	Nil	Nil
Mr. Surend Kumar Gupta	Independent Non-Executive Director	6	NA	-	Nil	Nil
CA Saurabh Gupta	Independent Non-Executive Director	5	Yes	-	Nil	Nil
CA Sanjeev Jain	Independent Non-Executive Director	6	Yes	-	Nil	Nil
Ms. Sonu Kumari	Independent Non-Executive Director	4	NA	-	Nil	Nil

Notes:-

- During the Financial Year 2016-17, Six (6) Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 29th May, 2017, 12th August, 2017, 1st September, 2017, 2nd November, 2017, 21st December, 2017 and 14th February, 2018.
- *Only three Committees, namely, Audit Committee and Stakeholder Relationship Committee, Nomination and Remuneration Committee have been considered.
- The information as required under Regulation 17 of LODR is being made available to the Board.
- 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.
- Ms. Sonu Kumari is appointed as Additional and Independent Director w.e.f. 12th August, 2017.

INDEPENDENT DIRECTORS' MEETING:

During the year under review the Independent Directors met on 19th March, 2018, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your company, taking into account views of Executive/ Non-Executive directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

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, 2018. 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, Nomination and Remuneration Committee & Stakeholders Relationship Committee. The terms of reference of the Committee(s) detailing their scope of work are determined, reviewed and modified by the Board from time to time. The Board periodically reviews the minutes of the meetings of Audit Committee, Nomination and Remuneration Committee. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed as follows:

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 and auditors' report thereon, evaluation of internal financial controls and risk management systems, examine all transactions having monetary implications on the functioning of the Company and recommendation for appointment, remuneration and terms of appointment of auditors of the Company. Further, 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 Regulation 18 of the LODR of the Stock Exchange.

The Terms of Reference/Scope of the functioning of the Audit Committee is detailed below 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:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control system.
- 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.
- Discussion with internal auditors any significant findings and follow-up thereon.
- 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.
- 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.
- 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.
- To review the functioning of the Vigil Mechanism. The Chairperson of Audit Committee will act as the chairperson of the vigil mechanism.

As on March 31, 2018, the Committee had three Directors as its members. 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. Surender Kumar 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 CFO of the Company is permanent invitee to the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.

During the year, 5 (Five) meetings of the Audit Committee were held on 29th May, 2017, 12th August, 2017, 1st September, 2017, 2nd November, 2017 and 14th February, 2018 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	5
Mr. Surender Kumar Gupta	Member	5
Mr. Sanjay Gupta	Member	5

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee. The nomenclature, constitution and terms of reference of the Committee are as per the provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of the LODR of the Stock Exchange.

The Terms of Reference/Scope of the functioning of the Nomination and Remuneration Committee is detailed below 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:

- Recommend to the Board its composition and the set up and composition of the committees.
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.
- Recommend to the Board the Remuneration Policy for directors, executive team, Key Managerial Personnel, as well as the rest of employees.
- Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.
- Oversee familiarisation programmes for directors.

As on March 31, 2018, the Committee had three Directors as its members. CA Sanjeev Kr. Jain, Mr. Surender Kumar Gupta and CA Saurabh Gupta. All of them are non executive and independent directors in accordance with the prescribed guidelines. CA Sanjeev Kr. Jain is the Chairman of the Committee.

The CFO of the Company is permanent invitee to the meetings of the Committee. The Company Secretary acts as Secretary to the Committee.

During the year, two meetings of the Nomination and Remuneration Committee was held as 12th August, 2017 and on 14th February, 2018. The attendance record of members of the the Committee is given as under:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
CA Sanjeev Kr. Jain	Chairman	2
Mr. Surender Kumar Gupta	Member	2
CA Saurabh Gupta	Member	2

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. . The nomenclature, constitution and terms of reference of the Committee are as per the provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of the LODR of the Stock Exchange.

The Terms of Reference/Scope of the functioning of the Nomination and Remuneration Committee is detailed below 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:

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc.
- 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.
- To investigate any activity within its terms of reference.
- To seek any information from any employee.
- To seek information from share transfer agents.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it consider necessary.
- To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities.
- To approve share transfer / transmission securities periodically, whether by circular resolution or otherwise.
- To look into redressing of shareholders' complaint like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- To oversee the performance of the Registrar and transfer Agents an recommended measures or overall improvement in the quality of investors services.

As on March 31, 2018, the Committee had three Directors as its members. CA Sanjeev Kr. Jain, Mr. Surender Kumar Gupta and Mr. Sanjay Gupta. Mr. Surender Kumar Gupta(non executive director) is the Chairman of the Committee in accordance with the prescribed guidelines.

The CFO of the Company is permanent invitee to the meetings of the Committee. The Company Secretary acts as Secretary to the Committee.

During the year, four meetings of the Stakeholders relationship Committee were held as on 30th June 2017, 30th September, 2017, 30th December, 2017 and 30th March, 2018, in due compliance with the stipulated provisions. The attendance record of members of the Committee is given as above.

The attendance record of members of the the Committee is given as under:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. Surender Kumar Gupta	Chairman	4
CA Sanjeev Kr. Jain	Member	4
Mr. Sanjay Gupta	Member	4

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31st March 2018 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
- No. of Pending Complaints : Nil
- No. of Pending share transfer as on 31.03.2018 : Nil

GENERAL BODY MEETING

(I) General Meeting

a. Annual General Meeting

Financial Year Ended	Day, Date&Time	Venue	Items approved by Special Resolution
31.03.2015	Wednesday 30.09.2015 12:30 PM	"Sancos" D-9, Aditya Mega Mall, CBD Ground, Shahdara, Delhi-110032	NIL
31.03.2016	Friday 29.07.2016 11:30 AM	"TAJ PALACE", Sardar Patel Marg, Delhi-110021	Bonus Issue
31.03.2017	Thursday 28.09.2017 3:30 PM	D - 161, Surajmal Vihar, Delhi-110092	<ul style="list-style-type: none"> • Appointment of Mr. Surender Kumar Gupta as Independent Director(Regularisation) • Appointment of Ms.

			Sonu Kumari as Independent Director(Regularisation) • Approval of related party transactions.
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b. Extra Ordinary General Meeting Detail

During the period no Extra Ordinary General Meeting was held.

(II) Details of special resolution passed through postal ballot:

During the period no Postal ballot was held.

(III) Details of special resolution proposed to be conducted through postal ballot

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

DISCLOSURES

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

As per Regulation 23 of the LODR of the Stock Exchange there have been no materially significant related party transactions which may have a potential conflict with the interests of the Company. However, 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, 2018.

Further, the Board's approved policy for related party transactions is uploaded on the website of the Company. As per the policy all transactions are executed only after seeking due approvals from Audit Committee, Board and the shareholders.

ii. Details of non-compliance by the Company, penalties, and 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.

As per Schedule V(C) 10(b) of LODR, 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, Vigil Mechanism and affirmation that no Personnel have been denied access to the audit committee.

As per Regulation 22 of LODR, the Company promotes ethical behavior in all its business activities and accordingly has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about 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 LODR.

The Company has fully complied with mandatory requirements as stipulated under LODR and has also adopted the following non-mandatory requirements.

a. 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.

b. Code of Conduct

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2018.

c. Terms of Appointment of Independent Directors

Terms and conditions of appointment of Independent Directors are available on the Company's website.

d. Familiarisation Programme for Independent Directors

Details of familiarisation programme imparted to Independent Directors are available on the Company's website i.e. www.sancopipes.com.

MEANS OF COMMUNICATION

i. Quarterly, Half Yearly and Annual Results

Quarterly, Half Yearly and Annual Results published at company's website www.sancopipes.com as well as at www.nseindia.com. These results and statutory notices are also published in leading newspapers.

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	: Saturday, September 22, 2018 at 3.30 P. M.
Venue	: Shikshak Sadan, Surajmal Vihar, Delhi-110092
Period of Book Closure	: September 16, 2018 10:00 A.M. to September 22, 2018 6:00 P.
Dividend Payout Date	: N. A.
Financial Year Ending 31 st March, 2018	

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/ re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

(II) Listing on Stock Exchange

Name of the Stock Exchange	: National Stock Exchange of India Limited ("NSE")
Address of the Stock Exchange	: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
Symbol of the Company with NSE	: "SANCO"

(III) Corporate Identity Number (CIN) of the Company : L74899DL1989PLC035549

(IV) *Market Price Data

The High, Low Share Price of the Company on the National Stock Exchange, Number of Shares traded and Net Turnover, during the period from April, 2017 to March, 2018 are as under:

Month	Share Prices		Volume	Net turnover (In Rs.)
	High	Low		
April 2017	121.95	104	66983	7598993.15
May 2017	122	107.45	139755	16188849.05
June 2017	117	100	324178	36222704.80
July 2017	118	88.75	683233	70763381.70
August 2017	98	69.70	270114	22502312.90
September 2017	100	70.15	2308628	208702067.80
October 2017	97.80	72.05	2266379	191340108.90
November 2017	90	57	6815409	431673106.70
December 2017	65.10	48.50	18774016	1073411909.00
January 2018	59.30	36.10	7714803	389668118.50
February 2018	46.75	36	1199999	50412429.75
March 2018	41.50	30	1172250	41252279.60

*Source: www.nseindia.com

(V) Performance of the share price of the Company in comparison to the Nifty**(VI) Distribution of Shareholding and Shareholding Pattern**

The Distribution of shareholding and shareholding pattern of the shares as on 31.03.2018 are as follows:

(VII) Category wise shareholding as on 31.03.2018

S.No	Category	No. of Shares Held	% of Shareholding
A	Promoter Holding		
	1. Promoters and Promoters Group	4541695	44.16%
	Sub Total	4541695	44.16%
B	Non Promoter Institutions		
	2. Institutional Investors		
	a. Mutual Funds and UTI	NIL	NIL
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non - Government Institutions)	NIL	NIL
	c. FIIs	NIL	NIL
	Sub Total	NIL	NIL
C	Others		
	Individual/HUF	4692080	45.61%
	Body Corporate	944332	9.18%
	NRIs	38916	0.38%
	Others	66977	0.66%
	Sub Total	5742305	55.84%
	Grand Total	10284000	100%

(VIII) Distribution of Shareholding (as on 30.03.2018)

Number of Shares	Holding	Percentage to Capital (%)	Number of Accounts	Percentage to total Accounts (%)
1-100	83,256	0.81	1460	35.11
101-500	4,27,080	4.15	1448	34.82
501-1000	4,39,708	4.28	524	12.60
1001-5000	11,61,453	11.29	502	12.07
5001-10000	9,28,837	9.03	117	2.81
10001-20000	9,29,709	9.04	61	1.47
20001-30000	4,15,818	4.04	17	0.41
30001-40000	3,06,138	2.98	9	0.22
40001-50000	2,87,395	2.80	6	0.14
50001-100000	2,58,860	2.52	4	0.10
100001 & Above	50,45,746	49.06	10	0.25
GRAND TOTAL	1,02,84,000	100.00	4158	100.00

(IX) Dematerialization of Shares and Liquidity RTA

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 2018, 10283999 Equity Shares aggregating to 100% of the total Equity Capital is held in dematerialized form, of which 24.57% (2526819 Equity Shares) of total equity capital is held in NSDL & 75.43% (7757180) Equity Shares) of total equity capital is held in CDSL as on 31.03. 2018 and one (1) share is in physical form.

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

(X) 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 HarsukhdasMandir,
New Delhi - 110 062
Email - beetal@beetalfinancial.com

(XI) Share Transfer System:

Transfer of equity shares in electronic form are done through the depositories with no involvement of the Company. Transfer of equity shares in physical form are processed by RTA within 10 to 12 working days from the date of receipt, if the documents are complete in all respects. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

(XII) Plant Location

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

(XIII) 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: cs@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 LODR 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.

**Sd/-
(Sanjay Gupta)
Managing Director**

**Date: 24.05.2018
Place: New Delhi**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF
Sanco Industrieis Limited**

We have examined the compliance of condition of corporate governance by Sanco Inditries Limited for the year ended on March 31, 2018, as stipulated in relevant regulations of the SEBI (Listing Obligations and disclosure requirement) Regulations 2015 of said company with the stock exchanges.

The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders / investors grievance committee.

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

**For VJ M & Associates
Chartered Accountants
Firm's Regn. No : 027535N**

**Sd/-
CA. Kavir Vijay
(Partner)
Membership No. 517014**

**Date: 24.05.2018
Place: Delhi**

Independent Auditor's Report

To the Members of M/s. Sanco Industries Limited

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. Sanco Industries Limited** ("*the Company*") which comprises the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("*the Act*") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and

fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For V J M & Associates LLP
Chartered Accountants
Firm Regn.No027535N/N500093
Sd/-
Kavit Vijay
Partner
M. No. 517014

Place: New Delhi
Date: 24.05.2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sanco Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SANCO INDUSTRIES LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V J M & Associates LLP
Chartered Accountants
Firm Regn.No027535N/N500093
Sd/-
Kavit Vijay
Partner
M. No. 517014

Place: New Delhi
Date: 24.05.2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sanco Industries Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. The inventory has been physically verified during the year by the management, at reasonable intervals and the discrepancies noticed on such physical verification of inventory, as compared to book records were not significant and were properly dealt with in the books of account.
- iii. The Company has not granted any loan, secured or unsecured to the companies or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company under Section 148(1) of the Act, and are of the opinion that *prima- facie* the prescribed records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except Income tax and TDS Liability.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the amount Relates	Amount in Lakh
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2014-15	Rs 63.33

- viii. Based on the audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institutions, banks or dues to debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V J M & Associates LLP
Chartered Accountants
Firm Regn.No027535N/N500093
Sd/-
Kavit Vijay
Partner
M. No. 517014

Place: New Delhi
Date: 24.05.2018

Sanco Industries Limited
Balance Sheet as at March 31, 2018

Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
I ASSETS				
(1) Non Current Assets				
(a) Property, Plant and Equipment	3	338.70	330.82	399.65
(b) Investment Property	4	30.05	32.41	35.02
(c) Other Intangible Assets	5	0.01	0.03	0.09
(d) WIP	6	2.99	2.99	2.99
(e) Financial Assets				
(i) Investments	7	458.11	398.77	518.28
(ii) Trade receivables	8	1,395.72	446.06	786.09
(vi) Bank balances	9	-	1.94	51.79
(iv) Other financial assets	10	-	-	-
Total Financial Asset		1,853.83	846.77	1,356.16
(f) Deferred tax assets (net)	11	14.01	15.80	4.95
(g) Other non current assets	12	0.10	236.23	44.43
Total Non Current Assets		2,239.69	1,465.05	1,843.29
(2) Current assets				
(a) Inventories	13	3,787.49	2,217.63	1,313.18
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	8	7,323.80	5,324.07	4,689.22
(v) Cash and cash equivalents	14	11.82	51.75	47.78
(vi) Bank balances	9	137.24	129.03	91.47
(vii) Other financial assets	10	568.25	446.35	156.96
Total Financial Asset		8,041.11	5,951.20	4,985.43
(c) Current tax assets (Net)	15	1.45	12.46	55.80
(d) Other current assets	12	250.29	126.48	45.44
Total Current Assets		12,080.34	8,307.76	6,399.85
(3) Non current assets classified as held for sale		-	-	-
Total Assets		14,320.03	9,772.81	8,243.14
II EQUITY AND LIABILITIES				
A EQUITY				
(a) Equity Share Capital	16	1,028.40	1,028.40	857.00
(b) Other Equity	17	2,396.15	1,986.98	1,849.68
Total Equity		3,424.55	3,015.38	2,706.68
B LIABILITIES				
(1) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,215.23	432.29	246.57
(ii) Trade payables	19	-	-	-
(iii) Other financial liabilities	20	5.48	-	-
Total Financial Liabilities		1,220.71	432.29	246.57
(b) Provisions	21	16.36	16.64	12.51
(c) Deferred tax liabilities (Net)	11	-	-	-
(d) Other non current liabilities	22	-	-	-
Total Non Current Liabilities		1,237.07	448.93	259.08

(2) Current Liabilities
(a) Financial Liabilities

(i) Borrowings	23	3,661.16	3,556.72	3,028.77
(ii) Trade payables	19	5,369.91	2,251.62	1,975.57
(iii) Other financial liabilities	20	293.45	311.36	102.16
Total Financial Liabilities		9,324.52	6,119.70	5,106.50
(b) Other current liabilities	22	329.00	182.42	166.68
(c) Provisions	21	4.89	6.38	4.20
Total Current Liabilities		9,658.41	6,308.50	5,277.38

(3) Liabilities associated with non current

- - -

Total Equity and Liabilities	14,320.03	9,772.81	8,243.14
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Summary of Significant Accounting Policies 2.2

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

For V J M & Associates LLP
Chartered Accountants
Firm Registration No. 027535N/N500093

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

Sd/-
Kavit Vijay
Partner
Membership No. 517014

Sd/-
SANJAY GUPTA
Managing Director
DIN - 00726005

Sd/-
SIDHANT GUPTA
Director
DIN - 02676750

Date: 24th May 2018
Place: Delhi

Sd/-
Chief Financial Officer

Sd-
Company Secretary

Sanco Industries Limited
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	Rs. Lakhs	
		As at Mar 31, 2018	As at Mar 31, 2017
I Revenue from Operations	24	17,192.28	10,783.04
II Other Income	25	19.99	22.15
III Total Income (I + II)		17,212.27	10,805.19
IV EXPENSES			
Cost of Materials Consumed	26	12,116.83	3,037.67
Purchase of stock-in-trade	27	2,556.06	6,503.22
Change in Inventories of Finished Goods, Stock in trade and Work in Progress	28	629.84	(291.15)
Employee benefits expenses	29	216.31	202.18
Finance cost	30	672.30	637.57
Depreciation and Amortization expense	31	93.57	98.78
Other expenses	32	337.75	329.57
Total Expenses (IV)		16,622.66	10,517.84
Profit / (Loss) before Exceptional Items and Tax (III - V IV)		589.61	287.35
VI Exceptional Items		-	131.38
VII Profit / (Loss) before Tax (V - VI)		589.61	418.73
VIII Tax Expense			
Current tax / Minimum alternate tax (MAT) payable		182.19	118.84
Less: MAT credit entitlement			-
Net Current Tax		182.19	118.84
Relating to previous periods		-	-
Deferred tax		1.79	(12.14)
Total Tax Expense (VIII)		183.98	106.70
Profit / (Loss) for the period from Continuing IX operations (VII - VIII)		405.63	312.03
X Other Comprehensive Income			
loss	33	0.68	2.68
B (i) Items that will be reclassified to profit and loss		2.86	-
XI Total Comprehensive Income for the period (IX+ X)		409.17	314.71
XII Earnings Per Equity Share - (for Continuing operation)			
Basic (Rs.)	34	3.94	3.03
Diluted (Rs.)	3.38	2.60	

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

As per our report of even date.

For V J M & Associates LLP

Chartered Accountants

Firm Registration No. 027535N/N500093

For and on behalf of the Board of Directors

Sanco Industries Limited

Sd/-
Kavit Vijay
Partner
Membership No. 517014

Sd/-
SANJAY GUPTA
Managing Director
DIN - 00726005

Sd/-
SIDHANT GUPTA
Director
DIN - 02676750

Date: 24th May 2018
Place: Delhi

Sd/-
CFO

Sd/-
Company Secretary

Sanco Industries Limited
Cash Flow Statement for the year ended March 31, 2018

	Rs. Lakhs	
	As at Mar 31, 2018	As at Mar 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	589.61	418.73
Adjustments for:		
Depreciation and Amortization	93.57	98.78
(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property	(1.14)	-
Provision for Gratuity, Leave Encashment and Bonus	(1.77)	6.31
Liabilities and Provisions no longer required written back	(1.08)	-
Loss / (Profit) on Fixed Assets Sold / Discarded (Net)	-	(131.38)
Interest Income	(10.95)	(14.26)
Miscellaneous Income	(4.59)	(6.21)
Interest Expenses	672.30	637.57
Cash Generated Before Working Capital Changes	1,335.95	1,009.54
Movement In Working Capital		
Increase / (Decrease) in Trade Payables	3,118.29	276.05
Increase / (Decrease) in Other Financial Liabilities	(12.43)	209.06
Increase / (Decrease) in Other Liabilities	(10.75)	4.89
(Increase) / Decrease in Trade Receivables	(2,949.39)	(294.93)
(Increase) / Decrease in Inventories	(1,569.86)	(904.45)
(Increase) / Decrease in Other Financial Assets	(117.68)	(233.76)
(Increase) / Decrease in Other Assets	89.19	(293.33)
Cash Generated From Operations	(116.68)	(226.93)
Direct Taxes Paid	12.42	101.75
Net Cash Flow From / (Used in) Operating Activities	(129.10)	(328.68)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE, Intangible Assets and Investment Property	(79.62)	(2.58)
Proceeds from Sale of PPE, Intangible Assets and Investment Property	1.42	-
Proceeds from disposal of Non Current Investments	-	(195.28)
Purchase of Non Current Investments	(58.66)	440.14
Interest Income Received	10.95	14.26
Net Cash Flow From / (Used in) Investing Activities	(125.91)	256.56

C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES

Repayment Of Short-Term Borrowings	(515.42)	(377.72)
Proceeds from Long Term Borrowings	782.94	185.72
Interest Paid	(672.30)	(637.57)
Net Cash Flow From/ (Used in) Financing Activities	(404.78)	(829.57)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(659.79)	(901.70)
Cash and Cash Equivalents at the beginning of the year	(2,660.97)	(1,759.27)
Cash and Cash Equivalents at the end of the year	(3,320.76)	(2,660.97)

Components of Cash and Cash Equivalents

Cash and cheques on Hand	13.89	29.08
Balances with Banks		
-On Current Accounts	8.56	18.70
-On Deposit Accounts	29.30	-
Bank Overdraft	(2,712.72)	(1,807.05)
Cash and cash Equivalent (as per Note 45)	(2,660.97)	(1,759.27)

Controls
Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date.

For V J M & Associates LLP

Chartered Accountants

Firm Registration No. 027535N/N500093

For and on behalf of the Board of Directors

Sacno Industries Limited

Sd/-

Kavit Vijay

Partner

Sd/-

SANJAY GUPTA

Managing Director

DIN - 00726005

Sd/-

SIDHANT GUPTA

Director

DIN - 02676750

Sd/-

Chief Financial

Officer

Sd/-

Company Secretary

Date: 24th May 2018

Place: Delhi

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2018
3 Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Block								
As at April 01, 2016	6.61	55.90	320.35	0.11	13.70	2.27	0.71	399.65
Additions	-	-	-	-	-	0.15	2.43	2.58
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2017	6.61	55.90	320.35	0.11	13.70	2.42	3.14	402.23
Additions	-	-	19.07	-	59.30	1.08	0.17	79.62
Disposals	-	-	-	-	0.28	-	-	0.28
As at March 31, 2018	6.61	55.90	339.42	0.11	72.72	3.50	3.31	481.57
Depreciation								
For the Period 2016-2017								
Charged For the Period	-	5.29	60.33	0.03	3.88	1.10	0.80	71.43
On Disposals	-	-	-	-	-	-	-	-
As at March 31, 2017	-	5.29	60.33	0.03	3.88	1.10	0.80	71.43
Charged For the Period	-	4.79	53.50	-	11.12	0.57	1.46	71.45
On Disposals	-	-	-	-	-	-	-	-
As at March 31, 2018	-	10.08	113.83	0.03	15.00	1.67	2.26	142.87
Net Block								
As at March 31, 2017	6.61	50.61	260.02	0.09	9.82	1.32	2.34	330.82
As at March 31, 2018	6.61	45.82	225.59	0.08	57.72	1.83	1.05	338.70

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

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2018
4 Investment Property
Particulars
Gross Block
As at April 01, 2016

Additions

Disposals

As at March 31, 2017

Additions

Disposals

As at March 31, 2018
Depreciation
For the Period 2016-2017

Charged For the Period

As at March 31, 2017

Charged For the Period

On Disposals

As at March 31, 2018
Net Block

As at March 31, 2017

As at March 31, 2018

			Rs. Lakhs
	Land	Buildings	TOTAL ASSETS
As at April 01, 2016	7.54	27.48	35.02
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2017	7.54	27.48	35.02
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	7.54	27.48	35.02
Charged For the Period	-	2.61	2.61
As at March 31, 2017	-	2.61	2.61
Charged For the Period	-	2.36	2.36
On Disposals	-	-	-
As at March 31, 2018	-	4.97	4.97
As at March 31, 2017	7.54	24.87	32.41
As at March 31, 2018	7.54	22.51	30.05

5 Other Intangible Assets
Particulars
Gross Block
As at April 01, 2016

Additions

Disposals

As at March 31, 2017

Additions

Disposals

As at March 31, 2018
Amortisation
As at April 01, 2016

Amortised For the Period

On Disposals

As at March 31, 2017

Amortised For the Period

On Disposals

As at March 31, 2018
Net Block

As at March 31, 2017

As at March 31, 2018

As at April 01, 2016	0.09	0.09
Additions	0.00	0.00
Disposals	0.00	0.00
As at March 31, 2017	0.09	0.09
Additions	0.00	0.00
Disposals	0.00	0.00
As at March 31, 2018	0.09	0.09
Amortised For the Period	0.06	0.06
On Disposals	0.00	0.00
As at March 31, 2017	0.06	0.06
Amortised For the Period	0.02	0.02
On Disposals	0.00	0.00
As at March 31, 2018	0.02	0.02
As at March 31, 2017	0.03	0.03
As at March 31, 2018	0.01	0.01

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

6 Capital Work In Progress

Intangible assets under development

	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
Intangible assets under development	2.99	2.99	2.99
	2.99	2.99	2.99

Sanco Industries Limited

Notes to financial statements for the year ended March 31, 2018

7 Non Current Investments

7 Non Current Investments				Rs. Lakhs		
	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
	In Nos	In Nos	In Nos	in Lakhs	in Lakhs	in Lakhs
I Investment at Cost						
A Un-Quoted						
Investment in Equity Shares						
(i) Investment in Subsidiary Companies	450,000	450,000	155,000	291.77	291.77	102.52
(*Face value of US\$ 1 each)						
(ii) Other Investments	-	-	4,152,596	-	-	302.76
(*Face value of Rs. 10 each)						
Total Equity Investment At Cost				291.77	291.77	405.28
Total Un-Quoted Investments at Cost in Equity				291.77	291.77	405.28
II Investment at Fair Value through OCI						
(i) Investment in Mutual Funds						
Union Dynamic Bond Fund	336,691.27	-	-	50.68	-	-
Total Mutual Funds Investment At Fair Value				50.68	-	-
(ii) Other Investment						
LIC of India				107.00	107.00	113.00
Star Union Dai-ichi Life Insurance				8.66	-	-
Total Investment at Cost				115.66	107.00	113.00
Total Non Current Investments				458.11	398.77	518.28

Sanco Industries Limited

Notes to financial statements for the year ended March 31, 2018

Rs. Lakhs

8 Trade Receivables

	Non- Current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Trade Receivables						
Secured, Considered Good	-	-	-	-	-	-
*Unsecured, Considered Good	1,395.72	446.06	786.09	7,323.80	5,324.07	4,689.22
Doubtful	-	-	-	-	-	-
	1,395.72	446.06	786.09	7,323.80	5,324.07	4,689.22
Less : Allowance for bad & doubtful debts	-	-	-	-	-	-
Total	1,395.72	446.06	786.09	7,323.80	5,324.07	4,689.22

* Out of Current Trade receivable outstanding for more than 6 months Rs 2579.74 as on 31st March 2018, Rs 772.56/- as on 31st March, 2017 and Rs 395.54 as on 1st April 16 is outstanding for the Period more than 6 months.

** Non - Current Trade receivable include Rs 817.79 as on 31st March 2018 and Current Trade receivable include Rs 1675.08 as on 31st March 2018 against which recovery case are pending.

9 Bank Balances

Rs. Lakhs

	Non- Current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
On Deposit Accounts						
Having Maturity Less than 3 Months	-	-	-	-	-	-
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-	-	136.09	129.03	91.47
Having Maturity more than 12 Months from date of deposit	-	1.94	51.79	1.15	-	-
On Margin Money Deposit Accounts	-	-	-	-	-	-
Net Bank Balances	-	1.94	51.79	137.24	129.03	91.47

10 Other Financial Assets

Rs. Lakhs

	Non- Current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Loans and Advances to Employees	-	-	-	1.09	1.96	2.03
Advances to Suppliers	-	-	-	564.41	444.24	154.93
Interest Accrued on Deposits	-	-	-	2.75	0.14	-
	-	-	-	568.25	446.35	156.96

11 Deferred Tax Asset/ (Liability)- Net	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Deferred Tax Liabilities			
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	-	-	-
Impact on Service concession arrangements accounting	-	-	-
Borrowing cost amortization	-	-	-
Other comprehensive income	-	-	-
Gross Deferred Tax Liabilities	-	-	-
Deferred Tax Assets			
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	9.11	7.49	(3.57)
	0.02	2.21	2.23
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis			
Other Timing Difference	4.88	6.10	6.29
Gross Deferred Tax Assets	14.01	15.80	4.95
Deferred Tax Asset/ (Liability)- Net	14.01	15.80	4.95

12 Other Assets	Rs. Lakhs					
	Non- Current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Other Advances						
Security Deposits	0.10	0.10	-	4.27	2.06	7.93
Prepaid Expense	-	-	-	16.14	1.10	1.01
Cenvat / Vat / Service Tax Credit Receivable	-	-	-	13.24	117.17	14.50
GST Receivable	-	-	-	193.66	-	-
Taxes Paid Under protest (Refer note)	-	-	-	9.50	-	-
Unamortized Capital Expenditure	-	19.74	44.43	-	-	-
Unamortised Upfront Fees and other borrowing Cost	-	-	-	0.81	4.19	-
Others Assets	-	216.39	-	12.67	1.96	22.00
Total	0.10	236.23	44.43	250.29	126.48	45.44

13 Inventories	Rs. Lakhs		
	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016
(At lower of cost and net realisable value unless otherwise stated)			
Raw Materials	3,318.03	1,118.33	505.03
Finished Goods	366.24	496.71	552.23
Stock in Trade	103.22	602.59	255.92
Total	3,787.49	2,217.63	1,313.18

14 Cash and Cash Equivalents

	Rs. Lakhs		
	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Cash on Hand	8.82	13.89	29.08
Balances with Banks			
-On Current Accounts	3.00	8.56	18.70
-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)		29.30	-
	11.82	51.75	47.78

15 Tax Assets (Net)

	Non- Current			Current	
	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	1st April, 2016
Tax Deposit against disput					
TDS and TCS	-	-	-	10.95	1.41
Minimum Alternate Tax Credit Entitlement	-	-	-	-	11.05
	-	-	-	10.95	12.46
Less: Disclosed under the Other Assets (Note 11)	-	-	-	9.50	-
Total	-	-	-	1.45	12.46

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2018
16 Equity Share Capital

	Rs. Lakhs		
	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
Authorised			
14000000 Mar 31,2018 (March 31, 2017: 14000000 of Rs. 10each) Equity Shares of Rs. 10 each	1,400.00	1,400.00	1,400.00
	<u>1,400.00</u>	<u>1,400.00</u>	<u>1,400.00</u>
Issued, Subscribed and Paid Up			
Equity Shares			
10284000 Mar 31,2018 (March 31, 2017: 10284000 of Rs. 10 each) Equity Shares of Rs. 10 each, Fully Paid Up	1,028.40	1,028.40	857.00
Total Equity Share Capital	<u>1,028.40</u>	<u>1,028.40</u>	<u>857.00</u>

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

	No. Lakhs	Rs. Lakhs
Equity Shares of Rs. 10 Each, Fully paid up		
At the Beginning 1st April 2017	85.70	857.00
Issued during the period - Bonus Issue	17.14	0.00
Issued during the period - Cash Issue	-	-
At the end 31st March 2017	<u>102.84</u>	<u>857.00</u>
Issued during the period - Bonus Issue	-	-
Issued during the period - Cash Issue	-	-
At the end 31st March 2018	<u>102.84</u>	<u>857.00</u>

16.2 Terms / Rights attached to Equity Shares (egg. Dividend rights,
Voting Rights)

The company has only one class of equity shares having a par value of Rs. 10 Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

16.3 Details of Shareholder holding more than 5% shares of the company:

	No.	% of Holding
Equity Shares of Rs. 10 each Held By as on 1st April 2016		
Mr. Sanjay Gupta	833700	9.73%
Ms. Shakuntla Gupta	502000	5.86%
Mr. Anurag Gupta	699800	8.17%
M/s Sanjay Gupta HUF	3362800	39.24%
M/s Shri Parasram Holdings Private Limited	520000	6.07%
Equity Shares of Rs. 10 each Held By as on 31st March 2017		
Mr. Sanjay Gupta	2142160	20.83%
Mrs. Rita Gupta	692160	6.73%
Ms. Shakuntla Gupta	602400	5.86%
Mr. Sidhant Gupta	528120	5.14%
M/s Sanjay Gupta HUF	1109360	10.79%
Equity Shares of Rs. 10 each Held By as on 31st March 2018		
Mr. Sanjay Gupta	1981550	19.27%
Mr. Sidhant Gupta	528120	5.14%
M/s Sanjay Gupta HUF	1109360	10.79%

Sanco Industries Limited						
Statement of Changes in Equity for the year ended March 31, 2018						
Attributable to the equity holders						Rs. Lakhs
Particulars	Reserves and Surplus			Items of Other comprehensive Income		Total equity
	Securities Premium Account	Investment Revaluation Reserve	Retained earnings	Foreign currency translation reserve	Other items of comprehensive income (specify nature)	
Balance as at 01.04.2016	226.00	4.07	1,619.61	-	-	1,849.68
Changes in accounting policy/prior period errors						-
Restated balance at the beginning of the reporting period						-
Total Comprehensive Income after tax						-
Additions			312.03		2.68	314.72
Converted in to Equity	(171.40)					(171.40)
Other change (to be specified)		(4.07)	(1.94)			(6.01)
Balance as at 31.03.2017	54.60	-	1,929.70	-	2.68	1,986.98
Changes in accounting policy/prior period errors						-
Restated balance at the beginning of the reporting period						-
Current year profit			405.63	-	3.54	409.17
Other Comprehensive Income after tax for the Period						-
Balance as at 31.03.2018	54.60	-	2,335.33	-	6.22	2,396.15

Sanco Industries Limited

Notes to financial statements for the year ended March 31, 2018

Rs. Lakhs

18 Long Term Borrowings

	Non Current Portion			Current Maturities		
	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
Rupee Term Loans						
Secured						
From Financial Institutions (refer note (a))	12.10	12.10	23.43	-	43.07	38.41
From Others (refer note (b))	106.32	95.68	123.82	-	-	-
Unsecured						
From Financial Institutions (refer note (c))	20.79	79.01	90.34	156.88	149.28	13.87
Hypothecation Loans - Secured						
From Banks (refer note (d))	35.02	5.50	8.98	20.87	3.41	2.65
Loans and Advances from Related Parties						
Unsecured						
Rupee Term Loans - from Directors	1,041.00	240.00	-	-	-	-
Net Amount	1,215.23	432.29	246.57	177.75	195.76	54.93

(a) Indian Rupee Loan from Financial Institutions Rs.38 lakhs is repayable in 48 monthly instalments of Rs.1.1 lakhs each along with interest. The loan is secured by personal guarantee of executive director of the company and their immovable property.

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

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

(d) Hypothecation Loans are secured by hypothecation of specific Vehicles acquired out of such loans.

19 Trade payables

	Non current			Current		
	As at	As at	As at	As at	As at	
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Trade Payables (including acceptances)						
(a) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	5,369.91	2,251.62	1,975.57
	-	-	-	5,369.91	2,251.62	1,975.57

20 Other financial liabilities

	Non current			Current		
	As at	As at	As at	As at	As at	
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Current maturities long term borrowings				177.75	195.76	54.93
Security Deposit	5.48	-	-	-	-	-
Salaries and other benefits Payable	-	-	-	12.60	1.31	-
Other Payables	-	-	-	90.50	85.11	47.23
Others - Related party	-	-	-	12.60	29.18	-
* Payable Sanjita Polymet Limited						
	5.48	-	-	293.45	311.36	102.16

21 Provisions

	Long Term			Short Term		
	As at	As at	As at	As at	As at	
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Provision for Leave Encashment	0.56	1.01	0.55	0.03	0.04	0.02
Provision for Gratuity	15.80	15.63	11.96	0.76	0.53	0.48
Provision for Bonus	-	-	-	4.10	5.81	3.70
	16.36	16.64	12.51	4.89	6.38	4.20

22 Other liabilities

	Non current			Current		
	As at	As at	As at	As at	As at	
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Advance from Customers	-	-	-	23.33	21.73	37.69
Taxes Payable (Other than Income Tax)	-	-	-	25.78	39.69	19.67
Income Taxes Payable (Note 30)	-	-	-	276.17	118.84	107.99
Employee Contributions Payable	-	-	-	3.72	2.16	1.33
	-	-	-	329.00	182.42	166.68

23 Short Term Borrowings

	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Bank Overdraft			
Cash Credits and Working Capital Demand Loan from Banks (Secured)	3,332.58	2,712.72	1,807.05
(Union Bank of India & South Indian Bank Cash Credit Limits - Secured against Hypothecation of liquid current assets, Plant and Machinery, Immovable property and their personal gurantee of Director and relative)			
Other Loans repayable on demand			
Secured			
From Banks (Secured aganist Fixed Deposit)	99.83	-	-
From Financial Institutions (Secured against immovable property of Director)	228.75	152.62	151.38
Unsecured			
From Banks	-	528.01	624.80
From Financial Institutions	-	163.37	347.09
From other	-	-	98.45
	3,661.16	3,556.72	3,028.77

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2018
24 Revenue From Operations

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products		
- Finished goods	14,706.52	4,599.99
- Traded goods	2,485.76	6,183.05
	<u>17,192.28</u>	<u>10,783.04</u>
Gross Revenue from Operations	<u><u>17,192.28</u></u>	<u><u>10,783.04</u></u>

25 Other Income

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on		
Deposits and Margin money	10.95	14.26
Other Non-Operating Income		-
(Net of expenses directly attributable to such Income)		
Net Gain on Foreign Exchange Fluctuations	4.59	6.18
Liabilities and Provisions no longer required written back	1.08	-
Net Profit on Sale of Assets	1.14	-
Rental Income from Investment Property	0.42	1.68
Miscellaneous Income	1.81	0.03
	<u>19.99</u>	<u>22.15</u>

26 Cost Of Materials Consumed

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory opening balance	1,118.33	505.03
Add : Purchases	14,316.53	3,650.97
	<u>15,434.86</u>	<u>4,156.00</u>
Less : Inventory closing balance	3,318.03	1,118.33
Cost of Raw Materials Consumed	<u><u>12,116.83</u></u>	<u><u>3,037.67</u></u>

27 Purchase of stock-in-trade	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases - Trading Materials	2,556.06	6,503.22
	2,556.06	6,503.22
28 (Increase) / Decrease In Inventories Of Finished Goods, Construction / Development	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Finished Goods		
Inventories at the beginning of the Year	496.71	552.23
Less : Inventories at the end of the Year *	366.24	496.71
Sub Total (A)	130.47	55.52
Stock In Trade		
Inventories at the beginning of the Year	602.59	255.92
Less : Inventories at the end of the Year *	103.22	602.59
Sub Total (B)	499.37	(346.67)
(Increase) / Decrease in inventories (A+B)	629.84	(291.15)
29 Employee Benefits Expenses	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and benefits to employees	179.93	154.42
Contribution to provident fund and other funds	11.98	23.78
Staff welfare expenses	8.51	8.08
Keyman Insurance Premium	15.89	15.90
	216.31	202.18
30 Finance Cost	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
- Paid to Bank	474.37	408.68
- Paid to Other	132.85	159.60
Bank charges	56.27	60.74
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	8.81	8.55
	672.30	637.57
31 Depreciation And Amortization Expense	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on PPE	71.45	71.42
Amortization on Intangible Assets	0.02	0.06
Depreciation on Investment Property	2.36	2.61
Amortization Expense	19.74	24.69
	93.57	98.78

32 Other Expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	16.91	14.64
Rates and taxes	0.50	2.12
Repairs and Maintenance:		
Office Building and Plant & Machinery	21.27	8.44
Others	2.85	1.64
Marketing and selling expenses	-	12.86
Office maintenance	7.97	5.40
Insurance	5.50	3.67
Printing and stationery	1.07	2.25
Consultancy and other professional charges	18.93	30.32
Electricity and Power charges	60.65	83.34
Remuneration to auditors	3.00	1.50
Travelling and conveyance	22.71	18.86
Communication expenses	3.93	3.91
Business Promotion and Advertisement	2.13	16.30
Discount Charges	28.65	-
Vehicle running & maintenance	18.73	26.68
Commission & brokerage	15.73	4.18
Freight and forwarding charges	101.31	83.59
Testing Fee and Licence Fee	4.51	2.13
Miscellaneous expenses	1.40	7.74
	337.75	329.57

33 Other Comprehensive Income

	For the year ended March 31, 2018	Rs. Lakhs For the year ended March 31, 2017
(A) Items that will not be reclassified to profit or loss		
(i) Changes in revaluation surplus;	0.68	-
(ii) Remeasurements of the defined benefit plans;		(0.22)
(iii) Others (specify nature).	-	4.19
Income Tax relating to items that will not be reclassified to profit or loss	-	(1.30)
	0.68	2.68
(B) Items that will be reclassified to profit or loss		
Others (specify nature).	2.86	-
Income Tax relating to items that will be reclassified to profit or loss	-	-
	2.86	-

Sanco Industries Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2018
34 Earning Per Share (EPS)

		Rs. Lakhs	
		March 31, 2018	March 31, 2017
Total Operations for the year			
Profit/(Loss) after tax		405.63	312.03
Less : Dividend on convertible Preference shares & tax thereon		-	-
Net Profit/(Loss) for calculation of basic EPS	(A)	405.63	312.03
Net Profit as above		405.63	312.03
Add : Dividends on convertible preference shares & tax thereon		-	-
Add : Interest on bonds/Debentures/Loan convertible into equity shares (Net of tax)		-	-
Net Profit/(Loss) for calculation of diluted EPS	(B)	405.63	312.03
Weighted average number of Equity Shares for Basic EPS	(c)	102.84	102.84
Effect of dilution :			
Due to bonus share		17.14	17.14
Weighted Average number of Equity shares for Diluted EPS	(D)	119.98	119.98
Basic EPS			
Total Operations	(A) / (C)	3.94	3.03
Diluted EPS			
Total Operations	(B) / (D)	3.38	2.60

35 Borrowing Costs

Detail of borrowing costs incurred which are directly attributable to the acquisition/ construction of a qualifying asset and capitalised during the year to be disclosed.

36 Capital and Other Commitments

	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account other than investment property and not provided for	Nil	Nil
Estimated amount of contracts remaining to be executed on investment property and not provided for	Nil	Nil
Investment Commitment in Subsidiaries and Associates	Nil	Nil
Contractual obligations for purchase of PPE	Nil	Nil

37 Employee benefit obligations

- 1 Defined contribution plan, which relates to the company's provident fund under which an amount of Rs. 8.56 Lakh (Previous year Rs. 8.72 Lakh) of employers' contribution to provident fund has been recognized in the statement of profit and loss account during the year.

2 **Defined benefit plans:**
Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

a	Balance Sheet amount (Gratuity)	Present value of obligation	Fair value of plan assets	Net amount
	April 01, 2016	12.44	-	12.44
	Current service cost	2.58	-	2.58
	Interest expense (income)	0.92	-	0.92
	Total amount recognised in profit and loss	3.50	-	3.50
	Remeasurement			
	Return on plan assets, excluding amount included in interest expense (income)			
	(Gain) Loss from change in financial assumptions	0.63	-	0.63
	Experience (gain) loss	(0.41)	-	(0.41)
	Total amount recognised in Other Comprehensive Income	0.22	-	0.22
	Employer contributions	-	-	-
	Benefit payments	-	-	-
	March 31, 2017	16.16	-	16.16
	Current service cost	2.45	-	2.45
	Interest expense (income)	1.20	-	1.20
	Total amount recognised in profit and loss	3.65	-	3.65
	Remeasurement			
	Return on plan assets, excluding amount included in interest expense (income)			
	(Gain) Loss from change in financial assumptions	(0.87)	-	(0.87)
	Experience (gain) loss	(1.99)	-	(1.99)
	Total amount recognised in Other Comprehensive Income	(2.86)	-	(2.86)
	Employer contributions	-	-	-
	Benefit payments	(0.39)	-	(0.39)
	March 31, 2018	16.56	-	16.56

b **Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

Particular	March 31, 2018	March 31, 2017
Current Liability (Short term)	0.76	0.53
Non-Current Liability (Long term)	15.80	15.63
	16.56	16.16

c **Expenses Recognised in the Income Statement**

	March 31, 2018	March 31, 2017
Current Service Cost	2.45	2.58
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	1.20	0.92
Expenses Recognised in the Income Statement	3.65	3.50

	March 31, 2018	March 31, 2017
d Other Comprehensive Income		
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.87)	0.63
- experience variance (i.e. Actual experience vs assumptions)	(1.99)	(0.41)
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	(2.86)	0.22

e Actuarial Assumptions

We have used actuarial assumptions selected by the Company. The Company has been advised that the assumptions selected should be unbiased and mutually compatible and should reflect the Company's best estimate of the variables of the future. The Company has

Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

	March 31, 2018	March 31, 2017
Discount rate (per annum)	7.80%	7.42%
Salary growth rate (per annum)	7.00%	7.00%

f Demographic Assumptions

	March 31, 2018	March 31, 2017
Mortality rate (% of IALM 06-08)	100%	100%
Normal retirement age	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Up to 30 years	5%	5%
31 to 45 years	3%	3%
Above 45 years	1%	1%

g Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been

determined based on reasonably possible changes of the assumptions

	March 31, 2018	March 31, 2017
Defined Benefit Obligation (Base)	16.56	16.16

Particular	March 31, 2018		March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	18.99	14.54	18.72	14.06
(% change compared to base due to sensitivity)	14.70%	-12.20%	15.80%	-13.00%
Salary Growth Rate (- / + 1%)	14.51	18.98	14.03	18.70
(% change compared to base due to sensitivity)	-12.40%	14.60%	-13.20%	15.70%
Attrition Rate (- / + 50% of attrition rates)	16.63	16.72	NA	NA
(% change compared to base due to sensitivity)	-1.20%	1.00%	NA	NA
Mortality Rate (- / + 10% of mortality rates)	16.55	16.56		
(% change compared to base due to sensitivity)	0%	0%		

38 Contingent Liabilities - Not probable and therefore not provided for

	March 31, 2018	March 31, 2017
A. Claims disputed by the company		
Income tax Liability	63.33	72.27
B. Outstanding Corporate Guarantees		
Given to Financial Institutions, Banks on behalf of other group companies *	20.00	20.00
(* Corporate Guarantees issued for facility taken by foreign Subsidiary Company (Amount in USD)		
C. Guarantees issued by the bank on behalf of the Company	4.46	4.46

40 Segment Reporting

The details of primary segment information for the year ended March 31, 2018 and March 31, 2017 are given below:

a) The segment report of has been prepared in accordance with IND AS 108 "Operating Segments" as notified under section 133 of the Companies Act.

b) The Company is currently focused on two business segments: Manufacturing and Trading

c) In respect of secondary segment information the company has no geographical segment by location.

d) The business segments of the company as following:

Segment	Details of Business
Manufacturing	Production of PVC pipes and wires & cables
Trading	Trading of metal wire and rod

42 First Time Adoption of IndAS - Disclosures

A	Balance Sheet as on April 01, 2016 (Ind AS translation date)	Rs. Lakhs
Particulars		As at 1st April, 2016
ASSETS		
(1) Non Current Assets		
(a) Property, Plant and Equipment		399.65
(b) Investment Property		35.02
(c) Other Intangible Assets		0.09
(d) Goodwill		2.99
(e) WIP		-
(f) Financial Assets		-
(i) Investments		518.28
(ii) Trade receivables		786.09
(iii) Bank balances		51.79
(iv) Other financial assets		-
Total Financial Asset		1,356.16
(g) Deferred tax assets (net)		4.95
(h) Other non current assets		44.43
Total Non Current Assets		1,843.29

(2) Current assets	
(a) Inventories	1,313.18
(b) Financial Assets	-
(i) Investments	-
(ii) Trade receivables	4,689.22
(iii) Cash and cash equivalents	47.78
(iv) Bank balances	91.47
(v) Other financial assets	156.96
Total Financial Asset	4,985.43
(c) Current tax assets (Net)	55.80
(d) Other current assets	45.44
Total Current Assets	6,399.85
(3) Non current assets classified as held for sale	-
Total Assets	8,243.14

EQUITY AND LIABILITIES

A EQUITY	
(a) Equity Share Capital	857.00
(b) Other Equity	1,849.68
Total Equity	2,706.68
B LIABILITIES	
(1) Non Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	246.57
(ii) Trade payables	-
(iii) Other financial liabilities	-
Total Financial Liabilities	246.57
(b) Provisions	12.51
(c) Deferred tax liabilities (Net)	-
(d) Other non current liabilities	-
Total Non Current Liabilities	259.08
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	3,028.77
(ii) Trade payables	1,975.57
(iii) Other financial liabilities	102.16
Total Financial Liabilities	5,106.50
(b) Other current liabilities	166.68
(c) Provisions	4.20
Total Current Liabilities	5,277.38
Liabilities associated with non current assets held for sale	-
Total Equity and Liabilities	8,243.14

B Reconciliation of Net worth as previously reported under Indian GAAP Vs IND AS		Rs. Lakhs
	March 31, 2017	April 1, 2016
Net worth as per I GAAP financials	3,012.47	2,706.68
Items of other comprehensive income	2.68	-
Tax effect on Re-measurement of Expenses and Revenue	0.23	-
Net worth as reported under IND AS	3,015.38	2,706.68
C Reconciliation of PAT as previously reported under Indian GAAP Vs. IND AS		Rs. Lakhs
	March 31, 2017	
Net Profit/ (Loss) after Tax as per Previous Indian GAAP	311.80	
Re-measurement of Expenses and Revenue	4.19	
Tax effect	(1.28)	
Net Profit/ (Loss) after Tax before OCI as per the IND AS	314.71	

43 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises

	March 31, 2018	March 31, 2017
Principal amount remaining unpaid to any supplier as at the end of the year	-	-
Interest due on the above amount	-	-
Amount of interest paid in terms of Section 16 of the MSMED Act, 2006.	-	-
Amount of payments made to the suppliers beyond the appointed day during the year	-	-
Amount of interest due and payable for the delay in making the payment but without adding the interest specified under Act	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the small enterprises.	-	-

44 Transition to Ind AS

These are the first Financial Statements of the Company prepared in accordance with Ind AS.

A) Exemptions and exceptions availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying v

a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its de

ii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments.

iii) Investments in subsidiary companies, associate company and joint venture company

Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be its fair value at date of transition to Ind AS of

iv) Long-term foreign currency monetary items

Under IGAAP, para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' provided an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange

The Company has opted to apply this exemption.

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference Accounting Policies) unless there is objective evidence that those

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under

- 1) Investment in equity instruments carried at FVPL or FVOCI
- 2) Fair value of investment properties

ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B) Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, Total Comprehensive Income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS:

Particulars	As at March 31, 2017		
	Regrouped IGAAP*	Adjustments	Ind AS
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	330.82	-	330.82
(b) Investment Property	32.41	-	32.41
(c) Other Intangible Assets	0.03	-	0.03
(d) WIP	2.99	-	2.99
(e) Financial Assets			
(i) Investments	398.77	-	398.77
(ii) Trade receivables	446.06	-	446.06
(vi) Bank balances	1.94	-	1.94
(iv) Other financial assets	-	-	-
Total Financial Asset	846.77	-	846.77
(f) Deferred tax assets (net)	17.10	(1.30)	15.80
(g) Other non current assets	232.03	4.20	236.23
Total Non Current Assets	1,462.15	2.90	1,465.05
Current assets			
(a) Inventories	2,217.63	-	2,217.63
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade receivables	5,324.07	-	5,324.07
(v) Cash and cash equivalents	51.75	-	51.75
(vi) Bank balances	129.03	-	129.03
(vii) Other financial assets	446.35	-	446.35
Total Financial Asset	5,951.20	-	5,951.20
(c) Current tax assets (Net)	12.46	-	12.46
(d) Other current assets	126.48	-	126.48
Total Current Assets	8,307.76	-	8,307.76
Non current assets classified as held for sale	-	-	-
Total Assets	9,769.91	2.90	9,772.81
EQUITY			
(a) Equity Share Capital	1,028.40	-	1,028.40
(b) Other Equity	1,984.07	2.91	1,986.98
Total Equity	3,012.47	2.91	3,015.38
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	432.29	-	432.29
(ii) Trade payables	-	-	-
(iii) Other financial liabilities	-	-	-
Total Financial Liabilities	432.29	-	432.29
(b) Provisions	16.64	-	16.64
(c) Deferred tax liabilities (Net)	-	-	-
(d) Other non current liabilities	-	-	-
Total Non Current Liabilities	448.93	-	448.93
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3,556.72	-	3,556.72
(ii) Trade payables	2,251.62	-	2,251.62
(iii) Other financial liabilities	311.37	(0.01)	311.36
Total Financial Liabilities	6,119.71	(0.01)	6,119.70
(b) Other current liabilities	182.42	-	182.42
(c) Provisions	6.38	-	6.38
Total Current Liabilities	6,308.51	(0.01)	6,308.50
Liabilities associated with non current assets held for sale	-	-	-
Total Equity and Liabilities	9,769.91	2.90	9,772.81

Particulars	As at April 1, 2016		
	Regrouped IGAAP*	Adjustments	Ind AS
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	399.65	-	399
(b) Investment Property	35.02	-	35
(c) Other Intangible Assets	0.09	-	0
(d) WIP	2.99	-	2
(e) Financial Assets	-	-	-
(i) Investments	518.28	-	518
(ii) Trade receivables	786.09	-	786
(vi) Bank balances	51.79	-	51
(iv) Other financial assets	-	-	-
Total Financial Asset	1,356.16	-	1,356
(f) Deferred tax assets (net)	4.95	-	4
(g) Other non current assets	44.43	-	44
Total Non Current Assets	1,843.29	-	1,843
Current assets			
(a) Inventories	1,313.18	-	1,313
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade receivables	4,689.22	-	4,689
(v) Cash and cash equivalents	47.78	-	47
(vi) Bank balances	91.47	-	91
(vii) Other financial assets	156.96	-	156
Total Financial Asset	4,985.43	-	4,985
(c) Current tax assets (Net)	55.80	-	55
(d) Other current assets	45.44	-	45
Total Current Assets	6,399.85	-	6,399
Non current assets classified as held for sale	-	-	-
Total Assets	8,243.14	-	8,243

*The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

C) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Particular	Regrouped IGAAP*	Adjustments	Ind AS
Revenue from Operations	10,783.04	-	10,783.04
Other Income	22.15	-	22.15
Total Income	10,805.19	-	10,805.19
EXPENSES			
Cost of Materials Consumed	3,037.67	-	3,037.67
Purchase of stock-in-trade	6,503.22	-	6,503.22
Change in Inventories of Finished Goods, Stock in trade and Work in Progress	(291.15)	-	(291.15)
Employee benefits expenses	202.41	(0.23)	202.18
Finance cost	637.57	-	637.57
Depreciation and Amortization expense	98.78	-	98.78
Other expenses	329.57	-	329.57
Total Expenses	10,518.07	(0.23)	10,517.84
Profit / (Loss) before Exceptional Items and Tax	287.12	0.23	287.35
Exceptional Items	131.38	-	131.38
Profit / (Loss) before Tax	418.50	0.23	418.73
Tax Expense			
Current tax / Minimum alternate tax (MAT) payable	118.84	-	118.84
Less: MAT credit entitlement	-	-	-
Net Current Tax	118.84	-	118.84
Relating to previous periods	-	-	-
Deferred tax	(12.14)	-	(12.14)
Total Tax Expense	106.70	-	106.70
Profit / (Loss) for the period from Continuing operations	311.80	0.23	312.03
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit and loss	-	2.68	2.68
B (i) Items that will be reclassified to profit and loss			-
Total Comprehensive Income for the period	311.80	2.91	314.71
Earnings Per Equity Share - (for Continuing operation)			
Basic (Rs.)	3.03	-	3.03
Diluted (Rs.)	3.03	-	2.60

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

D) Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended March 31, 2017

The transition from IGAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

Cash and Cash Equivalents

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

	As at Mar 31, 2018	As at Mar 31, 2017
Cash on Hand	8.82	
Balances with Banks	-	
-On Current Accounts	3.00	
-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)	-	
	11.82	

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

	As at Mar 31, 2018	As at Mar 31, 2017
Cash & Cash equivalent as per balance sheet	11.82	51.75
Bank Overdraft	(3,332.58)	(2,712.72)
	(3,320.76)	(2,660.97)

- 46 Previous year figures have been regrouped/ reclassified where ever necessary, to confirm to those of the current year.
- 47 As allowed under Schedule III of the Companies Act, 2013, financials are prepared in lakhs / in Crores and rounded off to two decimals. The amounts / numbers below thousand / fifty thousands are appearing as zero.

As per our report of even date.

For V J M & Associates LLP

Chartered Accountants

Firm Registration No.027535N/N500093

Sd/-

Kavit Vijay

Partner

Membership No. 517014

Sd/-

SANJAY GUPTA

Managing Director

DIN - 00726005

Sd/-

SIDHANT GUPTA

Director

DIN - 02676750

Place: Delhi

Date: 24th May 2018

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2018
Reporting of Segment wise Revenue, Results and Capital Employed

	Rs. Lakhs	
Reportable Segments		
Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
1. Segment Revenue		
(a) Manufacturing	14,706.52	4599.99
(b) Trading	2,485.76	6183.05
(c) Unallocable	-	-
Net Sale	17,192.28	10,783.04
Other Operative Income	-	-
Net Sales from Operations	17,192.28	10,783.04
2. Segment Results		
Profit/(Loss) after depreciation but before finance cost and tax	-	
(a) Manufacturing	1,788.51	1079.47
(b) Trading	(546.58)	(45.32)
(C) Unallocable	-	-
Operating profit	1,241.93	1,034.15
Finance costs	(672.30)	(637.57)
Add: Other Income	19.99	22.15
Total Profit Before Tax	589.62	418.73
Less: Income taxes	183.99	106.70
Add: Other Comprehensive Income	3.54	2.68
Net Profit	409.17	314.71
Segment Assets		
(a) Manufacturing	11,195.51	6723.92
(b) Trading	1,363.94	3045.98
(C) Unallocable	1,760.58	-
Total Assets	14,320.03	9,769.90
Segment Liabilities		
(a) Manufacturing	4,593.50	2036.91
(b) Trading	776.41	1243.70
(C) Unallocable	5,525.57	3476.82
Total Liabilities	10,895.48	6,757.43
Capital Employed		
(a) Manufacturing	6,602.01	4,687.01
(b) Trading	587.53	1,802.28
(C) Unallocable	(3,764.99)	(3,476.82)

Secondary Segment Reporting (by Geographic Segments) - Business Segments and Geographical segments are same.

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2018
41 Fair value measurements
(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined on the observability of significant inputs to the measurement.

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data.

Particular	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVPL	FVOCI	Amortised	FVPL	FVOCI	Amortised	FVPL	FVOCI	Amor
Financial assets									
Investments									
- Equity instruments	-	-	291.77	-	-	291.77	-	-	
- Mutual Funds	-	50.68	-	-	-	-	-	-	
- Other Investment	-	-	115.66	-	-	107.00	-	-	
Trade receivables	-	-	8,719.52	-	-	5,770.13	-	-	
Deposit with Bank	-	-	137.24	-	-	130.97	-	-	
Cash and cash equivalents	-	-	11.82	-	-	51.75	-	-	
Other financial assets									
- Loans and Advances to Employees	-	-	1.09	-	-	1.96	-	-	
- Advances to Suppliers	-	-	564.41	-	-	444.24	-	-	
- Interest Accrued on Deposits	-	-	2.75	-	-	0.14	-	-	
Total Financial Assets	-	50.68	9,844.26	-	-	6,797.96	-	-	
Financial liabilities									
Borrowings			5,054.14			4,184.77			
Trade payables			5,369.91			2,251.62			
Other financial liabilities									
- Security Deposit			5.48			-			
- Salaries and other benefits Payable			12.60			1.31			
- Other Payables			103.10			114.29			
Total Financial Liabilities	-	-	10,545.23	-	-	6,551.99	-	-	

Fair Market Value of Financial Assets

Particular	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	FMV	Carrying Amount	FMV	Carrying Amount	FM
Financial assets						
Investments						
- Equity instruments	291.77	291.77	291.77	291.77	405.28	
- Mutual Funds	50.00	50.68	-	-	-	
- Other Investment	115.66	78.06	107.00	69.40	113.00	
Trade receivables	8,719.52	8,719.52	5,770.13	5,770.13	5,475.31	
Deposit with Bank	137.24	137.24	130.97	130.97	143.26	
Cash and cash equivalents	11.82	11.82	51.75	51.75	47.78	
Other financial assets						
- Loans and Advances to Employees	1.09	1.09	1.96	1.96	2.03	
- Advances to Suppliers	564.41	564.41	444.24	444.24	154.93	
- Interest Accrued on Deposits	2.75	2.75	0.14	0.14	-	
Total Financial Assets	9,894.26		6,797.96	6,760.36	6,341.59	
Financial liabilities						
Borrowings	5,054.14	5,054.14	4,184.77	4,184.77	3,330.27	
Trade payables	5,369.91	5,369.91	2,251.62	2,251.62	1,975.57	
Other financial liabilities						
- Security Deposit	5.48	5.48	-	-	-	
- Salaries and other benefits Payable	12.60	12.60	1.31	1.31	-	
- Other Payables	103.10	103.10	114.29	114.29	47.23	
Total Financial Liabilities	10,545.23	10,545.23	6,551.99	6,551.99	5,353.07	

Sanco Industries Limited
Notes to financial statements for the year ended March 31, 2018
39 RELATED PARTY DISCLOSURE
a) Name of Related parties and description of relationship

Description of Relationship	Name
Subsidiary company	- Sanjita Polymet Limited
Associates	- Sanco Enterprises Private Ltd - Superlink Polyfeb Ltd.
Key Management Personnel	- Rita Gupta - Sanjay Gupta - Sidhant Gupta - Saurabh Gupta - Sanjeev Kumar Jain - Surender Kumar Gupta - Sonu Kumari
Close family members of Key Management Personnel	- Anurag Gupta - Mansi Gupta - Sanjay Gupta HUF - Shakuntala Gupta

(B) Summary of related party transactions
Rs. Lakhs

Particulars	Subsidiary company(ies)		Entities controlled by Directors or their Relatives		Key Management Personnel or their Relatives	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Transactions						
Investment	-	291.77	-	-	-	-
Sale of Investment	-	-	-	335.13	-	-
Unsecured Loan Received	-	-	-	-	1,128.75	490.00
Unsecured Loan Repaid	-	-	-	-	327.75	250.00
Remuneration	-	-	-	-	16.80	16.80
Reimbursement of expenses	-	-	-	-	85.59	105.27
Rent paid	-	-	-	-	9.00	9.00
Balance outstanding						
Receivable	-	-	-	216.39	-	-
Payables	12.60	29.18	-	-	1,074.07	264.29

Notes and other explanatory information to financial statements for the year ended March 31, 2018
Background

Corporate Information

Sanco Industries Limited (the "Company") is an integrated manufacturing company. The Company is engaged in the business of manufacturing and trading of PVC Resin, PVC Compound, PVC Pipe & Profiles and Wire & Cables, LED Lights, Chemical etc. Registered office of the Company is situated in the Delhi. The Company has manufacturing facilities in the State of Himachal Pradesh and various branch in different location within India. The Product of the Company caters domestic markets.

Sanco Industries Limited was incorporated on March 17, 1989 as a Private Limited company under the provisions of Companies Act, 1956 in the name and style of "Sanco Plastics Private Limited" vide Certificate of Incorporation issued by Registrar of Companies, Delhi & Haryana. The Company took over the business of a partnership firm "Sanco Plastic Industries" by way of an Agreement dated April 1, 1989. The name of our Company was changed to "Sanco Industries Private Limited", pursuant to which a fresh certificate of incorporation dated April 09, 2008 consequent upon change of name was issued by Registrar of Companies, Delhi & Haryana. Our Company was subsequently converted into a public company and the name was changed to 'Sanco Industries Limited' pursuant to a shareholders resolution dated May 15, 2008 and received a Fresh Certificate of Incorporation dated June 03, 2008 consequent upon Change of Name on conversion to Public Limited Company.

The company got listed with National Stock Exchange SME on March 12, 2014 and after Nov 2016 listed on National Stock Exchange main board.

Notes: 1 Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

These Financial Statements are the first Financial Statements of the Company under Ind AS. Refer Notes for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to Ind AS has affected the financial position, financial performance and cash flows of the Company.

(ii) Historical cost convention:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments - notes)
- Defined Benefit and other Long term Employee Benefits - Refer notes

- (i) Estimates: An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.
- (ii) Ind As 109- Financial Instruments (Derecognition of previously recognised financial assets/ financial liabilities): An entity shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind As. The Company has applied the derecognition requirements prospectively.
- (iii) Ind As 109- Financial Instruments: At the date of transition to Ind AS, an entity shall measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities. The Company has measured all derivatives at fair value eliminating deferred losses and gains arising on derivatives.

requirement for hedge accounting on the date of transition. An entity shall not reflect in the opening Ind AS Balance Sheet a hedging relationship of a type that does not qualify for hedge accounting in accordance with Ind AS 109. However if an entity designated a net position as hedged item in accordance with previous GAAP, it may designate as a hedged item in accordance with Ind AS an individual item within the net position, or a net position if that meets the requirements of Ind AS 109 provided that it does so no later than the date of transition to Ind AS. If, before the date of transition to Ind AS, an entity had designated a transaction as a hedge but the hedge does not meet the conditions for hedge accounting in Ind AS 109, the entity shall discontinue hedge accounting. Transactions entered into before the date of transition to Ind AS shall not be retrospectively designated as hedges. The company does not have hedging relationships to which exception applies and hence this exception does not apply.

- (iv) IndAS 109 Financial Instruments (Classification and measurement of Financial assets): Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.
- (v) Ind AS 109 Financial Instrument (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort. The Company has applied impairment requirement retrospectively.
- (vi) Ind AS 109 Financial Instrument (Embedded Derivatives): Ind AS 109 requires an entity to assess whether an embedded derivative is required to be separated from host contract and accounted for as a derivative on the basis of conditions that existed at the later of the date it first became party to the contract and the date a reassessment is required. The Company does not have any embedded derivative on the transition date.
- (vii) Ind AS 109 Financial Instruments (Government Loans): A first-time adopter shall classify all Government loans received as a financial liability or an equity instrument in accordance with Ind AS 32.

If a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance sheet. An entity shall apply Ind AS 109 to the measurement of such loans after the date of transition to Ind AS. An entity shall apply Ind AS 109 and Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to Government loans existing at the date of transition to Ind AS and shall the Government loan at a below market rate of interest as a Government grant. The Company did not avail any Government loan as on the date of transition.

Exceptions from retrospective application of other IndAS (Optional Exemption)

- (i) Ind AS 103 Business Combinations: An entity may elect not to apply Ind AS 103 retrospectively to all business combinations that occurred before the date of transition to Ind AS. The Company

has elected not to apply Ind AS 103 to business combinations that occurred before the date of transition to Ind AS.

- (ii) Ind AS 102 Share Based Payment: An entity may elect to apply Ind AS 102 to equity instruments that vested before the date of transition to Ind AS. The Company has not applied Ind AS 102 to grants which vested before the date of transition to Ind AS.
- (iii) Ind AS 104 Insurance Contracts: An entity shall apply Ind AS 104 for annual periods beginning on or after the date of transition to Ind AS. If an entity applies Ind AS 104 for an earlier period, it shall disclose the fact. Ind AS 104 is not applicable to the Company.
- (iv) Ind AS 16 Property, Plant and Equipment&Ind AS 38 Intangible Assets: An entity may elect to measure an item of property, plant and equipment and equipment and Intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of Property, Plant and Equipment, intangibles by applying Ind AS retrospectively or use of the carrying amount under Previous GAAP on the date of transition as deemed cost.

The Company has elected to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition except land class for which fair value on the date of transition has been adopted as deemed cost.

Decommissioning liabilities included in the cost of Property, Plant and Equipment: Appendix A to Ind AS 16 on Changes in Existing, Decommissioning, Restoration and Similar Liabilities requires specific changes in decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. The Company has not adjusted changes in liabilities to the cost of assets retrospectively.

- (v) Ind AS 17 Leases: An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes land and building elements, an entity shall assess the classification of each element as finance lease or operating lease. The company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

- (vi) Ind AS 21 The effect of changes in foreign exchange rates:

Long Term Foreign Currency Monetary Items: A first-time adopter may continue the policy adopted for accounting for exchange difference arising from translation of long-term term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company adopted the policy of amortizing exchange differences on long term foreign currency monetary items and accordingly this exemption has been applied by the company.

- (vii) Ind AS 27 Separate Financial Statements: An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

a. at cost; or

- b. in accordance with Ind AS 109.

Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries & associates at cost determined in accordance with Ind AS 27 i.e. original cost of investment in subsidiaries and associates.

- (viii) Ind AS 32 Financial Instruments (Presentation): Ind AS 32 requires an entity to split a compound financial instrument at inception into separate liability and equity components. As per Ind AS 101 First Time Adoption of Ind AS, if the liability component is no longer outstanding at the date of transition to Ind AS, an entity need not separate the amount recognised in equity into retained earnings and issued equity. The Company has not applied split accounting on the date of transition in regard liability component which is no longer outstanding at the date of transition to Ind AS.

- (ix) Ind AS 109 Financial Instruments: Ind AS 109 permits an entity to designate a financial liability/asset (meeting certain criteria) at fair value through profit or loss. A financial liability/asset shall be designated at fair value through circumstances that exist at the date of the facts and circumstances that exist at the date of transition to Ind AS. There are no financial liabilities or assets that are specifically designated at FVTPL and hence this exemption is not applicable.

An entity may designate an investment in an equity instruments as at fair value through other comprehensive income (FVTOCI) in accordance with the Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS. The company has not designated equity instruments as at FVTOCI and hence this exemption is not applicable.

- (x) Ind AS 105 Non-current Assets held for Sale and Discontinued Operations: Ind AS 105 requires that non-current assets (or disposal groups) that meet the criteria to be classified as held for sale, non-current assets (or disposal groups) that are held for distribution to owners and operations that meet the criteria to be classified as discontinued operations shall be carried at lower of its carrying amount and fair value less costs to sell on the date of such identification. A first-time adopter can measure such assets or operations on the date of transition to Ind AS and recognise the difference between that amount and carrying amount under previous GAAP directly in retained earnings. The company has applied this exemption.

1.1 Summary of significant accounting policies

I. Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

Use of estimation and assumptions

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognised in the financial statements.

Income tax

The company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

Employee Benefits- Measurement of Defined Benefit Obligation

Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits.

Critical judgments made in applying accounting policies

Lease Classifications

At the inception of an arrangement entered into for the use of property, plant and equipment (PPE), the Company determines whether such an arrangement is, or contains, a lease. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of (i) whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and (ii) the arrangement conveys a right to use the asset(s).

Lease transactions where substantially all risks and rewards incident to ownership are transferred from the lessor to the lessee are accounted for as finance leases. All other leases are accounted for as operating leases.

Impairment in subsidiaries

When a subsidiary is in net equity deficit and has suffered operating losses, a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgment. An estimate is made of the future profitability of the investee, and the financial health of and near-term business

outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow.

Impairment of plant & equipment and Intangible assets

The company assesses whether plant & equipment and intangible assets have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant & equipment and intangible asset have been determined based on value-in-use calculations. These calculations require the use of judgment and estimates.

Expected credit loss

Expected credit losses of the company are based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

1.2 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on the straight-line method to allocate the cost of assets, net of their residual values, over their estimated useful lives.

Depreciation is calculated on a pro-rata basis from the date of acquisition/installation till the date the assets are sold or disposed of:

Buildings	30 years
Plant and equipment	6 to 20 years
Vehicles	6 to 10 years
Office equipment and furniture	5 to 10 years

Land accounted under finance lease is amortised on a straight-line basis over the period of lease. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

I. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the straight-line method as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

II. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The company amortizes Computer software using the straight-line method over the period of 5 years.

III. Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Subsequent Measurement:

(i) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI.

Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognised in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial asset are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the statement of profit and loss.

(iv) Investment in subsidiaries, joint ventures & associates are carried at cost in the separate financial statements.

Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

(i) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

IV. Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

V. Inventories

Raw materials, components, stores and spares are valued at the lower of cost and net realizable value. Cost is determined on FIFO basis. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work in progress and finished goods are valued at lower of cost and net realizable value.

Cost includes direct material, labour and proportion of manufacturing overheads.

VI. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

VII. Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into net income. Gains are not recognized in excess of any cumulative impairment losses.

VIII. Share Capital

Equity shares are classified as equity.

IX. Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows: -

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortization process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability.

and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

X. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

XI. Employee Benefits

- Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work in Progress / Intangible asset under development.
- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.
- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

XII. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

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

XIII. Leases

As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leasehold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

XIV. Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation is incurred. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable

XV. Fair Value Measurements

Company uses the following hierarchy when determining fair values:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and,

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs.

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cashflows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

XVI. Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects service tax, sales taxes, value added taxes (VAT) and GST on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. Sales are net of trade discounts & rebates and sales taxes as applicable and sales returns.

Insurance Claims

Interest

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

XVII. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value

XVIII. Duty Drawback Claims

Claims for duty drawback are accounted for on accrual basis.

- Where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and
- Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

XIX. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

XX. Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XXI. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

XXII. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

Independent Auditor's Report on Consolidated Financial Statement

To the Members of M/s. Sanco Industries Limited

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. Sanco Industries Limited** ("*the Parent Company*") and its foreign subsidiary (together referred to as "*the group*") comprises of consolidated Balance Sheet as at March 31, 2018, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement").

Management's Responsibility for the Standalone Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including other comprehensive income, change in equity and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the parent company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standard and matters which are required to be included in the auditor report under the provision of the Act and the rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated Profit including other comprehensive income, consolidated change in equity and its consolidated cash flows for the year ended on that date.

Other Matters

1. We did not audit the financial statements / financial information of one of the foreign subsidiaries M/s Sanjita Polymet Limited (Hong Kong, 100% Subsidiary Company) included in the consolidated annual financial results, whose consolidated annual financial statements reflect total assets of Rs. 34,853,599 as at 31st March 2018 and net assets of Rs. 32,645,629 as at year ended March 31, 2018 as the case may be, total revenue and other income of Rs. 3,322,847 as at 31st March 2018. These financial statements / financial information have not been audited by us further, These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements and the year to date results, to the extent they have been derived from such annual financial statements is based solely on the report of the Management of the Company.
2. Consolidated Cash Flow Statement and Related Party Disclosure does not include the financial information of foreign subsidiary M/s Sanjita Polymet Limited as these are not applicable to foreign subsidiary and the same has not been provided to us by the Management of parent company for consolidated.

Our opinion on the consolidated financial statements, and our "Report on Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable (*except in the case foreign subsidiary "M/s Sanjita Polymet Limited"*) that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, consolidated statement of change in equity and the Consolidated Cash Flow Statement dealt with by this Report are in

- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group and its Associates, which are companies incorporated in India, is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) As required by section 143(3) of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Parent Company please refer annexure A of standalone audit report attached with the standalone financial statement including in this annual report.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the parent and its Associates- Refer to Note 37 to the consolidated financial statements;
 - ii. The Group and its Associates did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Provident Fund by the Company.

For VJ M & Associates
Chartered Accountants
Firm's Regn. No.:027535N
Sd/-
CA. Kavir Vijay
Partner
Membership No. 517014

Date: 24.05.2018
Place: Delhi

Sanco Industries Limited
Consolidated Balance Sheet as at March 31, 2018

Particulars	Note No.	Rs. Lakhs		
		As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
I ASSETS				
(1) Non Current Assets				
(a) Property, Plant and Equipment	3	338.70	330.82	399.65
(b) Investment Property	4	30.05	32.41	35.02
(c) Other Intangible Assets	5	0.01	0.03	0.09
(d) Goodwill		3.33	1.19	40.22
(e) WIP	6	2.99	2.99	2.99
(f) Financial Assets				
(i) Investments	7	166.34	107.00	415.76
(ii) Trade receivables	8	1,468.60	503.78	786.09
(vi) Bank balances	9	-	1.94	51.79
(iv) Other financial assets	10	-	-	-
Total Financial Asset		1,634.94	612.72	1,253.64
(g) Deferred tax assets (net)	11	14.01	15.80	4.95
(h) Other non current assets	12	0.10	236.23	44.43
Total Non Current Assets		2,024.12	1,232.19	1,780.99
(2) Current assets				
(a) Inventories	13	3,787.49	2,217.63	1,313.18
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	8	7,323.80	5,324.07	4,689.22
(v) Cash and cash equivalents	14	33.74	57.48	58.30
(vi) Bank balances	9	138.38	161.80	91.47
(vii) Other financial assets	10	807.31	688.92	689.08
Total Financial Asset		8,303.23	6,232.27	5,528.07
(c) Current tax assets (Net)	15	2.70	12.46	55.80
(d) Other current assets	12	250.29	126.48	45.44
Total Current Assets		12,343.71	8,588.84	6,942.49
(3) Non current assets classified as held for sale		-	-	-
Total Assets		14,367.83	9,821.03	8,723.49

II EQUITY AND LIABILITIES
A EQUITY

(a) Equity Share Capital	16	1,028.40	1,028.40	857.00
(b) Other Equity	17	2,434.47	2,023.74	1,851.57
Total Equity		3,462.87	3,052.14	2,708.57

B LIABILITIES
(1) Non Current Liabilities

(a) Financial Liabilities				
(i) Borrowings	18	1,215.23	432.29	246.57
(ii) Trade payables	19	-	-	-
(iii) Other financial liabilities	20	5.48	-	-
Total Financial Liabilities		1,220.71	432.29	246.57
(b) Provisions	21	16.36	16.64	12.51
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non current liabilities	22	-	-	-
Total Non Current Liabilities		1,237.07	448.93	259.08

(2) Current Liabilities

(a) Financial Liabilities				
(i) Borrowings	23	3,661.16	3,556.72	3,461.35
(ii) Trade payables	19	5,369.91	2,251.62	1,975.57
(iii) Other financial liabilities	20	293.55	299.06	139.48
Total Financial Liabilities		9,324.62	6,107.40	5,576.40
(b) Other current liabilities	22	338.38	206.18	175.24
(c) Provisions	21	4.89	6.38	4.20
Total Current Liabilities		9,667.89	6,319.96	5,755.84

(3) Liabilities associated with non current assets held for sale

		-	-	-
Total Equity and Liabilities		14,367.83	9,821.03	8,723.49

Summary of Significant Accounting Policies

2.2

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

As per our report of even date.

For V J M & Associates LLP

Chartered Accountants

Firm Registration No. 027535N/N500093

For and on behalf of the Board of Directors

Sacno Industries Limited

Sd/-

Kavir Vijay

Partner

Membership No. 517014

Sd/-

SANJAY GUPTA

Managing Director

DIN - 00726005

Sd/-

SIDHANT GUPTA

Director

DIN - 02676750

Date: 24th May 2018

Place: Delhi

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Sanco Industries Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	Rs. Lakhs	
		As at Mar 31, 2018	As at Mar 31, 2017
I Revenue from Operations	24	17,208.58	10,854.77
II Other Income	25	37.23	30.33
III Total Income (I + II)		17,245.81	10,885.10
IV EXPENSES			
Cost of Materials Consumed	26	12,116.83	3,037.67
Purchase of stock-in-trade	27	2,570.97	6,503.22
Change in Inventories of Finished Goods, Stock in trade and Work in Progress	28	629.84	(247.26)
Employee benefits expenses	29	216.31	212.29
Finance cost	30	672.36	657.72
Depreciation and Amortization expense	31	93.56	98.78
Other expenses	32	354.77	343.09
Total Expenses (IV)		16,654.64	10,605.51
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		591.17	279.59
VI Exceptional Items		-	131.38
VII Profit / (Loss) before Tax (V - VI)		591.17	410.97
VIII Tax Expense			
Current tax / Minimum alternate tax (MAT) payable		182.19	118.84
Less: MAT credit entitlement		-	-
Net Current Tax		182.19	118.84
Relating to previous periods		-	-
Deferred tax		1.79	(12.14)
Total Tax Expense (VIII)		183.98	106.70
Profit / (Loss) for the period from Continuing operations (VII - IX VIII)		407.19	304.27
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit and loss	33	0.68	2.68
B (i) Items that will be reclassified to profit and loss		2.86	-
XI Total Comprehensive Income for the period (IX+ X)		410.73	306.95
XII Earnings Per Equity Share - (for Continuing operation)			
Basic (Rs.)	34	3.96	2.96
Diluted (Rs.)		3.39	2.54

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

For V J M & Associates LLP
Chartered Accountants
Firm Registration No. 027535N/N500093

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

Kavit Vijay
Partner
Membership No. 517014

SANJAY GUPTA
Managing Director
DIN - 00726005

SIDHANT GUPTA
Director
DIN - 02676750

Date: 24th May 2018
Place: Delhi

Chief Financial Officer

Company Secretary

Sanco Industries Limited
Consolidated Cash Flow Statement for the year ended March 31, 2018

	Rs. Lakhs	
	As at Mar 31, 2018	As at Mar 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	591.17	410.97
Adjustments for:		
Depreciation and Amortization	93.56	98.78
(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property	(1.14)	(131.38)
Unrealised (Gain) / loss on Foreign Exchange Fluctuations (Net)	(4.59)	(6.18)
Provision for Gratuity, Leave Encashment and Bonus	(1.77)	6.31
Liabilities and Provisions no longer required written back	(1.08)	-
Interest Income	(10.95)	(14.68)
Interest Expenses	672.36	657.72
Cash Generated Before Working Capital Changes	1,337.56	1,021.54
Movement In Working Capital		
Increase / (Decrease) in Trade Payables	3,118.29	276.05
Increase / (Decrease) in Other Financial Liabilities	(0.03)	159.58
Increase / (Decrease) in Other Liabilities	(20.27)	23.80
(Increase) / Decrease in Trade Receivables	(2,964.54)	(352.54)
(Increase) / Decrease in Inventories	(1,569.86)	(904.45)
(Increase) / Decrease in Other Financial Assets	(90.09)	23.02
(Increase) / Decrease in Other Assets	89.19	(293.33)
Cash Generated From Operations	(99.75)	(46.33)
Direct Taxes Paid	(12.42)	(101.75)
Net Cash Flow From / (Used in) Operating Activities	(112.17)	(148.08)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE, Intangible Assets and Investment Property	(79.62)	(2.58)
Proceeds from Sale of PPE, Intangible Assets and Investment Property	1.42	-
Proceeds from disposal of Non Current Investments	-	511.79
Purchase of Non Current Investments	(59.34)	-
Interest Income Received	10.95	14.68
Net Cash Flow From / (Used in) Investing Activities	(126.59)	523.89

C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES

Proceeds From Short Term Borrowings	(515.42)	(377.72)
Proceeds from Long Term Borrowings	782.94	185.72
Interest Paid	(672.36)	(657.72)
Net Cash Flow From / (Used in) Financing Activities	(404.84)	(849.72)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(643.60)	(473.91)
Cash and Cash Equivalents at the beginning of the year	(2,655.24)	(2,181.33)
Cash and Cash Equivalents at the end of the year	(3,298.84)	(2,655.24)

Components of Cash and Cash Equivalents

Cash and cheques on Hand	19.62	39.60
Balances with Banks		
-On Current Accounts	8.56	18.70
-On Deposit Accounts	29.30	-
Bank Overdraft	(2,712.72)	(2,239.63)
Cash and cash Equivalent (as per Note 39)	(2,655.24)	(2,181.33)

Controls
Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date.

For V J M & Associates LLP

Chartered Accountants

Firm Registration No. 027535N/N500093

For and on behalf of the Board of Directors

Sanco Industries Limited

Kavit Vijay

Partner

SANJAY GUPTA

Managing Director

DIN - 00726005

SIDHANT GUPTA

Director

DIN - 02676750

Date: 24th May 2018

Place: Delhi

Chief Financial Officer

Company Secretary

Sanco Industries Limited

Notes to Consolidated financial statements for the year ended March 31, 2018

3 Property, Plant and Equipment

Rs. Lakhs

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Block								
As at April 01, 2016	6.61	55.90	320.35	0.11	13.70	2.27	0.71	399.65
Additions	-	-	-	-	-	0.15	2.43	2.58
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2017	6.61	55.90	320.35	0.11	13.70	2.42	3.14	402.23
	-	-	-	-	-	-	-	-
Additions	-	-	19.07	-	59.30	1.08	0.17	79.62
Disposals	-	-	-	-	0.28	-	-	0.28
As at March 31, 2018	6.61	55.90	339.42	0.11	72.72	3.50	3.31	481.57
	-	-	-	-	-	-	-	-
Depreciation								
For the Period 2016-2017								
Charged For the Period	-	5.29	60.33	0.03	3.88	1.10	0.80	71.43
On Disposals	-	-	-	-	-	-	-	-
As at March 31, 2017	-	5.29	60.33	0.03	3.88	1.10	0.80	71.43
	-	-	-	-	-	-	-	-
Charged For the Period	-	4.79	53.50	-	11.12	0.57	1.46	71.45
On Disposals	-	-	-	-	-	-	-	-
As at March 31, 2018	-	10.08	113.83	0.03	15.00	1.67	2.26	142.87
	-	-	-	-	-	-	-	-
Net Block								
As at March 31, 2017	6.61	50.61	260.02	0.09	9.82	1.32	2.34	330.82
As at March 31, 2018	6.61	45.82	225.59	0.08	57.72	1.83	1.05	338.70

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

Sanco Industries Limited
Notes to Consolidated financial statements for the year ended March 31, 2018

4	Investment Property	Rs. Lakhs		
		Land	Buildings	TOTAL ASSETS
	Gross Block			
	As at April 01, 2016	7.54	27.48	35.02
	Additions	-	-	-
	Disposals	-	-	-
	As at March 31, 2017	7.54	27.48	35.02
	Additions	-	-	-
	Disposals	-	-	-
	As at March 31, 2018	7.54	27.48	35.02
	Depreciation			
	For the Period 2016-2017			
	Charged For the Period	-	2.61	2.61
	As at March 31, 2017	-	2.61	2.61
	Charged For the Period	-	2.36	2.36
	On Disposals	-	-	-
	As at March 31, 2018	-	4.97	4.97
	Net Block			
	As at March 31, 2017	7.54	24.87	32.41
	As at March 31, 2018	7.54	22.51	30.05
5	Other Intangible Assets			
	Gross Block			
	As at April 01, 2016		0.09	0.09
	Additions		0.00	0.00
	Disposals		0.00	0.00
	As at March 31, 2017		0.09	0.09
	Additions		0.00	0.00
	Disposals		0.00	0.00
	As at March 31, 2018		0.09	0.09
	Amortisation			
	As at April 01, 2016			
	Amortised For the Period		0.06	0.06
	On Disposals		0.00	0.00
	As at March 31, 2017		0.06	0.06
	Amortised For the Period		0.02	0.02
	On Disposals		0.00	0.00
	As at March 31, 2018		0.02	0.02
	Net Block			
	As at March 31, 2017		0.03	0.03
	As at March 31, 2018		0.01	0.01

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

6	Capital Work In Progress	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
	Intangible assets under development	2.99	2.99	2.99
		2.99	2.99	2.99

Sanco Industries Limited

Notes to Consolidated financial statements for the year ended March 31, 2018

7 Non Current Investments

						Rs. Lakhs
	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at 1st April, 2016
	In Nos	In Nos	In Nos	in Lakhs	in Lakhs	in Lakhs
I Investment at Fair Value through OCI						
I Investment at Cost						
A Un-Quoted						
Investment in Equity Shares						
(i) Other Investments	-	-	4,152,596	-	-	302.76
(*Face value of Rs. 10 each)						
Total Equity Investment At Cost				-	-	302.76
Total Un-Quoted Investments at Cost in Equity				-	-	302.76
(ii) Investment in Mutual Funds						
Union Dymenic Bond Fund	336,691.27	-	-	50.68	-	-
Total Mutual Funds Investment At Fair Value				50.68	-	-
Other Investment						
LIC of India				107.00	107.00	113.00
Star Union Dai-ichi Life Insurance				8.66	-	-
Total Investment at Cost				115.66	107.00	113.00
Total Non Current Investments				166.34	107.00	415.76

Sanco Industries Limited

Notes to Consolidated financial statements for the year ended March 31, 2018

Rs. Lakhs

8 Trade Receivables

	Non- Current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Trade Receivables						
Secured, Considered Good	-	-	-	-	-	-
*Unsecured, Considered Good	1,468.60	503.78	786.09	7,323.80	5,324.07	4,689.22
Doubtful	-	-	-	-	-	-
	1,468.60	503.78	786.09	7,323.80	5,324.07	4,689.22
Less : Allowance for bad & doubtful debts	-	-	-	-	-	-
Total	1,468.60	503.78	786.09	7,323.80	5,324.07	4,689.22

9 Bank Balances

Rs. Lakhs

	Non- Current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
On Deposit Accounts						
Having Maturity Less than 3 Months	-	-	-	-	-	-
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-	-	137.23	161.80	91.47
Having Maturity more than 12 Months from date of deposit	-	1.94	51.79	1.15	-	-
On Margin Money Deposit Accounts	-	-	-	-	-	-
Net Bank Balances	-	1.94	51.79	138.38	161.80	91.47

10 Other Financial Assets

Rs. Lakhs

	Non- Current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Loans and Advances to Employees	-	-	-	1.09	1.96	2.03
Advances to Suppliers	-	-	-	803.47	686.82	687.05
Interest Accrued on Deposits	-	-	-	2.75	0.14	-
	-	-	-	807.31	688.92	689.08

11	Deferred Tax Asset/ (Liability)- Net	As at			As at			As at		
		Mar 31, 2018			Mar 31, 2017			1st April, 2016		
	Deferred Tax Liabilities									
	Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	-	-	-	-	-	-	-	-	-
	Impact on Service concession arrangements accounting	-	-	-	-	-	-	-	-	-
	Borrowing cost amortization	-	-	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-	-	-	-	-
	Gross Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
	Deferred Tax Assets									
	Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	9.11	7.49	(3.57)	0.02	2.21	2.23			
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis									
	Other Timing Difference	4.88	6.10	6.29						
	Gross Deferred Tax Assets	14.01	15.80	4.95						
	Deferred Tax Asset/ (Liability)- Net	14.01	15.80	4.95						
Rs. Lakhs										
12	Other Assets	Non- Current			Current					
		As at	As at	As at	As at	As at	As at	As at	As at	
		Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016			
	Other Advances									
	Security Deposits	0.10	0.10	-	4.27	2.06	7.93			
	Prepaid Expense	-	-	-	16.14	1.10	1.01			
	Cenvat / Vat / Service Tax Credit Receivable	-	-	-	13.24	117.17	14.50			
	GST Receivable	-	-	-	193.66	-	-			
	Taxes Paid Under protest (Refer note)	-	-	-	9.50	-	-			
	Unamortized Capital Expenditure	-	19.74	44.43	-	-	-			
	Unamortised Upfront Fees and other borrowing Cost	-	-	-	0.81	4.19	-			
	Others Assets	-	216.39	-	12.67	1.96	22.00			
	Total	0.10	236.23	44.43	250.29	126.48	45.44			
Rs. Lakhs										
13	Inventories (At lower of cost and net realisable value unless otherwise stated)	As at			As at			As at		
		Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016			
	Raw Materials	3,318.03	1,118.33	505.03						
	Finished Goods	366.24	496.71	552.23						
	Stock in Trade	103.22	602.59	255.92						
	Total	3,787.49	2,217.63	1,313.18						
Rs. Lakhs										
14	Cash and Cash Equivalents	As at			As at			As at		
		Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016			
	Cash on Hand	30.74	19.62	39.60						
	Balances with Banks									
	-On Current Accounts	3.00	8.56	18.70						
	-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)		29.30	-						
	Total	33.74	57.48	58.30						
Rs. Lakhs										
15	Tax Assets (Net)	Non- Current			Current					
		As at	As at	As at	As at	As at	As at	As at	As at	
		Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016			
	Tax Deposit against disput	-	-	-	2.70	1.41	-			
	TDS and TCS	-	-	-	-	11.05	55.80			
	Minimum Alternate Tax Credit Entitlement	-	-	-	2.70	12.46	55.80			
	Less: Disclosed under the Other Assets (Note 11)	-	-	-	-	-	-			
	Total	-	-	-	2.70	12.46	55.80			

Sanco Industries Limited
Notes to Consolidated financial statements for the year ended March 31, 2018
16 Equity Share Capital

	As at Mar 31, 2018	As at Mar 31, 2017	Rs. Lakhs As at 1st April, 2016
Authorised			
14000000 Mar 31,2018 (March 31, 2017: 14000000 of Rs. 10each) Equity Shares of Rs. 10 each	1,400.00	1,400.00	1,400.00
	<u>1,400.00</u>	<u>1,400.00</u>	<u>1,400.00</u>
Issued, Subscribed and Paid Up			
Equity Shares			
10284000 Mar 31,2018 (March 31, 2017: 10284000 of Rs. 10 each) Equity Shares of Rs. 10 each, Fully Paid Up	1,028.40	1,028.40	857.00
Total Equity Share Capital	<u>1,028.40</u>	<u>1,028.40</u>	<u>857.00</u>

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

	No. Lakhs	Rs. Lakhs
Equity Shares of Rs. 10 Each, Fully paid up		
At the Beginning 1st April 2017	85.70	857.00
Issued during the period - Bonus Issue	17.14	0.00
Issued during the period - Cash Issue	-	-
At the end 31st March 2017	<u>102.84</u>	<u>857.00</u>
Issued during the period - Bonus Issue	-	-
Issued during the period - Cash Issue	-	-
At the end 31st March 2018	<u>102.84</u>	<u>857.00</u>

16.2 Terms / Rights attached to Equity Shares (egg. Dividend rights, Voting Rights)

The company has only one class of equity shares having a par value of Rs. 10 Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

16.3 Details of Shareholder holding more than 5% shares of the company:

	No.	% of Holding
Equity Shares of Rs. 10 each Held By as on 1st April 2016		
Mr. Sanjay Gupta	833700	9.73%
Ms. Shakuntla Gupta	502000	5.86%
Mr. Anurag Gupta	699800	8.17%
M/s Sanjay Gupta HUF	3362800	39.24%
M/s Shri Parasram Holdings Private Limited	520000	6.07%
Equity Shares of Rs. 10 each Held By as on 31st March 2017		
Mr. Sanjay Gupta	2142160	20.83%
Mrs. Rita Gupta	692160	6.73%
Ms. Shakuntla Gupta	602400	5.86%
Mr. Sidhant Gupta	528120	5.14%
M/s Sanjay Gupta HUF	1109360	10.79%
Equity Shares of Rs. 10 each Held By as on 31st March 2018		
Mr. Sanjay Gupta	1981550	19.27%
Mr. Sidhant Gupta	528120	5.14%
M/s Sanjay Gupta HUF	1109360	10.79%

Sanco Industries Limited						
17. Statement of Consolidated Changes in Equity for the year ended March 31, 2018						
Attributable to the equity holders						Rs. Lakhs
Particulars	Reserves and Surplus			Items of Other comprehensive Income		Total equity
	Securities Premium Account	Investment Revaluation Reserve	Retained earnings	Foreign currency translation reserve	Other items of other comprehensive income (specify nature)	
Balance as at 01.04.2016	226.00	4.07	1,621.50	-	-	1,851.57
Transfer to Retains Earning	-	-	44.52			44.52
Additions	-	-	304.27	-	2.68	306.95
Converted in to Equity	(171.40)	-	-	-	-	(171.40)
Other change (to be specified)	-	(4.07)	(3.83)	-	-	(7.90)
Balance as at 31.03.2017	54.60	-	1,966.46	-	2.68	2,023.74
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period		-	-	-	-	-
Current year profit	-	-	407.19	-	3.54	410.73
Other Comprehensive Income after tax for the Period	-	-	-	-	-	-
Balance as at 31.03.2018	54.60	-	2,373.65	-	6.22	2,434.47

Sanco Industries Limited

Notes to Consolidated financial statements for the year ended March 31, 2018

Rs. Lakhs

18 Long Term Borrowings

	Non Current Portion			Current Maturities		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Rupee Term Loans						
Secured						
From Financial Institutions (refer note (a))	12.10	12.10	23.43	-	43.07	38.41
From Others (refer note (b))	106.32	95.68	123.82	-	-	-
Unsecured						
From Financial Institutions (refer note (c))	20.79	79.01	90.34	156.88	149.28	13.87
Hypothecation Loans - Secured						
From Banks (refer note (d))	35.02	5.50	8.98	20.87	3.41	2.65
Loans and Advances from Related Parties						
Unsecured						
Rupee Term Loans - from Directors	1,041.00	240.00	-	-	-	-
Net Amount	1,215.23	432.29	246.57	177.75	195.76	54.93

(a) Indian Rupee Loan from Financial Institutions Rs.38 lakhs is repayable in 48 monthly instalments of Rs.1.1 lakhs each along with interest. The loan is secured by personal guarantee of executive director of the company and their immovable property.

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

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

(d) Hypothecation Loans are secured by hypothecation of specific Vehicles acquired out of such loans.

19 Trade payables

	Non current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Trade Payables (including acceptances)						
(a) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	5,369.91	2,251.62	1,975.57
	-	-	-	5,369.91	2,251.62	1,975.57

20 Other financial liabilities

Rs. Lakhs

	Non current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Current maturities long term borrowings	-	-	-	177.75	195.76	54.93
Security Deposit	5.48	-	-	-	-	-
Salaries and other benefits Payable	-	-	-	12.60	1.31	-
Other Payables	-	-	-	90.60	85.11	84.55
Others - Related party	-	-	-	12.60	16.88	-
* Payable Sanjita Polymet Limited						
	5.48	-	-	293.55	299.06	139.48

21 Provisions

Rs. Lakhs

	Long Term			Short Term		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Provision for Leave Encashment	0.56	1.01	0.55	0.03	0.04	0.02
Provision for Gratuity	15.80	15.63	11.96	0.76	0.53	0.48
Provision for Bonus	-	-	-	4.10	5.81	3.70
	16.36	16.64	12.51	4.89	6.38	4.20

22 Other liabilities

Rs. Lakhs

	Non current			Current		
	As at	As at	As at	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Advance from Customers	-	-	-	23.33	21.73	37.69
Taxes Payable (Other than Income Tax)	-	-	-	25.78	39.69	19.67
Income Taxes Payable (Note 30)	-	-	-	276.17	123.69	116.55
Other Payable	-	-	-	9.38	-	-
Employee Contributions Payable	-	-	-	3.72	21.07	1.33
	-	-	-	338.38	206.18	175.24

23 Short Term Borrowings

Rs. Lakhs

	As at	As at	As at
	Mar 31, 2018	Mar 31, 2017	1st April, 2016
Bank Overdraft			
Cash Credits and Working Capital Demand Loan from Banks (Secured)	3,332.58	2,712.72	2,239.63
(Union Bank of India & South Indian Bank Cash Credit Limits - Secured against Hypothecation of liquid current assets, Plant and Machinery, Immovable property and their personal gurantee of Director and relative)			
Other Loans repayable on demand			
Secured			
From Banks (Secured aganist Fixed Deposit)	99.83	-	-
From Financial Institutions (Secured against immovable property of Director)	228.75	152.62	151.38
Unsecured			
From Banks	-	528.01	624.80
From Financial Institutions	-	163.37	347.09
From other	-	-	98.45
	3,661.16	3,556.72	3,461.35

Sanco Industries Limited
Notes to Consolidated financial statements for the year ended March 31, 2018
24 Revenue From Operations

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products		
- Finished goods	14,706.52	4,599.99
- Traded goods	2,502.06	6,254.78
	<u>17,208.58</u>	<u>10,854.77</u>
Gross Revenue from Operations	<u>17,208.58</u>	<u>10,854.77</u>

25 Other Income

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on		
Deposits and Margin money	10.95	14.68
Other Non-Operating Income		
(Net of expenses directly attributable to such Income)		
Net Gain on Foreign Exchange Fluctuations	4.59	6.18
Liabilities and Provisions no longer required written back	1.08	-
Commission Income	8.63	-
Consultancy Income	8.30	-
Net Profit on Sale of Assets	1.14	-
Rental Income from Investment Property	0.42	1.68
Miscellaneous Income	2.12	7.79
	<u>37.23</u>	<u>30.33</u>

26 Cost Of Materials Consumed

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory opening balance	1,118.33	505.03
Add : Purchases	14,316.53	3,650.97
	<u>15,434.86</u>	<u>4,156.00</u>
Less : Inventory closing balance	3,318.03	1,118.33
Cost of Raw Materials Consumed	<u>12,116.83</u>	<u>3,037.67</u>

27 Purchase of stock-in-trade

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases - Trading Materials	2,570.97	6,503.22
	<u>2,570.97</u>	<u>6,503.22</u>

28 (Increase) / Decrease In Inventories Of Finished Goods, Construction / Development

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Finished Goods		
Inventories at the beginning of the Year	496.71	596.12
Less : Inventories at the end of the Year *	<u>366.24</u>	<u>496.71</u>
Sub Total (A)	<u>130.47</u>	<u>99.41</u>
Stock In Trade		
Inventories at the beginning of the Year	602.59	255.92
Less : Inventories at the end of the Year *	<u>103.22</u>	<u>602.59</u>
Sub Total (B)	<u>499.37</u>	<u>(346.67)</u>
(Increase) / Decrease in inventories (A+B)	<u>629.84</u>	<u>(247.26)</u>

29 Employee Benefits Expenses

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and benefits to employees	179.93	164.53
Contribution to provident fund and other funds	11.98	23.78
Staff welfare expenses	8.51	8.08
Keyman Insurance Premium	15.89	15.90
	216.31	212.29

30 Finance Cost

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
- Paid to Bank	474.37	408.68
- Paid to Other	132.85	159.60
Bank charges	56.33	80.89
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	8.81	8.55
	672.36	657.72

31 Depreciation And Amortization Expense

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on PPE	71.45	71.42
Amortization on Intangible Assets	0.02	0.06
Depreciation on Investment Property	2.36	2.61
Amortization Expense	19.74	24.69
	93.56	98.78

32 Other Expenses

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	27.87	14.64
Rates and taxes	0.50	2.12
Repairs and Maintenance:		
Office Building and Plant & Machinery	21.27	8.44
Others	2.85	1.64
Marketing and selling expenses	-	12.86
Office maintenance	7.97	5.40
Insurance	5.50	3.67
Printing and stationery	1.07	2.25
Consultancy and other professional charges	24.03	30.32
Electricity and Power charges	60.65	83.34
Remuneration to auditors	3.00	1.50
Travelling and conveyance	22.71	18.86
Communication expenses	4.35	3.91
Interest Expenses	-	13.52
Business Promotion and Advertisement	2.13	16.30
Discount Charges	28.65	-
Vehicle running & maintenance	18.73	26.68
Commission & brokerage	15.73	4.18
Freight and forwarding charges	101.31	83.59
Testing Fee and Licence Fee	4.51	2.13
Miscellaneous expenses	1.94	7.74
	354.77	343.09

33 Other Comprehensive Income

	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Items that will not be reclassified to profit or loss		
(i) Changes in revaluation surplus;	0.68	-
(ii) Remeasurements of the defined benefit plans;		(0.22)
(iii) Others (specify nature).	-	4.19
Income Tax relating to items that will not be reclassified to profit or loss	-	(1.30)
	0.68	2.68
(B) Items that will be reclassified to profit or loss		
Others (specify nature).	2.86	-
Income Tax relating to items that will be reclassified to profit or loss	-	-
	2.86	-

Sanco Industries Limited

Notes and other explanatory information to Consolidated financial statements for the year ended March 31, 2018

34 Earning Per Share (EPS)

	Rs. Lakhs	
	March 31, 2018	March 31, 2017
Total Operations for the year		
Profit/(Loss) after tax	407.19	304.27
Less : Dividend on convertible Preference shares & tax thereon	-	-
Net Profit/(Loss) for calculation of basic EPS	407.19	304.27
Net Profit as above	407.19	304.27
Add : Dividends on convertible preference shares & tax thereon	-	-
Add : Interest on bonds/Debentures/ Loan convertible into equity shares (Net of tax)	-	-
Net Profit/(Loss) for calculation of diluted EPS	407.19	304.27
Weighted average number of Equity Shares for Basic EPS	102.84	102.84
Effect of dilution :		
Due to bonus share	17.14	17.14
Weighted Average number of Equity shares for Diluted EPS	119.98	119.98
Basic EPS		
Total Operations	(A)/(C)	3.96
Diluted EPS		
Total Operations	(B)/(D)	3.39

35 Borrowing Costs

Detail of borrowing costs incurred which are directly attributable to the acquisition/ construction of a qualifying asset and capitalised during the year to be disclosed.

36 Capital and Other Commitments

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Estimated amount of contracts remaining to be executed on capital account other than investment property and not provided for	Nil	Nil
Estimated amount of contracts remaining to be executed on investment property and not provided for	Nil	Nil
Investment Commitment in Subsidiaries and Associates	Nil	Nil
Contractual obligations for purchase of PPE	Nil	Nil

37 Contingent Liabilities - Not probable and therefore not provided for
A. Claims disputed by the company

	March 31, 2018	March 31, 2017
Income tax Liability	63.33	72.27

B. Outstanding Corporate Guarantees

Given to Financial Institutions, Banks on behalf of other group companies *	20.00	20.00
(* Corporate Guarantees issued for facility taken by foreign Subsidiary Company (Amount in USD)		

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

4.46	4.46
------	------

38 Segment Reporting

The details of primary segment information for the year ended March 31, 2018 and March 31, 2017 are given below:

a) The segment report of has been prepared in accordance with IND AS 108 "Operating Segments" as notified under section 133 of the Companies Act.

b) The Company is currently focused on two business segments: Manufacturing and Trading

c) In respect of secondary segment information the company has no geographical segment by location.

d) The business segments of the company as following:

Segment	Details of Business
Manufacturing	Production of PVC pipes and wires & cables
Trading	Trading of metal wire and rod

39 Cash and Cash Equivalents

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

	As at Mar 31, 2018	As at Mar 31, 2017
Cash on Hand	8.82	13.89
Balances with Banks	-	-
-On Current Accounts	3.00	8.56
-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)	-	29.30
	11.82	51.75

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

	As at Mar 31, 2018	As at Mar 31, 2017
Cash & Cash equivalent as per balance sheet	33.74	57.48
Bank Overdraft	(3,332.58)	(2,712.72)
	(3,298.84)	(2,655.24)

40 Previous year figures have been regrouped/reclassified where ever necessary, to confirm to those of the current year.

41 As allowed under Schedule III of the Companies Act, 2013, financials are prepared in lakhs / in Crores and rounded off to two decimals. The amounts / numbers below thousand / fifty thousands are appearing as zero.

As per our report of even date.

For V J M & Associates LLP

Chartered Accountants

Firm Registration No.027535N/N500093

Kavit Vijay

Partner

Membership No. 517014

Place: Delhi

Date: 24th May 2018

SANJAY GUPTA

Managing Director

DIN - 00726005

Chief Financial Officer

SIDHANT GUPTA

Director

DIN - 02676750

Company Secretary

Sanco Industries Limited
Notes to Consolidated financial statements for the year ended March 31, 2018
Reporting of Segment wise Revenue, Results and Capital Employed

Rs. Lakhs

Reportable Segments

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
1. Segment Revenue		
(a) Manufacturing	14,706.52	4,599.99
(b) Trading	2,502.06	6,254.78
(c) Unallocable	-	-
Net Sale	17,208.58	10,854.77
Other Operative Income	-	-
Net Sales from Operations	17,208.58	10,854.77
2. Segment Results	-	
Profit/(Loss) after depreciation but before finance cost and tax		
(a) Manufacturing	1,788.51	1079.47
(b) Trading	(562.21)	(41.12)
(C) Unallocable	-	-
Operating profit	1,226.30	1,038.35
Finance costs	(672.36)	(657.72)
Add: Other Income	37.23	30.33
Total Profit Before Tax	591.17	410.96
Less: Income taxes	183.99	106.70
Add: Other Comprehensive Income	3.54	2.68
Net Profit	410.72	306.94
Segment Assets		
(a) Manufacturing	11,195.51	6723.92
(b) Trading	1,411.74	3094.20
(C) Unallocable	1,760.58	2.91
Total Assets	14,367.83	9,821.03
Segment Liabilities		
(a) Manufacturing	4,593.50	2036.91
(b) Trading	785.89	1255.16
(C) Unallocable	5,525.57	3476.82
Total Liabilities	10,904.96	6,768.89
Capital Employed		
(a) Manufacturing	6,602.01	4,687.01
(b) Trading	625.85	1,839.04
(C) Unallocable	(3,764.99)	(3,473.91)

Secondary Segment Reporting (by Geographic Segments) - Business Segments and Geographical segments are same.

Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2018

Background

Corporate Information

The consolidated financial statements comprise financial statements of Sanco Industries Limited, Parent Company and its subsidiary hereinafter referred as “the Group”).

Sanco Industries Limited (the "Company") is an integrated manufacturing company. The Company is engaged in the business of manufacturing and trading of PVC Resin, PVC Compound, PVC Pipe & Profiles and Wire & Cables, LED Lights, Chemical etc. Registered office of the Company is situated in the Delhi. The Company has manufacturing facilities in the State of Himachal Pradesh and various branch in different location within India. The Product of the Company caters domestic markets.

Sanco Industries Limited was incorporated on March 17, 1989 as a Private Limited company under the provisions of Companies Act, 1956 in the name and style of “Sanco Plastics Private Limited” vide Certificate of Incorporation issued by Registrar of Companies, Delhi & Haryana. The Company took over the business of a partnership firm “Sanco Plastic Industries” by way of an Agreement dated April 1, 1989. The name of our Company was changed to “Sanco Industries Private Limited”, pursuant to which a fresh certificate of incorporation dated April 09, 2008 consequent upon change of name was issued by Registrar of Companies, Delhi & Haryana. Our Company was subsequently converted into a public company and the name was changed to ‘Sanco Industries Limited’ pursuant to a shareholders resolution dated May 15, 2008 and received a Fresh Certificate of Incorporation dated June 03, 2008 consequent upon Change of Name on conversion to Public Limited Company.

The company got listed with National Stock Exchange SME on March 12, 2014 and after Nov 2016 listed on National Stock Exchange main board.

Notes: 1 Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF ACCOUNTING

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014

The consolidated financial statements of the Group are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value
- Defined Benefit and other Long term Employee Benefits
- Derivative Financial instruments

1.2 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Disclosure of significant

liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the consolidated financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the group's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

1.3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries as at 31st March 2018. The Parent Company prepares and report its consolidated financial statements in INR.

Subsidiaries:

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group losses control of the subsidiary.

Consolidation procedure:

Subsidiary:

- a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

1.4 GOODWILL

Goodwill arising on an acquisition of a business is initially recognized at cost at the date of acquisition. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

1.5 FOREIGN CURRENCY TRANSACTIONS

In preparing the consolidated financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On disposal of foreign operations (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associate that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

1.6 Other Significant accounting policies

These are set out under “Significant Accounting Policies” as given in the Company’s standalone financial statement of M/s Sanco Industries Limited”.



Email: sanco86@sancopipes.com
Website: www.sancopipes.com



SANCO INDUSTRIES LIMITED
Registered office: D-161, Surajmal Vihar, Delhi - 110092
Corporate Identity Number (CIN) - L74899DL1989PLC035549
E-mail id - sanco86@sancopipes.com
Website address - www.sancopipes.com

**ATTENDANCE
SLIP**

(To be presented at the entrance)

I/We hereby record my/our presence at the 28th Annual General Meeting on Saturday, 22nd September, 2018 at 03.30 P.M. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092

Folio No. _____ DP ID No _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

1. Only member / Proxy holder can attend the meeting
2. Member / Proxy holder should bring his / her copy of the annual report for reference at the meeting

SANCO INDUSTRIES LIMITED

Registered office: D-161, Surajmal Vihar, Delhi - 110092
Corporate Identity Number (CIN) - L74899DL1989PLC035549
E-mail id - sanco86@sancopipes.com
Website address - www.sancopipes.com

**PROXY
FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : _____

Registered Address : _____

Email Id : _____

Folio No. / DP ID No. / Client ID No. : _____

I/We, being the member(s) of Sanco Industries Limited holding _____ shares, hereby appoint

1. Name _____ E-mail id: _____
Address: _____

Signature: _____

Or failing him/her

2. Name _____ E-mail id: _____
Address: _____

Signature: _____

Or failing him/her

3. Name _____ E-mail id: _____
Address: _____



Signature:

as my/our proxy to attend and vote (on a poll) for me/us, and on my /our behalf at the 28th Annual General Meeting of the Company to be held on Saturday 22nd September, 2018 at 03.30 P.M. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Ms. Rita Gupta (DIN00725987), who retires by rotation and, being eligible, offers herself for re-appointment.
3. Ratification of Appointment of Auditors
4. To approve the Re-appointment of Ms. Rita Gupta as Whole-Time Director
5. Remuneration of Cost Auditor

Affix Revenue Stamp

Signed this _____ day of 2018

Signature of shareholder _____ Signature of proxy holder(s) _____

Notes:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at D-161, Surajmal Vihar, Delhi - 110092, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios may use copies of this Attendance slip/ Proxy.