



ANNUAL REPORT 2020-2021



**We make connection
that powers your life !**

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PVC CASING 'N' CAPPING

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sanco86@sancopipes.com
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The advertisement banner features a blue background with various SANCO products including white PVC pipes, a box of wires, and a bundle of cables. The SANCO logo is prominently displayed in the center. The text 'We make connection that powers your life !' is written in a stylized font. Below the logo, the product categories 'WIRES & CABLES', 'PVC CONDUIT PIPES', and 'PVC CASING 'N' CAPPING' are listed. A yellow seal on the right says 'Be 100% Sure'. The CE mark is also visible. Contact information is provided in the top right corner.

S. No	Name	Designation	Address	Director Identification Number (DIN)
1	Mr. Sanjay Gupta	Managing Director	C-56, Suraj Mal Vihar, Delhi-110092	00726005
2	Mr. Abhishek Jain	Director	C-56, Suraj Mal Vihar, Delhi-110092	07432343
3	Mrs. Sonu Kumari	Director (Independent Non Executive)	441B, Gali No. 29, C1-Block, Khajoori Khas, Delhi-110094	07911978
4	Mr. Saurabh Gupta	Director (Independent Non Executive)	3/25, Vishnupuri, Kanpur-208002 (U.P.)	03093901
5	Mr. Parveen Kumar Maheshwari	Director (Independent Non Executive)	A-7, 2nd Floor, Ashoka Niketan Near Axis Bank, Anand Vihar, Delhi - 110092	07642222
6	Mr. Nitya Prakash Gupta	Director (Independent Non Executive)	D-62/2, Street No-3, East Chander Nagar, Krishna Nagar, Delhi - 110051	07690210

<p>Chief Financial Officer Mr. Anurag Gupta</p> <p>Company Secretary Ms. Akriti Mahajan</p> <p>Auditors: Gaur & Associates Chartered Accountants Laxmi Deep Building, Laxmi Nagar District Centre, Delhi - 110092</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 2020-21 Annual Report and the overall performance of the Company during the year. Due to various economic factors and COVID 19, turnover of the Company fallen during this financial year. The year 2020 has been like no other before in living memory, characterised by extraordinary challenges.

Various economic factors have already affected the sales of the Company. COVID 19 has created another unprecedented situation all over the world and it has also impacted the financials position of Company as well.

Government of India has announced various welfare schemes in irrigation, drinking water, affordable housing and Smart City projects, the Company is aspiring to boost sales and growth by making best possible use of these schemes.

Further, Government of India has also taken numerous measures to revive the economy from the impact caused by COVID 19. The Company is hoping that these measures will also help us in overcoming the loss caused in this unparalleled situation

In FY21, we took effective steps to de-leverage our balance sheet. This strategy resulted in greater investor confidence in our performance and our market capitalization.

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 31st Annual General Meeting of the Members of Sanco Industries Limited will be held on Monday 27th September 2021 through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 12:30 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, 2021, 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, 2021, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Abhishek Jain, who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **APPOINTMENT OF M/s K.G. SHARMA & CO, CHARTERED ACCOUNTANTS IN PLACE OF EXISTING AUDITOR M/S GAUR & ASSOCIATES, CHARTERED ACCOUNTANTS**

"RESOLVED THAT pursuant to the provisions of Section 139(8) 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 approval of the members be and is hereby given for the appointment of auditor M/s K.G. Sharma & Co, Chartered Accountants (New Auditor), Statutory Auditors of the Company in place of retiring auditor of M/s Gaur & Associates, Chartered Accountants (old Auditor) , to hold office from the conclusion of the this Annual General Meeting held for FY ending 2021 till the conclusion of the Annual General Meeting to be held for FY ending 2025(01.04.2021-31.03.2026), on such remuneration as may be determined by the Board of Directors.

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."

4. **REMUNERATION OF COST AUDITOR**

“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, the members hereby ratify to pay remuneration of Rs. 45,000/- plus GST exclusive of reimbursement of travelling and other incidental expenses, to M/s Rahul Jain & Associates, appointed as the Cost Auditor to conduct the audit of cost records of the Company for FY ending 31.03.2022.

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.”

5. **CONVERSION OF LOAN FROM PROMOTERS, MEMBER OF PROMOTERS GROUP OR ANY OTHER PERSON TO BE CONVERTED INTO EQUITY SHARES OF THE COMPANY UPTO RS. 100 CRORE**

“RESOLVED THAT pursuant to section 62(3) of the Companies Act read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the company be and is hereby given to take loan from promoters, promoter group members or any other person, as and when required by the Company, upto Rs. 100 crore, and the option attached to that loan to convert such loan into equity shares as per the terms & conditions agrees between the parties.

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.”

6. **INCREASE IN BORROWING LIMITS U/S 180(1)(C) OF THE COMPANIES ACT 2013**

“RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed 1500 crores.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

7. **MAKING INVESTMENTS / EXTENDING LOANS AND GIVING GUARANTEES OR PROVIDING SECURITIES IN CONNECTION WITH LOANS TO PERSONS / BODIES CORPORATE**

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 100 Crores (Rupees Hundred Crores) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

8. **TO APPROVE TRANSACTIONS UNDER SECTION 185 OF THE COMPANIES ACT, 2013**

“RESOLVED THAT pursuant to Section 185 of the Companies Act, 2013 (as amended by Companies (Amendment) Act, 2017) read with section 186 of Companies Act, 2013 (including any statutory modification(s) or reenactment thereof for the time being in force) the consent of the Members of the Company be and is hereby accorded for advancing loan and / or giving of guarantee, and providing of security in connection with any loan taken / to be taken from financial institutions / banks / insurance companies / other investing agencies or any other person / bodies corporate by any entity covered under the category of ‘a person in whom any of the director of the company is interested’ as specified in the explanation to Sub-section (b) of Section 2 of the said section, of an aggregate outstanding amount not exceeding Rs. 100 Crore/- (Rupees Hundred Crores Only)

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

9. APPROVAL FOR RELATED PARTY TRANSACTIONS

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for the transactions specified u/s 188(1) of the Act, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 100 Crore for the financial year 2020-2021.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

10. ALTERATION IN OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION

“**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or Re-enactment thereof, for the time being in force), and the rules framed there under subject to the approval of the Registrar of Companies, NCT of Delhi & Haryana, the consent of the shareholders of the Company be and is hereby accorded, to append following sub clause (8) after sub clause (3) of clause III (A) of the Memorandum of Association of Company:

8. To carry on the business of manufacturing and/or trading and /or import/ export of specialty chemicals like ethanol, paint etc.

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”.

11. FUND RAISING BY ISSUE OF WARRANTS ON PREFERENTIAL BASIS

“RESOLVED THAT pursuant to: (i) the provisions of Sections 42 and 62, and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (collectively, the “CA 2013”); and in accordance with the provisions of the Memorandum and Articles of Association of the Company (ii) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018(ICDR Regulations), as amended (“ICDR Regulations”); iii) and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation 2015(SEBI LODR Regulations), (iv) any other rules / regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India, stock exchange and/or any other statutory / regulatory authority; (v) the Listing Agreement entered into by the Company with the stock exchange, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the, appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the members of the Company be and hereby accord their consent to create, offer, issue and allot 15,70,000 (Fifteen Lac Seventy Thousand) Warrants(“Warrants”)of Rs.10/- each (Rupees Ten each) as on Relevant Date(28.08.2021) in accordance with the SEBI (ICDR) Regulations, 2018 aggregating to Rs. Rs. 1,57,00,000 (Rupees One Crore Fifty Seven Lacs Only) on preferential basis under private placement in one or more tranches and on such further terms and conditions as may be approved or finalized by the Board to the proposed allottees as mentioned in the explanatory statement convertible at an option of warrant holders in one or more tranches, within 18 (eighteen) months from its allotment date into equal number of Equity Shares of face value of Rs.10/- each of the Company on a preferential basis to persons as mentioned in the Explanatory Statement, for cash and in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem appropriate, in accordance with the ICDR Regulations and other applicable laws and regulations provided however, that the price arrived as stated above is not less than the price arrived at as per the provisions of ICDR Regulations

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

1. An amount equivalent to 25 percent of the Warrant Issue Price shall be payable at the time of subscription and allotment of each warrant and the balance 75 percent of the Warrant Issue Price shall be payable by the warrant holder(s) on or before the exercise of the entitlement attached to Warrant(s) to subscribe for Equity Share(s).

2. In accordance with the provisions of Regulation 164 of Chapter V of (ICDR) Regulations, the "Relevant Date" for the purpose of calculating the price of the Equity Shares to be issued upon exercise of Warrants in terms hereof shall be 28.08.2021, being the date 30 days prior to this Annual General Meeting.
3. The Warrant holders shall, subject to ICDR Regulations, the Takeover Regulations and other applicable rules, regulations and laws, be entitled to exercise the Warrants in one or more tranches within a period of eighteen months from the date of the allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exercised. The Company shall accordingly, issue and allot the corresponding number of Equity Shares of Rs.10/- each to the Warrant holders. The Equity Shares to be allotted on exercise of the warrants shall be in dematerialized form only and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company. The issue of the warrants as well as Equity Shares arising from the conversion of the warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
4. The Warrants shall be exercised in a manner that is in compliance with the minimum public shareholding norms prescribed for the Company under the SEBI LODR Regulations and the ICDR Regulations.
5. In the event, the Warrant holders do not exercise the Warrants within a period of eighteen months from the date of allotment, the Warrants shall lapse and the amount paid by the Warrant holder(s) on such Warrants shall stand forfeited by the Company.
6. Warrants by itself until converted into Equity Shares, does not give any voting rights in the Company to the warrant holder(s).
7. That the Warrants offered and issued shall be allotted within a period of Fifteen (15) days from the date of passing of this resolution, provided that if any requisite approvals from the appropriate authorities for allotment of Equity Shares is pending, the period of Fifteen (15) days shall be counted from the date of such requisite approvals.
8. The Company shall ensure that the listing and trading approvals for Equity Shares to be issued and allotted to the Warrant holder(s) upon exercise of Warrants are received from the relevant stock exchanges in accordance with the ICDR Regulations and SEBI LODR Regulations.
9. The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company.
10. The Warrants and the Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under Chapter V of the ICDR Regulations from time to time.
11. In the event that the Company completes any form of capital restructuring prior to the exercising of the Warrants, then, the number of Equity Shares that are issued against the exercise of each Warrant and the price payable for such Equity Shares, shall be appropriately adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the Warrants including reduction of the size of the issue(s), as it may deem expedient, in its discretion.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it

may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, to issue and allot Equity Shares upon exercise of the entitlement attached to Warrants, issuing certificates/ clarifications, effecting any modifications or changes to the foregoing (including modifications to the terms of the Issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and utilisation of proceeds of the Warrants, accept modifications and amendments if any as may be prescribed by the Authorities and, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive in all respects and further that all acts, deeds and things as would have been done or may be done pursuant to and in terms of Board authorization, including inviting advance subscription/ exercise money towards issue of Warrants.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or officer(s) of the Company or any other person(s) as may be necessary to give effect to the aforesaid 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: 03.09.2021

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. 3 to 11 of the Notice is annexed hereto. Also the details pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 the resolutions proposing appointment of directors.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the company. However, in terms of the MCA Circulars, since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for this AGM. Institutional/ Corporate Shareholders (i.e. other than individuals HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting.
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 Tuesday, 21st September, 2021 to Monday, 27th September, 2021 (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:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://sancopipes.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. 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
9. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on 24.09.2021 at 9:00 AM and ends on 26.09.2021 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 20th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on

	<p>www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you</p>

mode) login through their **Depository Participants**

can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 023058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 22 44 30 and 1020 990

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 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. Shareholders 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 e-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 Physical shareholders and other than individual shareholders holding shares in Demat.
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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> 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.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sancoipipes.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@sancopipes.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/ AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM

facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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: 03.09.2021

Place: New Delhi

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 3****APPOINTMENT OF M/s K.G. SHARMA & CO, CHARTERED ACCOUNTANTS IN PLACE OF EXISTING AUDITOR M/S GAUR & ASSOCIATES, CHARTERED ACCOUNTANTS**

Existing auditor M/s Gaur & Associates, Chartered Accountants has resigned as the Statutory Auditor of the Company. Accordingly, new Statutory Auditor is to be appointed in his place. M/s Gaur & Associates, Chartered Accountants being eligible is proposed to be appointed as the new Statutory Auditor. Such change in auditor requires shareholders' approval as per Section 139 of the Companies Act, 2013.

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

None of the other Directors, key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

ITEM NO. 4.**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 03.09.2021 on the recommendation of the Audit Committee to conduct the audit of the Cost records for the Financial Year 2021-22. 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 2021-22 by way of a Special Resolution is being sought from the Members as set out 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.

ITEM NO. 5

CONVERSION OF LOAN FROM PROMOTERS, MEMBER OF PROMOTERS GROUP OR ANY OTHER PERSON TO BE CONVERTED INTO EQUITY SHARES OF THE COMPANY UPTO RS. 100 CRORE

The Company is in need of funds, so, loan from Promoters, members of promoter or any other person may be required group, with an option attached to that loan to convert such loan into equity shares. Shareholder approval is required by way of special resolution for the same as per Section 62 Companies Act, 2013.

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

Except the promoter/ director giving loan, 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.

ITEM 6.

INCREASE IN BORROWING LIMITS U/S 180(1)(C) OF THE COMPANIES ACT 2013

Company is intended to increasing its borrowing limits pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company.

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.

ITEM NO. 7**MAKING INVESTMENTS / EXTENDING LOANS AND GIVING GUARANTEES OR PROVIDING SECURITIES IN CONNECTION WITH LOANS TO PERSONS / BODIES CORPORATE**

The Company proposes to increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act, to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate.

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.

ITEM NO. 8**TO APPROVE TRANSACTIONS UNDER SECTION 185 OF THE COMPANIES ACT, 2013**

The Company proposes to approve the transactions upto specified limit decided by board pursuant to Section 185 of the Companies Act, 2013 for advancing loan and / or giving of guarantee, and providing of security in connection with any loan taken / to be taken from financial institutions / banks / insurance companies / other investing agencies or any other person / bodies corporate by any entity covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section (b) of Section 2 of the said section.

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.

ITEM NO. 9

APPROVAL FOR RELATED PARTY TRANSACTIONS

The Company is required to enter into contract(s)/ arrangement(s)/ transaction(s) with a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for the transactions specified u/s 188(1) of the Act.

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.

ITEM NO. 10

ALTERATION IN OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION

The Board had approved the alteration in object clause of memorandum of association pursuant to the provisions of Section 13 and other applicable Provisions, if any, of Companies Act, 2013, (including any statutory modifications or Re-enactment thereof, for the time being in force), and the rules framed there under,

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

ITEM NO. 11.

ISSUE OF WARRANTS ON PREFERENTIAL ALLOTMENT BASIS

The Company proposes to make a preferential allotment of 15,70,000 convertible warrants on private placement basis to allottees as per Point No.11.

In respect of the same the following disclosures for the issue of equity shares on preferential basis are made in accordance with the provisions of Section 42 read with Section 62 of the Companies Act, 2013 and and Regulation 163(1) of ICDR Regulations:

1. Date of passing the Board Resolution

03.09.2021

2. The objects of the issue

To fulfill the requirement of working capital of the Company.

3. The total number of shares or other securities to be issued

15,70,000 Warrants convertible into equal number of equity shares

4. The price or price band at/within which the allotment is proposed

At a price of Rs. 10 each. The price of Rs. 10 is not lower than the price determined in accordance with the Chapter V of the ICDR Regulations.

5. Basis on which the price(including premium, if any) has been arrived at along with report of the registered valuer

The price has been calculated as per Regulation 164 of ICDR Regulations by M/K.G. Sharma & Co, Chartered Accountants, having office at 201, Anupam Bhawan, Commercial Complex, Azadpur, delhi -110033

6. Relevant date with reference to which the price has been arrived at

28.08.2021

7. The class or classes of persons to whom the allotment is proposed to be made

Promoters and Non-Promoters

8. Intention of promoters, directors or key managerial personnel to subscribe to the offer

Promoters group members will be subscribing the offer.

9. The proposed time within which the allotment shall be completed

As required under the ICDR Regulations, the preferential issue of Warrants shall be completed within a period of 15 days from the date of passing of the special resolution by the Shareholders. Provided that where the allotment is pending on account of any approval from any Regulatory Authority/ Body the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

10. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price

NIL

11. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

Not Applicable

12. The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer

The same offer has been made to the promoters, directors and key managerial personnel, as it has been made to non promoter.

13. The Identity of the natural persons who are the ultimate beneficial owners of the shares/Warrants proposed to be allotted and/ or who ultimately control the proposed allottees, the percentage of pre and post preferential issue capital that may be held by them.

S. No	Name/Identity of Proposed allottees	Category of the Proposed Allottee	Natural Persons who are the ultimate beneficial owners	Pre Issue share holding	No of Warrants to be allotted	Post Issue shareholding on exercise of Warrants*
1	M/s Sanco Enterprises Private Limited	Promoter Group	Mr. Anurag Gupta	32040 (0.28%)	2,85,000	317040 (2.42%)
2	Ms. Rita Gupta	Promoter Group	N.A	699385 (6.08%)	2,85,000	984385 (7.52%)
3	Mr. Abhishek Jain	Non Promoter	N.A	-	10,00,000	10,00,000 (7.64%)
	TOTAL				15,70,000	2301425 (17.60)

*Assuming full conversion of warrants.

- 14.** The change in control, if any, in the company that would occur consequent to the preferential offer

As a result of the proposed preferential issue of Warrants and Equity Share, and upon conversion of the Warrants, there will be no change in the control or management of the Company. However, voting rights will change in tandem with the shareholding pattern.

- 15.** Auditor's Certificate

The Statutory Auditors' certificate certifying that the above issue of Warrants is being made in accordance with the ICDR Regulations, shall be placed before the Shareholders of the Company at the Annual General Meeting of the Company and shall also be available for inspection by the members. The Auditor's Certificate will also be displayed on the website of the Company.

- 16.** Lock in period

The Warrants and Equity Shares to be allotted on exercise thereof shall be subject to lock-in as per the ICDR Regulations.

- 17.** Amount which the company intends to raise by way of such securities

Rs. 1,57,00,000

- 18.** Undertaking

As required under the ICDR Regulations the Company hereby undertakes that,

(a) It shall re-compute the price of the Warrants or Equity Shares to be issued on conversion of Warrants in terms of the ICDR Regulations, where it is required to do so.

(b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the underlying Warrants/ Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.

Further, the Company shall at all times comply with the minimum public shareholding requirements prescribed as per SEBI Regulations

19. Shareholding pattern of the issuer before and after the preferential issue:

S. No	Category	Pre Issue Shareholding		Post Issue Shareholding*	
		No. of Equity Shares	Percentage of Shareholdings	No. of Equity Shares	Percentage of Shareholdings
A.	Shareholding of Promoter & Promoter Group				
1	Indian				
A	Individual/HUF	4884791	42.43	5169791	39.52
B	Bodies Corporate	32040	0.28	317040	2.42
	Sub-Total (A1)	4916831	42.71	5486831	41.94
2	Foreign				
A	Individuals (Non-Resident Individuals)	-	-	-	-
B	Foreign Portfolio Investors	-	-	-	-
C	Sub-Total (A2)	-	-	-	-
	Shareholding of Promoters Promoter Group (A)=(A1+A2)	4916831	42.71	5486831	41.94
B	Public Shareholding				
1	Institutions:	-	-	-	-
I	Mutual Funds	-	-	-	-
Ii	Foreign Portfolio Investors	-	-	-	-
Iii	Financial Institutions/Banks	-	-	-	-
Iv	Insurance	-	-	-	-
V	Companies	-	-	-	-
	Sub-Total (B1)	-	-	-	-
2	Non-Institutions				
A	Individuals	5723045	49.71	6723045	51.39
	NBFCs registered with RBI	-	-	-	-
B	Any Other:				
I	Corporate Body	501633	4.36	501633	3.83
Ii	Foreign Venture Capital Fund	-	-	-	-
Iii	Foreign Nationals	-	-	-	-
Iv	NRI	40269	0.35	40269	0.31
V	Trust	-	-	-	-
Vi	Clearing Member	17673	0.15	17673	0.14
Vii	Individuals HUF	312549	2.72	312549	2.39
	Sub-Total (B2)	6595169	57.29	7595169	58.06
	Total Public Shareholding				

	(B)=(B1+B2)				
C	Shares Held by custodians and Against which Depository Receipts have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	11512000	100	13082000	100

** The above post-issue shareholding is prepared assuming the conversion of fully convertible warrants issued and pre issue shareholding pattern considered is of 30.06.2021.*

The members' consent is sought to authorize the Board to make preferential allotment of warrants on private placement basis to the persons in the manner set out in the resolution.

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

Except Ms. Rita Gupta(Relative of Director) Director and Mr. Abhishek Jain, Director, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in 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: 03.09.2021

Place: New Delhi

DIRECTORS' REPORT

To,
The Members,

On Behalf of the Board of Director of your Company, it is our privilege to present the 30th Annual Report on the business and operations of the company together with the audited statement of accounts for the financial year ended March 31, 2021 and Auditor's Report thereon.

1. FINANCIAL HIGHLIGHTS

The financial performance of your Company are as under:

Particulars	Standalone (Rupees in Lacs)	
	2020-21	2019-20
Total Income	267.55	3,741.79
Less: Total Expenses	2600.35	3,712.46
Profit before Exceptional Items, Prior Period Items and Tax	2332.80	29.32
Add: Exceptional Items	-	-
Less: Prior Period Items	-	-
Net Profit before Taxation (PBT)	2332.80	29.32
Tax Expense	6.81	0.48
Profit/ (Loss) after Taxation (PAT)	(2339.61)	28.85
Provision for proposed Dividend	-	-
Dividend tax	-	-
Transfer to General Reserve (Profit for the year and depreciation written back)	(2339.61)	28.85

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company has suffered a loss of Rs. 2339.61 lacs as on 31.03.2021. However, the Company's management is working towards effective business plans and strategies to improve the profits in coming years.

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, 2020.

5. TRANSFER TO RESERVES

The amount to be transferred to reserves during the year is Rs. 2339.61 Lacs.

6. CHANGES IN SHARE CAPITAL

The Company has increased its paid up share capital from Rs. 10,28,10,000 to Rs. 11,51,20,000. Further, there is no change in the authorised 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	NA

2. Mr. Abhishek Jain (Director)

Brief Description	B.A.LL.B in 2015 from C.C.S University Post Graduation in Investment Banking and Research from National Stock Exchange
Expertise	Investments and Taxations
Name of other Companies where holds directorship	NA

3. Ms. Sonu Kumari (Independent Director)

Brief Description	B.A from DU
Expertise	Marketing
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. Parveen Kumar Maheshwari (Independent Director)

Brief Description	Award-winning, confident, and highly organized entrepreneur with over 25 years in business leadership
Expertise	Business formation, operation, technology, and management.
Name of other Companies where holds directorship	NA

6. Mr. Nitya Prakash Gupta (Independent Director)

Brief Description	Civil Engineer
Expertise	Construction business
Name of other Companies where holds directorship	NA

7. Ms. Akriti Mahajan Gupta (Company Secretary)

Brief Description	B.Com from DU, Member of ICSI, Law Graduate from I
Expertise	Corporate & Listing Compliances Matters
Name of other Companies where holds directorship	NA

8. Mr. Anurag Gupta (Chief Finance Officer)

Brief Description	Graduate
Expertise	Finance, Accounts, Taxation and Law

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 thirteen times as on 30.06.2020, 28.07.2020, 24.08.2020, 29.08.2020, 23.10.20, 13.11.2020, 14.12.2020, 17.12.2020, 11.01.2021, 06.02.2021, 12.02.2021, 13.03.2021 and 23.03.2021 during the Financial Year ended March 31, 2021 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

The existing auditor M/s Gaur & Associates, Chartered Accountants has resigned as the Statutory Auditor of the Company. Accordingly, new Statutory Auditor, M/s K. G. Sharma & Co, Chartered Accountants being eligible, is proposed to be appointed as the new Statutory Auditor. Such change in auditor requires shareholders' approval. Accordingly,

necessary resolution for appointment of auditors is included in the Notice for this ensuing 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 2021-22.

14.SECRETARIAL AUDIT REPORT

There were qualifications/ adverse remarks given by the company secretary in practice in the secretarial audit report. Secretarial audit report is attached to this report.

The Board of Directors have considered all these qualifications/ adverse remarks, discussed all of them at length and decided to take all corrective measures for the same.

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.

The Board of Directors have considered all these qualifications/ adverse remarks, discussed all of them at length and decided to take all corrective measures for the same.

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, 2021 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 31.03.2021 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

No such order passed by any regulatory authority Courts or Tribunals impacting the going concern status and company's operations in future during the period under review.

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 made by the Company under Section 186 of the Companies Act, 2013 during the year under review. However, the Company has the following investments as on 31.03.2021:

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

Further, the Company has given Corporate Gaurantee to its wholly owned subsidiary Sanjita Polymet Limited of Rs. 20 lacs USD on 29.10.2015. However, the limit(loan) for which this guarantee was given stands NIL as on date. Accordingly, the guarantee stands revoked.

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, 2020 forms part of the Annual Report.

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: Nil

Foreign Exchange earning Nil

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	NIL
2	Ms. Rita Gupta	Director	NIL
3	Mr. Sidhant Gupta	Director	NIL
4	Mr. Saurabh Gupta	Non-Executive & Independent Director	NIL
5	Mr. Parveen Kumar Maheshwari	Non-Executive & Independent Director	NIL
6	Ms. Sonu Kumari	Non-Executive & Independent Director	NIL
7	Mr. Anil Bakshi	Non-Executive & Independent Director	NIL
8	Mr. Nitya Prakash Gupta	Non-Executive & Independent Director	NIL
9	Ms. Akriti Mahajan	Company Secretary	1:8
10	Ms. Mansi Gupta	Chief Financial Officer(till 15.10.2020)	1:10
11	Mr. Anurag Gupta	Chief Financial Officer(from 16.10.2020)	1:10

Further, there are 103 permanent employees on the rolls of company:

- Work Place – 5
- Corporate Office – 8

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.

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

NIL

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/-
Abhishek Jain
Director
DIN - 07432343
R/o C-56, Block-C,
Surajmal Vihar, Delhi - 110092

Date: 03.09.2021

Place: New Delhi

ANNEXURE A - FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN**As on the financial year ended on 2021****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: **Company Limited by Shares/ Indian Non-Government 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	80%
2	PVC Wires & Cables	27320	11%
3	Copper Wire	2732	9%

III. Particulars of holding, subsidiary and associates companies

S. No	Name Address of Company	CIN/GLN	Holding/Subsidiary/Associate
1	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				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	4029321	0	4029321	39.18	4884791	0	4029321	42.43	3.25
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	32040	0	32040	0.311	32040	0	32040	0.27	-0.41
e) Banks/FI	0	0	0	0	0	0	0	0	0
Sub-total(A)(1)	4061361	0	4061361	39.49	4916831	0	4916831	42.71	3.21
(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	0	0.00	0.00	0	0	0.00	0.00	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	4061361	0	4061361	39.49	4916831	0	4916831	42.71	3.21

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) FII's	0	0	0.00	0.00	0	0	0.00	0.00	0
h) Foreign Venture	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.	513248	0	513248	4.99	322425	0	322425	2.80	2.19
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	2374512	0	2374512	23.09	1589533	0	1589533	13.81	9.28
ii. Individual shareholders holding nominal share capital in excess of Rs 1	2405613	1	2405613	23.39	4001591	1	4001592	34.76	-11.37
c) Others(Specify)	929265	0	929265	9.03	681619	0	681619	5.92	3.11
Total Public Shareholding (B) =	6222638	1	6222639	60.50	6595168	1	6595169	57.29	-3..22

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	11511999	1	11512000	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			% 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	M/s Sanjay Gupta HUF	1103430	10.73	0	1103430	9.59	0	-1.14
	Mr. Sanjay Gupta	1783146	17.34	0	1610616	14	0	-3.34
3	M/s Sanco Enterprise Pvt	32040	0.31	0	32040	0.28	0	-0.03
4	Ms. Mansi Gupta	233980	2.28	0	747980	6.50	0	4.22
5	Mr. Sidhant Gupta	528120	5.14	0	528120	4.59	0	-0.55
6	Ms. Rita Gupta	185385	1.80	0	699385	6.08	0	4.28
7	Mr. Anurag Gupta	195260	1.89	0	195260	1.69	0	-0.2
	Total	4061361	39.49	0	4916831	42.71	0	3.22

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 end 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	1783146	17.34	Fraudulently sold by broker GSV Securities Pvt Ltd	During FY 20-21	-3.34	1610616	14
2	Ms. Mansi Gupta	233980	2.28	Allotment for conversion of warrants	During FY 20-21	4.22	747980	6.50
3	Ms. Rita Gupta	185385	1.80	Allotment for conversion of warrants	During FY 20-21	4.28	699385	6.08

**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	Edelweiss Custodial Services Limited	237070	2.31	0	237070	2.30	0	0
2	Alice Blue Financial Services Private Limited	42732	0.42	0	142732	1.39	0	-0.97
3	Deepak Gupta	0	0	0	128500	1.22	0	1.22
4	Sunita Sarwankumar Saraf	129051	1.25	0	129051	1.25	0	0
5	Dobariya Milan Chandrakantbhai	99376	0.97	0	99376	0.97	0	0
6	Resource Opzione Consultancy Private Limited	82510	0.80	0	82510	0.80	0	0
7	Gurshaan Singh Chadha	78844	0.77	0	78844	0.77	0	0
8	Sneha Singh	78417	0.76	0	78417	0.76	0	0
9	Stampede Capital Limited	0	0	0	99372	0.99	0	0.99
10	National Stock Exchange of India Limited	0	0	0	186014	1.78	0	1.78
	Total	678000	7.28	0	1191886	12.23	0	3.02

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 end 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	1783146	17.34	Fraudulently sold by broker GSV Securities Pvt Ltd	During FY 20-21	-172530	1610616	14
2	Ms. Rita Gupta	185385	1.80	Allotment for conversion of warrants	During FY 20-21	514000	699385	6.08
3	Ms. Mansi Gupta	233980	2.28	Allotment for conversion of warrants	During FY 20-21	514000	747980	6.50

I. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director/Whole Time Director/ Manager - NIL

B. Remuneration to other directors - Nil

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD - NIL

II. Penalties/Punishment/Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority[RD/NCLT/COURT] [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)
M/s Superlink Polyfeb Ltd	Entities controlled by Directors or their Relatives	Purchase of Goods	Ongoing	12.17

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sanco Industries Limited (CIN - L74899DL1989PLC035549)
D-161, Surajmal Vihar, Delhi - 110092

Date of Incorporation: **17.03.1989**
Authorized Share Capital: **210,000,000**
Paid up Share Capital: **11,51,20,000**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Sanco Industrieis Limited** (hereinafter called "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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 (the period under review) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of **(to the extent applicable):**

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 2019 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the period under review).**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the period under review)**
- (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 to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the period under review)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the period under review)**
- (vi) Other laws applicable specifically to the Company namely **(to the extent applicable):**
 - (a) Environment (Protection) Rules, Act, 1986 read with Environment (Protection) Rules, 1986 and Hazardous and Other Wastes(Management and Transboundary Movement) Rules, 2016
 - (b) Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
 - (c) Air (Prevention & Control of Pollution) Act, 1981 Read with Air (Prevention & Control of Pollution) Rules, 1982
 - (d) Trademarks Act, 1999
 - (e) Income Tax Act, 1961
 - (f) Goods and Services Tax Act, 2017
 - (g) Himachal Pradesh Fire Fighting Services Act, 1984
 - (h) Factories Act, 1948
 - (i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - (j) Employees' State Insurance Act, 1948

We have also examined compliance with the applicable clauses/ Regulations of the following **(to the extent applicable):**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, however, the Company has not fully complied Regulation 17, 23(9), 33 and 47 of SEBI LODR; not disclosed to stock exchange the defaults made in payment of the interest or principal amount of loan; not filed the cost audit report FY ended 31.03.2018, 31.03.2019 & 31.03.2020; having Cash Credit (CC) accounts with South Indian Bank & Union Bank of India and loan accounts with HDFC Bank & Aditya Birla Finance Ltd has become Non- Performing Assets (NPA) as per banking rules and regulations; has defaulted in payments of statutory liabilities of Provident Funds, Employees' State Insurance, Income Tax; not fully reconciled the balances of Creditors & Debtors and GST data with GST returns; mismatch in some of personnel and impersonal account are subject to confirmation and reconciliation; has not provided fire licence from Directorate of Fire Services, Himachal Pradesh and factory licence.

We further report that:

The Board of Directors of the Company is duly constituted Executive Directors, Non-Executive Directors and Independent Directors. *However, the proper balance of Executive Directors and Non-Executive Directors was not maintained only for a trivial part of the period under review.*

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or as the case may be, as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are 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. *However, the material uncertainties such as the company has no working capital to run its factory in foreseeable future, all the loan facilities has been NPA, most of its Debtors are outstanding for more than a year & under litigation, turnover is declining drastically in past few years, may cast significant doubt about the company's ability to continue as a going concern*

We further report that during the audit period, no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Shazan Ali & Associates
Company Secretaries**

**Sd/-
Shazan Ali(Proprietor)
FCS-8748
CP No.9354**

**Date: 30.06.2021
Place: New Delhi
UDIN: F008748C000551125**

Annexure to Secretarial Audit report

To,
The Members,
Sanco Industries Limited (CIN - L74899DL1989PLC035549)
D-161, Surajmal Vihar, Delhi - 110092

Our Secretarial Audit Report for FY ending 31.03.2021 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes 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. Whenever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Shazan Ali & Associates
Company Secretaries

Sd/-
Shazan Ali(Proprietor)
FCS-8748
CP No.9354

Date: 30.06.2021
Place: New Delhi
UDIN: F008748C000551125

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 installed capacity is:

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

ECONOMIC OVERVIEW

2020 was a highly volatile and challenging year. 2020-21 started amidst a strict nationwide lockdown in India – with tough restrictions on economic activity and mobility – and an unprecedented uncertainty about the eventual impact of the Covid-19 pandemic. Covid-19 changed almost every aspect of human lives in ways never imagined. As the Covid-19 cases continued to rise exponentially, the economy declined sharply.

Global economic activity – which was already under protracted pressure since 2018 – contracted sharply in 2020 due to the Covid-19 pandemic. According to the IMF, decline in global output in 2020 is estimated at 3.3 per cent, which is unprecedented in the manner it impacted economic performance across sectors and geographic regions.

OPPORTUNITIES AND THREATS

Due to COVID 19 pandemic, the world and Indian economy is undergoing slowdown which has brought challenges for the Company. However, still the Company is trying its best to recover by making most appropriate use of opportunities available in sectors like in irrigation, drinking water, affordable housing and Smart City projects etc.

BUSINESS OUTLOOK

As the year started with the economy under complete lockdown and unprecedented uncertainty, the focus initially was on health risks posed by the Covid-19 pandemic. However, later the business, people and economy started its recovery mode.

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. COVID 19 is another major concern of the Company as it has severely affected the Company.

Further, the Board is in the process of devising and implementing the risk management policy for the Company taking care of the unprecedented situation created by COVID 19.

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

No organization can survive without a strong human resource. Being a hard believer of this fact, the Company provides the most suitable working environment to its manpower.

The Company keeps shuffling its manpower requirements as may be required from time to time.

The Company has in place 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.

Overview of Our Results of Operations

The following discussion of the financial condition and results of operations for the financial year ended March 31, 2019 & March 31, 2020.

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

Particulars	Standalone (Rupees in Lacs)	
	2020-21	2019-20
Total Income	267.55	3,741.79
Less: Total Expenses	2600.35	3,712.46
Profit before Exceptional Items, Prior Period Items and Tax	2332.80	29.32
Add: Exceptional Items	-	-
Less: Prior Period Items	-	-
Net Profit before Taxation (PBT)	2332.80	29.32
Tax Expense	6.81	0.48
Profit/(Loss) after Taxation (PAT)	(2339.61)	28.85
Provision for proposed Dividend	-	-
Dividend tax	-	-
Transfer to General Reserve (Profit for the year and depreciation written back)	(2339.61)	28.85

MANAGING DIRECTOR AND CFO CERTIFICATION

**To,
The Board of Directors,
Sanco Industries Ltd.**

We, Sanjay Gupta, Managing Director and Anurag Gupta, 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 2021 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
DIN - 00726005
(Managing Director)

Sd/-

Anurag Gupta
PAN - ACTPG0996L
(Chief Financial Officer)

Date: 03.09.2021

Place: New 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, 2021, the Company has 7 Directors on its Board, of which 3 are Executive Directors and 4 are Non Executive Independent 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 of Committees in other Public Ltd. Cos. *	
					Chairmanship	Memberships
Mr. Sanjay Gupta	Non Independent Executive Director (Managing Director)	13	Yes	Nil	Nil	Nil
Mr. Abhishek Jain	Non Independent Executive Director	9	Yes	Nil	Nil	Nil
Ms. Rita Gupta	Non Independent Executive Director	13	Yes	Nil	Nil	Nil
Mr. Parveen Maheshwari	Independent Non-Executive Director	13	Yes	Nil	Nil	Nil
CA Saurabh Gupta	Independent Non- Executive Director	9	Yes	Nil	Nil	Nil
Mr. Nitya Prakash Gupta	Independent Non-Executive Director	13	Yes	Nil	Nil	Nil
Ms. Sonu Kumari	Independent Non-Executive Director	13	Yes	Nil	Nil	Nils

Notes:-

1. During the Financial Year 2019-20, Thirteen (13) Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30.06.2020, 28.07.2020, 24.08.2020, 29.08.2020, 23.10.20, 13.11.2020, 14.12.2020, 17.12.2020, 11.01.2021, 06.02.2021, 12.02.2021, 13.03.2021 and 23.03.2021.
2. *Only three Committees, namely, Audit Committee and Stakeholder Relationship Committee, Nomination and Remuneration Committee have been considered.
3. The information as required under Regulation 17 of LODR is being made available to the Board.
4. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

INDEPENDENT DIRECTORS' MEETING:

During the year under review the Independent Directors met on 17.12.2020 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, 2020. 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.

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, 6 (Six) meetings of the Audit Committee were held on 30.06.2020, 28.07.2020, 24.08.2020, 13.11.2020, 11.01.2021, 12.02.2021 in due compliance with the stipulated provisions. The attendance record and composition of the members of the Audit Committee is given as under:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. Sanjay Gupta	Member	6
Mr. Nitya Prakash Gupta	Member	6
Ms. Sonu Kumari	Chairman	6

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.

During the year, four meetings of the Nomination and Remuneration Committee was held as 30.06.2020, 24.08.2020, 23.10.2020 and 11.01.2021. The attendance record of the members of the Committee is given as under:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. Parveen Maheshwari	Member	4
Mr. Nitya Prakash Gupta	Member	4
Ms. Sonu Kumari	Chairman	4

The Committee has been constituted to recommend/review the remuneration package of the 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. Akriti Mahajan, 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 and recommended measures or overall improvement in the quality of investors services.

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, five meetings of the Stakeholders relationship Committee were held as on 30.06.2020, 24.08.2020, 23.10.2020, 11.01.2021 and 23.03.2021 in due compliance with the stipulated provisions. The attendance record of members of the Committee is given as above.

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

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. Parveen Maheshwari	Chairman	3
Mr. Nitya Prakash Gupta	Member	3
Mr. Sanjay Gupta	Member	3

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31st March 2021 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 31.03.2021 : Nil

GENERAL BODY MEETING

(I) General Meeting

a. Annual General Meeting

Financial Year Ended	Day, Date & Time	Venue	Items approved by Special Resolution
31.03.2019	Wednesday 18.09.2019	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	<ul style="list-style-type: none"> • SALE OF INVESTMENT IN WHOLLY OWNED SUBSIDIARY SANJIYA PLOMET LIMITED. • FUND RAISING BY ISSUE OF WARRANTS ON PREFERENTIAL BASIS • REMUNERATION OF COST AUDITOR
31.03.2019	Wednesday 18.09.2019	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	<ul style="list-style-type: none"> • SALE OF INVESTMENT IN WHOLLY OWNED SUBSIDIARY SANJIYA PLOMET LIMITED. • FUND RAISING BY ISSUE OF WARRANTS ON PREFERENTIAL BASIS • REMUNERATION OF COST AUDITOR
31.03.2020	Monday 21.09.2020	Through Video Conferencing ("VC")/ Other Audio Visual Means	<ul style="list-style-type: none"> • APPOINTMENT OF M/S GAUR & ASSOCIATES, CHARTERED ACCOUNTANTS IN PLACE OF EXISTING AUDITOR M/S RASOOL SINGHAL & CO, CHARTERED ACCOUNTANTS

			<ul style="list-style-type: none"> • REGULARISATION OF MS. RITA GUPTA AS DIRECTOR • REGULARISATION OF MR. PARVEEN AS DIRECTOR • REGULARISATION OF MR. NITYA PRAKASH GUPTA AS DIRECTOR • APPOINTMENT OF MR. ABHISHEK JAIN AS DIRECTOR • RE-APPOINTMENT OF MR. SANJAY GUPTA AS MANAGING DIRECTOR • RE APPOINTMENT OF MR. SAURABH GUPTA AS INDEPENDENT DIRECTOR • REMUNERATION OF COST AUDITOR • CONVERSION OF LOAN FROM PROMOTERS & MEMBER OF PROMOTERS GROUP TO BE CONVERTED INTO EQUITY SHARES OF THE COMPANY UPTO RS. 50 CRORE • SALE OF INVESTMENT IN WHOLLY OWNED SUBSIDIARY SANJIYA PLOYMET LIMITED • FUND RAISING BY ISSUE OF WARRANTS ON PREFERENTIAL BASIS
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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, 2021 .

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 Audit Committee will review the reports received from any employee. 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. total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part
Rs. 97,350(payable)
- v. a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS NON-DISQUALIFICATION

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sanco Industries Limited having CIN L74899DL1989PLC035549 and having registered office D-161, Surajmal Vihar, Delhi -110092 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as at the end of for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

For Shazan Ali & Associates
Company Secretaries
Sd/-
Shazan Ali(Proprietor)
FCS 8748/ CP No. 9354
UDIN: F008748C000879112

Date: 02.09.2021

Place: Delhi

- vi. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements LODR.

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

vii. Disclosure under Regulation 32(7A) Utilisation of Funds raised through through preferential allotment

Statement of utilisation of funds of preferential issue of 12,28,000 convertible warrants allotted on 17.12.2020 pursuant to Regulation 32 of SEBI(LODR)

**STATEMENT OF UTILIZATION OF PROCEEDS OF PREFERENTIAL ISSUE
OF 12,28,000 CONVERTIBLE WARRANTS ALLOTTED ON 17.12.2020**

Particulars	Amount (in Rs.)
Gross proceeds of preferential issue	1,47,36,000
Amount utilized out of proceeds of preferential issue	1,47,36,000
Amount utilized out of proceeds of preferential issue for working capital	1,47,36,000
Deviation if any in utilization of proceeds of preferential issue	NIL
Remaining proceeds of preferential issue	NIL

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, 2020.

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	: Monday, September 27, 2021 at 12:30 P. M. through Video Conferencing(VC)/ Other Audio Visual Means ("OAVM")
Period of Book Closure	: September 21, 2021 10:00 A.M. to September 27, 2021 6
Dividend Payout Date	: N. A. Financial Year Ending 31 st March, 2021

(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, 2020 to March, 2021 are as under:

Month	Share Prices		Volume	Net turnover (In Rs.)
	High	Low		
April 2020	9.75	6.25	1239508	9698583.70
May 2020	11.45	8.50	671185	6722527.70
June 2020	12.70	9.60	954682	10551584.50
July 2020	11.15	8.50	883974	4431714.45
August 2020	14.00	8.65	3646798	43089534.50
September 2020	14.40	12.15	1079282	14368776.45
October 2020	14.95	12.95	1731586	24472601.45
November 2020	14.90	13.30	1164739	164431374.45
December 2020	14.60	12.75	1474269	119565927.40

January 2021	18.80	13.20	7105459	117399527.30
February 2021	21.50	11.15	15045904	232357987.05
March 2021	12.05	6.90	1996687	20141479.05

*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 31.03.2021 are as follows:

(VII) Category wise shareholding as on 31.03.2021

S.No	Category	No. of Shares Held	% of Shareholdin
A	Promoter Holding		
	1. Promoters and Promoters Group	4916831	42.71%
	Sub Total	4916831	42.71%
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	5591125	48.56%
	Body Corporate	322425	2.80%
	NRI's	68341	0.60%
	Others	613278	5.32%
	Sub Total	5228235	57.29%
	Grand Total	10284000	100%

(VIII) Distribution of Shareholding (as on 31.03.2021)

Shareholding of Nominal Value of Rs. 10	Number of Shareholders	No. of Shares
Up to 5000	5685	3186022
5001 to 10000	145	1114850
10001 to 20000	49	704524
20001 to 30000	18	458269
30001 to 40000	5	158429
40001 to 50000	4	194400
50001 to 100000	5	317302
100001 and Above	8	4328703
Total	5919	10462499

(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 2020, 11512000 Equity Shares aggregating to 100% of the total Equity Capital is held in dematerialized form, of which 24.80% (2550553) Equity Shares) of total equity capital is held in NSDL & 75.20% (7911946) Equity Shares) of total equity capital is held in CDSL as on 31.03.2021 and one (1) share is in physical form (as per the date provided by RTA when the process of conversion of warrants into equity shares was going on and date is not updated in NSDL & CDSL as corporate actions were under process)

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: 03.09.2021
Place: New Delhi**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF****Sanco Industries Limited**

We have examined the compliance of condition of corporate governance by Sanco Industries Limited for the year ended on March 31, 2021, 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 GAUR & ASSOCIATES
Chartered Accountants
FRN: 005354C

Sd/-
S. K. Gupta
Partner
Membership No. 016746

Date: 03.09.2021
Place: Delhi

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF SANCO INDUSTRIES LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **SANCO INDUSTRIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

- *Based on our review conducted as above we observed that company having Cash Credit (CC) accounts with South Indian Bank & Union Bank of India and loan accounts with HDFC Bank & Aditya Birla Finance Ltd has become Non- Performing Assets (NPA) as per banking rules and*

regulations. The company is also irregular while paying its undisputed and disputed statutory liabilities. We observed that undisputed and disputed statutory liabilities which are pending for more than 6 months with respect to ESIC, EPF and Income Tax has also not been paid till the date of this report.

- We have not been provided any reconciliation of balances of Creditors as well as with Debtors. We have been provided GST reconciliation which is not reconciled with GST Returns. Hence we are unable to comment upon the accuracy of these balances.*
- Long term outstanding balances in some of personal and impersonal accounts are subject to confirmation and reconciliation.*
- There are following material uncertainties that may cast significant doubt about the company's ability to continue as a going concern such as company has no working capital to run its factory in foreseeable future as all the loan facilities has been NPA & most of its Debtors are outstanding for more than a year and under litigation. Further, its turnover is declining drastically in past few years.*
- Stock register, Fixed Asset Register and some of the E-way bills for sale and purchase etc. are not provided to us for verification.*

Key Audit Matters

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

Property Plant and Equipment and Intangible Assets

There are areas where management judgments impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortization amounts. These includes the decision to capitalize or expense costs; the annual asset life review; the timelines of the capitalization of assets and the use of management assumptions and estimates for the determination of the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the balance sheet of the company on the level of judgment and estimates required, we consider to be a key audit matter.

Response to Key Audit Matter

We assessed the controls in place, evaluated the appropriateness of capitalization process, performed tests of details on costs capitalized, the timeliness of the capitalization of the assets and the DE recognition criteria for the assets retired from active use.

In performing these procedures, we reviewed the judgment made by management including the nature of the underling costs capitalized: Determination of realizable value of the assets retired from active use: The appropriateness of asset live applied in the calculation of depreciation; useful

lives of assets as per the technical assessment of the management and external technical experts. We have observed that there are no materials changes.

Revenue Recognition

Revenue recognition is significant audit risk across all units within the Company, risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 “Revenue from Contracts with Customers”.

Response to Key Audit Matter

Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive as follows:

- We have evaluated the design of internal controls relating to revenue recognition.
- We selected samples of Sales and transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving inquiry and observation, performance and inspection.
- We have tested samples of Sale transaction to their respective underlying invoices and related documents.
- We have performed cut-off procedures for sample of revenue transactions at year-end in order to conclude on whether they were recognized in accordance with Ind AS-115.

Evaluation of Uncertain Tax Positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

Response to Key Audit Matters

Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management’s underlying assumptions in estimating the text provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management’s position on these uncertain position. Additionally, we consider the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management’s to these uncertainties.

Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

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

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

Responsibility of Management and Those Charged with Governance (TCWG)

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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, 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 Flows dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on **31/03/2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31/03/2021** 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 the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. There are pending litigations by and against the Company as at March 31, 2021 which may impact its financial position but no provision has been made as in the opinion of the management the amount cannot be estimated and will be dealt with in the year in which the dispute is settled and 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 applicable 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 GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C

Sd/-

S. K. Gupta

Partner

M. No. 016746

UDIN: 21016746AAAAE28931

Place: New Delhi

Date: 30/06/2021

“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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of **SANCO INDUSTRIES LIMITED** as of March 31, 2021 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon 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.

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 standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 issues by the Institute of Chartered Accountants of India.

For GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C

S. K. Gupta

Partner

M. No. 016746

UDIN: 21016746AAAAE28931

Place: New Delhi

Date: 30/06/2021

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 not provided us any records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company did not provide us any document for program of verification to cover all the items of fixed assets.
 - c) According to the information and explanations received by us, as the company did not provide us any deed or documents relating to immovable property. Hence, we are unable to comment under this clause.
- ii. The Company did not provide any physical verification report of inventory. Hence, we are unable to comment under this clause.
- iii. The company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the company, whether reasonable steps for recovery of over dues of such loans are taken does not arise.
- 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. Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 2014 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 u/s 148(1) of the Act and are of the opinion that prima-facie the prescribed records have been made maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is not depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.
 - b) There are undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material

statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

S. No.	Nature of Liability	Amount
1.	Provident Fund	Total outstanding Rs. 12,54,866/-
2.	ESI	Total outstanding Rs. 7,51,017/-
3.	Income Tax Payable	Total outstanding Rs. 3,17,02,723/-

- c) Details of dues of sales tax/income-tax/value added tax/customs duty/excise duty/cess which have not been deposited on account of any dispute are given under:

Nature of the Statute	Nature of Dues	Forum where dispute is pending	Period which amount relates to	Remarks
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2014-15	Rs. 63.33 (Order of appellate authority pass in favour of the company.
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2012-13	Copy of Assessment Order not provided by the management
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2017-18	Copy of Assessment Order not provided by the management

- viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has defaulted in repayment of loans or borrowing to a financial institution, banks or dues to debenture- holders.

Name of the Bank	Nature of Dues	Amount	Due date	Status
South Indian Bank (CC A/c)	Principal and Interest	Rs. 13,63,76,330.43/-	Various dates and not paid any interest during the year	The company bank CC Account has become Non-Performing Asset (NPA) as per the banking rules and regulations. As the company is irregular in paying the outstanding amount.
UBI Delhi, (CC A/c)	Principal and Interest	Rs. 31,27,79,994/-	Various dates	The company bank CC Account has become Non-Performing Asset (NPA) as per the banking rules and regulations. As the

				company is irregular in paying the outstanding amount.
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- 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. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the company by its officers or employees nor any fraud by the company has been noticed or reported during the course of our audit.
- 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 made preferential allotment of equity shares.
- 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 a Non-Banking Financial Company and is not required to be registered under section 45-I of the Reserve Bank of India.

For GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C

S. K. Gupta

Partner

M. No. 016746

UDIN: 21016746AAAAE28931

Place: New Delhi

Date: 30/06/2021

Sanco Industries Limited				
Standalone Balance Sheet as at March 2021				
			(Rs. In Lakhs)	(Rs. In Lakhs)
	Particulars	Note No.	As at Mar 31, 2021	As at Mar 31, 2020
I	ASSETS			
(1)	Non Current Assets			
	(a) Property, Plant and Equipment	3	174.25	224.13
	(b) Investment Property	4	-	-
	(c) Other Intangible Assets	5	-	-
	(d) WIP	6	2.99	2.99
	(e) Financial Assets			
	(i) Investments	7	338.50	338.50
	(ii) Trade receivables	8	3,439.88	2,544.68
	(iii) Bank balances	9	-	-
	(iv) Other financial assets	10	-	-
	(f) Deferred tax assets (net)	11	8.67	15.48
	(g) Other non current assets	12	0.10	0.10
	Total Non Current Assets		3,964.38	3,125.88
(2)	Current assets			
	(a) Inventories	13	1,816.38	4,113.61
	(b) Financial Assets			

	(i) Investments		-	-
	(ii) Trade receivables	8	1,815.43	3,493.56
	(v) Cash and cash equivalents	14	85.00	73.97
	(vi) Bank balances	9	2.46	32.35
	(vii) Other financial assets	10	1,342.18	1,350.42
	(c) Other current assets	12	70.31	58.67
	Total Current Assets		5,131.78	9,122.57
	Total Assets		9,096.16	12,248.45
II	EQUITY AND LIABILITIES			
A	EQUITY			
	(a) Equity Share Capital	15	1,151.20	1,028.40
	(b) Other Equity		234.57	2,518.91
	Total Equity		1,385.77	3,547.31
B	LIABILITIES			
(1)	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	1,104.86	1,205.50
	(ii) Trade payables	17	-	-
	(iii) Other financial liabilities	18	12.12	13.54
	(b) Provisions	20	0.50	16.30
	(c) Other non current liabilities	21	317.03	274.30
	Total Non Current Liabilities		1,434.50	1,509.64
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	22	4,670.10	4,579.84
	(ii) Trade payables	17		
	Total Outstanding dues of MSME Creditor		655.54	1,326.10
	Total Outstanding dues of creditors other than MSME		570.86	884.77
	(iii) Other financial liabilities	18	260.96	215.50
	(b) Current tax Liabilities (Net)	19	-	4.31
	(c) Provisions	20	-	1.21
	(d) Other current liabilities	21	118.44	179.77
	Total Current Liabilities		6,275.89	7,191.50
	Total Equity and Liabilities		9,096.16	12,248.45

	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 Gaur & Associates Chartered Accountants FRN: 005354C Sd/- CA S.K. Gupta Partner Membership No. 016746 Date: 30/06/2021 Place: Delhi UDIN: 21016746AAAAE28931			For and on behalf of the Board of Directors Sanco Industries Limited		
			Sd/- Sanjay Gupta Managing Director DIN - 00726005 Sd/- ANURAG GUPTA Chief Financial Officer	Sd/- Rita Gupta Additional Director DIN - 00725987 Sd/- AKRITI MAHAJAN Company Secretary	

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021				
				(Rs. In Lakhs)
Particulars	Note No.	Year ended March '2021	Year ended March '2020	
I	Revenue from operations	23	239.91	3,576.65
II	Other income	24	27.64	165.14
III	Total Income (I+II)		267.55	3,741.79
IV	Expenses			
				-
	Cost of Materials Consumed	25	1,820.10	3,310.16
	Purchase of Stock-in-trade	26	1.77	13.25
	(Increase)/Decrease in Inventories Finished Goods	27	620.79	(178.51)
	Employee Benefit Expenses	28	55.20	139.75
	Finance costs	29	7.52	193.07

	Depreciation and amortisation expense	30	37.75	50.36
	Other expenses	31	57.22	184.39
	Total expenses (IV)		2,600.35	3,712.46
V	Profit/ (loss) before exceptional items and tax (III- IV)		(2,332.80)	29.33
VI	Exceptional items		-	-
VII	Profit/ (loss) before tax (V-VI)		(2,332.80)	29.32
VIII	Tax expense:			
	(1) Current tax			5.71
	(2) Deferred tax		6.81	(3.05)
	(3) Mat Credit Entitlement			(2.19)
	Total Tax Expense (VIII)		6.81	0.48
IX	Profit/ (loss) for the year (VII-VIII)		(2,339.61)	28.85
X	Other Comprehensive Income			
	1 Items that will not be reclassified to profit and loss			-
	2 Items that will be reclassified to profit and loss		-	0.88
	3. Income tax effect on above		-	0.23
	Total Other comprehensive income		-	0.65
XI	Total Comprehensive Income for the Year (IX+X) (Comprising profit and other comprehensive income for the year)		-	29.50
XII	Earnings per equity share			
	(1) Basic (Rs.)	32	(20.32)	0.28
	(2) Diluted (Rs.)	32	(20.32)	0.28
The accompanying notes and other explanatory information are as integral part of the Financial Statements.				
As per our report of even date. For Gaur & Associates Chartered Accountants FRN: 005354C Sd/- CA S.K. Gupta Partner Membership No. 016746 Date: 30/06/2021 Place: Delhi UDIN: 21016746AAAAE28931		For and on behalf of the Board of Directors of Sanco Industries Limited		
		Sd/- Sanjay Gupta Managing Director DIN : 00726005 Sd/- Anurag Gupta Chief Financial Officer		Sd/- Rita Gupta Additional Director DIN: 00725987 Sd/- Akriti Mahajan Company Secretary

Statement of Audited Standalone Cash Flow for the Period ended March 31, 2021			
			(Rs. In Lakhs)
Particular		For the year ended March 2021	For the year ended March 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before Tax	(2,333.92)	29.32
	Profit on sale of Investment	-	(5.93)
	Other comprehensive Income	-	0.88
	Depreciation and Amortization	37.75	50.36
	(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property	(12.14)	(41.24)
	Interest Income	-	(17.81)
	Interest Expenses	7.52	193.07
	Cash Generated Before Working Capital Changes	(2,300.79)	208.66
	Movement In Working Capital		
	Increase / (Decrease) in Assets	3,076.75	69.45
	Increase / (Decrease) in Liabilities	(979.25)	(75.80)
	Cash Generated From Operations	(203.30)	202.30
	Direct Taxes Paid		3.52
	Net Cash Flow From / (Used in) Operating Activities	(203.30)	198.78
B	CASH FLOW FROM / (USED) INVESTING ACTIVITIES		
	Purchase of PPE, Intangible Assets and Investment Property		(0.17)
	Proceeds of PPE, Intangible Assets and Investment Property	24.27	42.15
	Proceeds from Investments	-	115.33
	Interest Income Received	-	17.81
	Net Cash Flow From / (Used in) Investing Activities	24.27	175.11
C	CASH FLOW FROM / (USED) FINANCING ACTIVITIES		
	Proceeds / (Repayment) of Long & Short Term Borrowings	72.47	(5.42)
	Interest Paid	(7.52)	(193.07)
	Net Cash Flow From / (Used in) Financing Activities	64.95	(198.48)

Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		(114.07)	175.40
Cash and Cash Equivalents at the beginning of the Period		(4,290.02)	(4,465.42)
Cash and Cash Equivalents at the end of the Period		(4,404.10)	(4,290.02)
Components of Cash and Cash Equivalents			
Cash and cheques on Hand		81.21	72.97
Balances with Banks			
On Current accounts		3.80	0.99
On Deposits accounts		2.46	32.35
Bank Overdraft		(4,491.56)	(4,396.33)
Cash and cash Equivalent		(4,404.10)	(4,290.02)
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 Gaur & Associates Chartered Accountants FRN: 005354C Sd/- CA S.K. Gupta Partner Membership No. 016746 Date: 30/06/2021 Place: Delhi UDIN: 21016746AAAAE28931			
		For and on behalf of the Board of Directors Sanco Industries Limited	
		Sd/- SANJAY GUPTA Managing Director DIN - 00726005 Sd/- ANURAG GUPTA Chief Financial Officer	Sd/- RITA GUPTA Additional Director DIN - 00725987 Sd/- AKRITI MAHAJAN Company Secretary

3	Property, Plant and Equipment (Rs. Lakhs)								
	Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
	<u>Gross Block</u>								
	As at April 01, 2019	6.61	55.90	339.42	0.11	72.52	4.42	3.31	482.29
	Additions	-	-	0.17	-	-	-	-	0.17
	Disposals	-	-	7.29	-	-	-	-	7.29
	As at March 2020	6.61	55.90	332.31	0.11	72.52	4.42	3.31	475.18
	Additions								
	Disposals					12.14			
	As at March 2021	6.61	55.90	332.31	0.11	60.38	4.42	3.31	475.18
	<u>Depreciation</u>								-
	As at April 01, 2019	-	14.42	157.12	0.03	29.90	2.81	2.78	207.06
	Charged For Period	-	3.93	34.84	0.00	10.81	0.62	0.17	50.36
	On Disposals	-		6.37	-				6.37
	As at March 2020	-	18.34	185.59	0.03	40.70	3.43	2.95	251.05
	Charged For Period		3.55	26.89	0.00	4.18	0.27	-	
	On Disposals				-	2.85			
	As at March 2021	-	21.90	212.48	0.03	47.73	3.70	2.95	288.80
	<u>Net Block</u>								
	As at March 2020	6.61	37.56	146.72	0.08	31.81	0.99	0.36	224.13
	As at March 2021	6.61	34.00	119.82	0.075	12.65	0.73	0.36	174.25

4	Investment Property (Rs. In Lakhs)			
	Particulars	Land	Buildings	TOTAL ASSETS
	<u>Gross Block</u>			
	As at April 01, 2019	-	-	-
	Additions	-	-	-
	Disposals	-	-	-
	As at March 31, 2020	-	-	-
	Additions	-	-	-
	Disposals	-	-	-
	As at March 31, 2021	-	-	-
	<u>Depreciation</u>			
	As at April 01, 2019	-	-	-
	Charged For the Period	-	-	-
	On Disposals	-	-	-
	As at March 31, 2020	-	-	-
	Charged For the Period	-	-	-
	On Disposals	-	-	-
	As at March 31, 2021	-	-	-
	<u>Net Block</u>			
	As at March 31, 2020			-
	As at March 31, 2021			-
5	Other Intangible Assets (Rs. In Lakhs)			
	Particulars			
	<u>Gross Block</u>			
	As at April 01, 2019		0.00	0.00
	Additions		0.00	0.00
	Disposals		0.00	0.00
	As at March 31, 2020		0.00	0.00
	Additions		0.00	0.00

	Disposals		0.00	0.00
	As at March 31, 2021		0.00	0.00
	<u>Amortisation</u>			
	As at April 01, 2019		0.00	0.00
	Amortised For the Period		0.00	0.00
	On Disposals		0.00	0.00
	As at March 31, 2020		0.00	0.00
	Amortised For the Period		0.00	0.00
	On Disposals		0.00	0.00
	As at March 31, 2021		0.00	0.00
	<u>Net Block</u>			
	As at March 31, 2020		0.00	0.00
	As at March 31, 2021		0.00	0.00
	Note : Gross Block as 01.04.2016 represents deemed cost (Gross Block - Accumulated Depreciation) as per IndAS 101.			
6	Capital Work In Progress (Rs. In Lakhs)		As at Mar 31, 2021	As at Mar 31, 2020
	Intangible assets under development		2.99	2.99

					(Rs. In Lakhs)
7	Non Current Investments				
	Particulars	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2020	As at Mar 31, 2020
		In Nos	In Nos	in Lakhs	in Lakhs
I	Investment at Cost				
A	Un-Quoted				
	Investment in Equity Shares				
(i)	Investment in Subsidiary Companies	4,50,000	4,50,000	291.77	291.77

	(*Face value of US\$ 1 each)				
	Total Equity Investment At Cost	4,50,000.00	4,50,000.00	291.77	291.77
	Total Un-Quoted Investments at Cost Equity	4,50,000.00	4,50,000.00	291.77	291.77
II	Investment at Fair Value through OCI				
(i)	Investment in Mutual Funds				
	Union Dynamic Bond Fund				0
	Total Mutual Funds Investment At Fair Value				-
(ii)	Other Investment				
	LIC of India			38.06	38.06
	Star Union Dai-ichi Life Insurance			8.66	8.66
	Total Investment at Cost			46.72	46.72
	Total Non Current Investments			338.50	338.50

					(Rs. In Lakhs)
7	Non Current Investments				
	Particulars	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2018
		In Nos	In Nos	in Lakhs	in Lakhs
I	Investment at Cost				
A	Un-Quoted				
	Investment in Equity Shares				
(i)	Investment in Subsidiary Companies	4,50,000	4,50,000	291.77	291.77
	(*Face value of US\$ 1 each)				
	Total Equity Investment At Cost	4,50,000.00	4,50,000.00	291.77	291.77

	Total Un-Quoted Investments at Cost Equity	4,50,000.00	4,50,000.00	291.77	291.77
II	Investment at Fair Value through OCI				
(i)	Investment in Mutual Funds				
	Union Dynamic Bond Fund				0
	Total Mutual Funds Investment At Fair Value				
(ii)	Other Investment				
	LIC of India			38.06	38.06
	Star Union Dai-ichi Life Insurance			8.66	8.66
	Total Investment at Cost			46.72	46.72
	Total Non Current Investments			338.50	338.50

		(In Lakhs)			
8	Trade Receivables				
		Non- Current		Current	
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
	Trade Receivables				
	Secured, Considered Good				
	*Unsecured, Considered Good	2,623.24	1,728.04	481.03	2,159.16
	Doubtful	816.64	816.64	1,334.40	1,334.40
		3,439.88	2,544.68	1,815.43	3,493.56
	Less : Allowance for bad & doubtful debts	-	-	-	-
	Total	3,439.88	2,544.68	1,815.43	3,493.56
<p>* As decided by the management there is no change in the status of cases pending earlier as on 31.03.2019 hence there is no change in doubtful trade receivables. (** Non - Current Trade receivable include Rs 816.64 as on 31st March 2020 and Current Trade receivable include Rs 1,334.40 as on 31st March 2020 against which recovery case pending.)</p> <p>** Non - Current Trade receivable include Rs 816.64 as on 31st March 2019 and Current Trade receivable include 1,334.40 as on 31st March 2019 against which recovery case are pending.</p>					

9	Bank Balances					
	Particulars	Non- Current		Current		
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
	On Deposit Accounts	-	-	2.46	32.35	
	Net Bank Balances	-	-	2.46	32.35	
10	Other Financial Assets					
	Particulars	Non- Current		Current		
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
	Loans and Advances to Employees			1.75	1.61	
	Advances to Suppliers			1,340.43	1,348.77	
	Interest Accrued on Deposits			-	0.04	
		-	-	1,342.18	1,350.42	
11	Deferred Tax Asset/ (Liability)- Net					
	Particulars			As at Mar 31, 2021	As at Mar 31, 2020	
	Deferred Tax Assets					
	Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books			3.33	2.09	
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis			5.34	13.39	
	Other Timing Difference					
	Gross Deferred Tax Assets			8.67	15.48	
	Deferred Tax Asset/ (Liability)- Net			8.67	15.48	

12	Other Assets						
	Particulars	Non- Current		Current			
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021		As at Mar 31, 2020	
	Other Advances						
	Security Deposits	0.10	0.10	6.41		5.15	
	Prepaid Expense	-	-	0.33		0.44	
	Cenvat / Vat / Service Tax/Direct Tax Credit Receivable	-	-	13.47		13.24	
	GST Receivable	-	-	16.08			
	Taxes Paid Under protest (Refer note 15)	-	-			9.50	
	MAT Credit entitlement	-	-	2.19		2.19	
	Others Assets	-	-	31.84		28.16	
	Total	0.10	0.10	70.31		58.67	
13	Inventories						
	Particulars			As at Mar 31, 2021		As at Mar 31, 2020	
	(At lower of cost and net realisable value unless otherwise stated)						
	Raw Materials			1,543		3,219.50	
	Finished Goods			273		894.10	
	Stock in Trade			-			
	Total			1,816.38		4,113.61	

14	Cash and Cash Equivalents						
	Particulars					As at Mar 31, 2021	As at Mar 31, 2020
	Cash on Hand					81.21	72.97
	Balances with Banks						
	-On Current Accounts					3.80	0.99
						85.00	73.97

					(Rs. In Lakhs)
15	Equity Share Capital				
	Particulars			As at Mar 31, 2021	As at Mar 31, 2020
	Authorised				
	2,10,00,000 Mar 31,2021: 1,40,00,000 of Rs. 10each) Equity Share Rs. 10 each			2,100.00	1,400.00
				2,100.00	1,400.00
	Issued, Subscribed and Paid Up				
	Equity Shares				
	11512000 Mar 31,2021: 1,02,84,000 of Rs. 10 each) Equity Share Rs. 10 each, Fully Paid Up			1,151.20	1,028.40
	Total Equity Share Capital			1,151.20	1,028.40
15.1	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 end 31st March 2020			102.84	1,028.40
	Issued during the period - Bonus Issue			-	-
	Issued during the period - Cash Issue			-	122.80
	At the end 31st March 2020			115.12	1,151.20

15.2	Terms/ Rights attached to Equity Shares (egg. Dividend right 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.				
15.3	Details of Shareholder holding more than 5% shares of the company:				
			No.		% of Holding
	Equity Shares of Rs. 10 each Held By as on 31st March 2020				
	Mr. Sanjay Gupta		23,28,550		22.64%
	Mr. Sidhant Gupta		5,28,120		5.14%
	M/s Sanjay Gupta HUF		12,52,430		12.18%
	Equity Shares of Rs. 10 each Held By as on 31st March 2021				
	Mr. Sanjay Gupta		16,10,616		13.99%
	Mr. Sidhant Gupta		5,28,120		4.59%
	M/s Sanjay Gupta HUF		11,03,430		9.59%

						(Rs. In Lakhs)
Attributable to the equity holders						
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 01.04.2019	54.60	-	2,428.31	-	9.21	2,492.10
Changes in accounting policy/prior period errors						-
Restated balance at the beginning of the reporting period					(2.69)	(2.69)
Current year profit			28.85	-	0.65	29.50
Other Comprehensive Income after tax for the Period						-
Balance as at 31.03.2020	54.60	-	2,457.17	-	7.17	2,518.92
Changes in accounting policy/						-

prior period errors						
Less: Revaluation reserve Transferred to Statement of Profit and Loss account as Investment sold						-
Current year profit			(2,339.61)	-	-	(2,339.61)
Other Comprehensive Income after tax for the Period						-
During the year	55.26					
Balance as at 31.03.2021	109.86	-	117.54	-	7.17	234.57

						(Rs. Lakhs)
16	Long Term Borrowings					
	Particulars	Non Current Portion		Current Maturities		
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
	Rupee Term Loans					
	Secured					
	From Others (refer note (a))	160.32	160.32	-	-	
	Unsecured					
	From Financial Institutions (refer note (b))	-			20.02	
	From Banks	944.55	15.38		17.00	
	Hypothecation Loans - Secured					
	From Banks (refer note (c))	-	-		15.15	
	Loans and Advances from Related Parties					
	Unsecured					
	Rupee Term Loans - from Directors	-	1,029.81	-	-	
	Net Amount	1,104.86	1,205.51	-	52.17	
	(a) Indian Rupee Loan from Financial Institutions payable on demand. The loan is secured against Keyman					

	Insurance policy.					
	(b) Indian Rupee Loan from various Financial Institutions. The loan is secured by personal guarantee of executive director of the company and their immovable property.					
	(c) Hypothecation Loans are secured by hypothecation of specific Vehicles acquired out of such loans.					
17	Trade payables					
	Particulars	Non current		Current		
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
	Trade Payables (including acceptances)					
	total outstanding dues of micro enterprises and small enterprises	-	-	655.54	1,326.10	
	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	570.86	884.77	
		-	-	1,226.40	2,210.88	
18	Other financial liabilities					
	Particulars	Non current		Current		
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
	Current maturities long term borrowings		-	24.32	52.17	
	Security Deposit		-		-	
	Salaries and other benefits Payable		-	3.27	40.88	
	Other Payables	12.12	0.94	178.34	23.01	
	Others - Related party		12.60	55.03	99.44	
		12.12	13.54	260.96	215.50	
19	Current Tax Liabilities (Net)					
	Particulars			As at Mar 31, 2021	As at Mar 31, 2020	
	Provision for Tax				6.07	
	Less: TDS and TCS				1.76	

					-	4.31
20	Provisions					
	Particulars	Long Term		Short Term		
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
	Provision for Leave Encashment	0.50	0.43			0.19
	Provision for Gratuity		15.86			1.01
	Provision for Bonus	-	-			
		0.50	16.30	-		1.21
21	Other liabilities					
	Particulars	Non current		Current		
		As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
	Advance from Customers	-		78.74		85.14704
	Taxes Payable (Other than Income Tax)	-		19.28		20.84
	Income Taxes Payable (Note 30)	317.03	274.30	0.35		39.77
	Employee Contributions Payable	-		20.06		34.01
		317.03	274.30	118.44		179.77
22	Short Term Borrowings					
	Particulars			As at Mar 31, 2021	As at Mar 31, 2020	
	Bank Overdraft					
	Cash Credits and Working Capital Demand L from Banks (Secured)*			4,491.56		4,396.33
	(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 guarantee of Director and relative)					
	Other Loans repayable on demand					
	Secured					
	From Financial Institutions (Secured against					

	immovable property of Director)					167.43	167.43
	Unsecured						
	From other (Inter corporate depsoit)					11.10	16.07
	*the company bank CC Accounts (South Indian and UBI) has become Non-Performing Assets (NPA) as per banking rules and regulations.						
						4,670.10	4,579.84

Notes to financial statements for the year ended March 31, 2021			
23	Revenue From Operations		Rs. Lakhs
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Sale of Goods	239.91	3,576.65
		239.91	3,576.65
	Gross Revenue from Operations	239.91	3,576.65
24	Other Income		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest Income on deposits	8.60	17.81
	Profit on sale of Fixed Assets	2.44	41.24
	Profit on sale of Investments	-	5.93
	Claim settlement income	-	100.00
	Miscellaneous Income	16.60	0.17
	Net Gain on Foreign Exchange		
		27.64	165.15
25	Cost Of Materials Consumed		
		For the year ended March 31, 2021	For the year ended March 31, 2020

	Inventory opening balance	3,219.50	3,145.56
	Add : Purchases	143.67	3,384.11
		3,363.17	6,529.67
	Less : Inventory closing balance	1,543.07	3,219.50
	Cost of Raw Materials Consumed	1,820.10	3,310.17
26	Purchase of stock-in-trade		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Purchases - Trading Materials	1.77	13.25
		1.77	13.25
27	(Increase)/ Decrease In Inventories Of Finished Goods, Construction / Development Work In Progress And Stock In Trade		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Finished Goods		
	Inventories at the beginning of the Year	894.10	334.38
	Less : Inventories at the end of the Year *	273.31	894.10
	Sub Total (A)	620.79	(559.72)
	Stock In Trade		
	Inventories at the beginning of the Year	-	381.22
	Less : Inventories at the end of the Year *	-	-
	Sub Total (B)	-	381.22
	(Increase) / Decrease in inventories (A+B)	620.79	(178.50)
28	Employee Benefits Expenses		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Salaries, allowances and benefits to employees		108.81
	Contribution to provident fund and other funds	2.33	11.39
	Staff welfare expenses	3.25	7.57
	Keyman Insurance Premium	49.63	11.98
		55.20	139.75

29	Finance Cost		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest		
	- Paid to Bank, Financial Institutions and others	6.98	177.50
	Bank charges	0.54	13.50
	Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)		1.71
	Interest on Advance Income Tax		0.36
		7.52	193.07
30	Depreciation And Amortization Expense		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Depreciation on PPE	37.75	50.36
	Amortization on Intangible Assets		
	Amortization Expense	-	
		37.75	50.36
31	Other Expenses		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	Rent		0.04
	Rates and taxes		
	Repairs and Maintenance:		
	Office Building and Plant & Machinery	1.34	3.58
	Others	0.64	1.39
	Office maintenance	0.04	0.49
	Insurance	1.93	6.39
	Printing and stationery	0.16	0.80
	Consultancy and other professional charges	6.13	14.85
	Electricity and Power charges	19.15	49.72
	Remuneration to auditors	0.83	1.55
	Travelling and conveyance	2.95	16.44
	Communication expenses	0.52	1.17
	Business Promotion and Advertisement	0.12	0.28
	Discount Charges	5.21	21.31
	Vehicle running & maintenance	6.85	19.33
	Commission & brokerage	1.47	3.69
	Freight and forwarding charges	3.82	24.27

	Testing Fee, ROC Fees, Renewal fees and Licence Fee	0.45	8.62
	Listing Fee	2.90	4.90
	Miscellaneous expenses	2.72	5.55
		57.22	184.39
32	Other Comprehensive Income		
		For the year ended March 31, 2021	For the year ended March 31, 2020
	(A) Items that will not be reclassified to profit or loss		
	(i) Changes in revaluation surplus;	2.69	0.68
	(iii) Remeasurements of the defined benefit plans;		
	(iii) Others (specify nature).		-
	-		
		2.69	0.68
	(B) Items that will be reclassified to profit or loss		
	Others (specify nature).	0.30	2.86
	Income Tax relating to items that will be reclassified to profit or loss		-
		0.30	2.86

								(Rs. In Lakhs)	
32	Earning Per Share (EPS)							-	
							March 31, 2021	March 31, 2020	
	Total Operations for the year								
	Profit/ (Loss) after tax						(2,339.61)	28.85	
	Less : Dividend on convertible Preference shares & tax thereon						-	-	
	Net Profit/(Loss) for calculation of basic EPS				(A)		(2,339.61)	28.85	

	Net Profit as above					(2,339.61)	28.85		
	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)	(2,339.61)	28.85		
	Weighted average number of Equity Shares for Basic EPS				(c)	115.12	102.84		
	Effect of dilution :								
	Due to bonus share					-	-		
	Weighted Average number of Equity shares for Diluted EPS				(D)	115.12	102.84		
	Basic EPS								
	Total Operations				(A) / (C)	-20.33	0.28		
	Diluted EPS								
	Total Operations				(B) / (D)	-20.33	0.28		
33	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.								
34	Capital and Other Commitments								
						March 31, 2020	March 31, 2019		
	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		
35	Employee benefit obligations								
1	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. The benefits vest after 5 years of continuous service.						
a	Balance Sheet amount (Gratuity)						
			Present value of obligation		Fair value of plan assets	Net amount	
	April 01, 2019		16.70		-	16.70	
	Current service cost		1.72		-	1.72	
	Interest expense (income)		1.29		-	1.29	
	Total amount recognised in profit and loss		19.71		-	19.71	
	Remeasurement						
	Return on plan assets, excluding amount included in interest expense (income)						
	(Gain) Loss from change in financial assumptions		1.94		-	1.94	
	Experience (gain) loss		(2.82)		-	(2.82)	
	Total amount recognised in Other Comprehensive Income		(0.88)		-	(0.88)	
	Employer contributions		-		-	-	
	Benefit payments		(1.95)		-	(1.95)	
	March 31, 2020		16.88		-	16.88	
	Current service cost		-		-	-	
	Interest expense (income)		-		-	-	
	Total amount recognised in profit and loss		-		-	-	
	Remeasurement						
	Change in demographic assumptions		0.00		-	0.00	
	(Gain) Loss from change in financial assumptions		-		-	-	
	Experience (gain) loss		-		-	-	

	Total amount recognised in Other Comprehensive Income					0.00		-	0.00	
	Employer contributions							-	-	
	Benefit payments					(16.88)		-	(16.88)	
	March 31, 2021					0.00		-	0.00	
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, 2020	March 31, 2019	
	Current Liability (Short term)							-	1.01	
	Non-Current Liability (Long term)							-	15.86	
								-	16.88	
c	Expenses Recognised in the Income Statement							March 31, 2020	March 31, 2019	
	Current Service Cost							-	1.72	
	Past Service Cost							-	-	
	Loss / (Gain) on settlement							-	-	
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)							-	1.29	
	Expenses Recognised in the Income Statement							-	3.01	
d	Other Comprehensive Income							March 31, 2020	March 31, 2019	
	Actuarial (gains) / losses									
	- change in demographic assumptions							0.00	-	
	- change in financial assumptions							-	1.94	
	- experience variance (i.e. Actual experience vs assumptions)							-	(2.82)	
	- others							-	-	
	Return on plan assets, excluding amount recognised 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					0.00	(0.88)
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 also been advised to consider the requirements of Para 144 of Ind AS19 in this regard.						
	Financial Assumptions						
	The principal financial assumptions used in the valuation are shown in the table below:						
						March 31, 2021	March 31, 2020
	Discount rate (per annum)					0.00%	6.70%
	Salary growth rate (per annum)					0.00%	7.00%
f	Demographic Assumptions						
						March 31, 2021	March 31, 2019
	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 occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:						
						March 31, 2021	March 31, 2020
	Defined Benefit Obligation (Base)					-	16.88
	Particular	March 31, 2021		March 31, 2020			
		Decrease	Increase	Decrease	Increase		
	Discount Rate (- / + 1%)					19.18	14.94
	(% change compared to base due to sensitivity)					13.60%	-11.50%

	Salary Growth Rate (- / + 1%)	-				14.93	19.15	
	(% change compared to base due to sensitivity)					-11.50%	13.40%	
	Attrition Rate (- / + 50% of attrition rate)					16.94	16.82	
	(% change compared to base due to sensitivity)					0.40%	-0.30%	
	Mortality Rate (- / + 10% of mortality rate)					-	16.88	
	(% change compared to base due to sensitivity)					-	-	
36	Contingent Liabilities - Not probable and therefore not provided for							
	A. Claims disputed by the company					March 31, 2021	March 31, 2020	
	Income tax Liability							
	A.Y. 14-15*					63.33	63.33	
	A.Y. 12-13					119.91	-	
	Interest on TDS, Short deduction and Late fee					-	7.56	
	*Order of appellate authority pass in favour of the company, but Revenue authority has the right to filed appeal against the order of appellate authority in higher authority.							
	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	
37	Segment Reporting							
	As the company business activity fall within one segment viz. Manufacturing Business As per IndA 108, the disclosure requirements of IndAs 108 of Operating segment is not applicable							
38	Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises							
	Particulars					March 31, 2021	March 31, 2020	

	Principal amount remaining unpaid to any supplier as at the end of the year					655.54	1,326.10	
	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.					-	-	
	<i>Note: Due to financial crunch in the company payment outstanding with to vendor registered MSME Act, 2006 was pending for the payment more than 45 days (limit specified in MSME Act, 2006) due to that company was liability to interest on delay in payments, As per management decision interest will charged in financial statements when paid.</i>							
39	Cash and Cash Equivalents							
	For the purpose of the financial statement cash and cash equivalents comprise of following: -							
						March 31, 2021	March 31, 2020	
	Cash on Hand					81.21	21.30	
	Balances with Banks					-	-	
	-On Current Accounts					3.80	1.78	
	-On deposits					2.46	2.18	
						87.46	25.26	
	For the purpose of the cash flow statement, cash and cash equivalents comprise of following: -							
	Particulars					March 31, 2021	March 31, 2020	
	Cash & Cash equivalent as per balance sheet					87.46	25.26	
	Bank Overdraft					(4,491.56)	(4,396.33)	

							(4,404.10)	(4,371.07)	
40	Payment to Auditor								
	Particulars						March 31, 2021	March 31, 2020	
	Audit fees						0.83	1.30	
	Tax Audit Fees							0.25	
	Other tax matter fees							1.00	
	Total						0.83	2.55	
41	Earning in Foreign Currency								
	Particulars						March 2021	March 31, 2020	
	Income in foreign currency						Nil	Nil	
42	Expenditure in Foreign Currency								
	Particulars						March 2021	March 31, 2020	
	Purchase of Goods						-	596.07	
43	Details of Unpaid undisputed Statutory Liabilities								
	The Company has not paid its undisputed and disputed statutory liability which are pending for more than 2 years related to income tax, more than 6 months related to ESIC and EPF.								
	Statutory Liability						March 31, 2021	March 31, 2020	
	Income Tax Act						317.02	320.16	
	ESIC						7.51	6.90	
	EPF*						12.55	27.11	
44	Balance of certain trade receivables, trade payables, provisions, liabilities and TDS receivable are subject to reconciliation/confirmation								

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47	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 based on the observability of significant inputs to the measurement, as follows:															
	Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.															
	Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).															
	Level 3: Inputs for the asset or liability that are not based on observable market data.															
																(Rs. In Lakhs)
	Particular					As at March 31, 2021						As at April 1, 2020				
						FVPL	FVOCI		Amortised			FVPL	FVOCI		Amortised	
	Financial assets															
	Investments															
	- Equity instruments								291.77					-		291.77
	- Mutual Funds								-					-		-
	- Other Investments								46.72					-		46.72
	Trade receivables								5,255.31					-		6,038.24
	Deposit with Bank								2.46					-		32.35
	Cash and cash equivalents								85.00					-		73.97
	Other financial assets															
	- Loans and Advances to Employees								1.75					-		1.61
	- Advances to Suppliers								1,340.43					-		1,348.77
	- Interest Accrued on Deposits								-					-		0.04
	Total Financial Assets						-	-	7,023.46		-			-		7,833.46
	Financial liabilities															
	Borrowings								5,799.29							5,837.51

Trade payables									1,226.39					2,210.87
Other financial liabilities														
- Security Deposits									-					-
- Salaries and other benefits Payable									3.27					40.88
- Other Payables									245.48					36.55
Total Financial Liabilities								-	-	7,274.43	-		-	8,125.81
Fair Market Value of Financial Assets														
														(Rs. In Lakhs)
Particular									As at March 31, 2021		As at March 31, 2020			
									Carrying Amount		FMV		Carrying Amount	
Financial assets														
Investments														
- Equity instruments								291.77		291.77			291.77	291.77
- Mutual Funds								-		-				-
- Other Investments								46.72		46.72			46.72	46.72
Trade receivables								5,255.31		5,255.31			6,038.24	6,038.24
Deposit with Bank								2.46		2.46			32.35	32.35
Cash and cash equivalents								85.00		85.00			73.97	73.97
Other financial assets														
- Loans and Advances to Employees								1.75		1.75			1.61	1.61
- Advances to Suppliers								1,340.43		1,340.43			1,348.77	1,348.77
- Interest Accrued on Deposits								-		-			0.04	0.04
Total Financial Assets								7,023.46		7,023.46			7,833.46	7,833.46
Financial liabilities														
Borrowings										5,799.29				5,837.51

				5,799.29					5,837.51	
	Trade payables			1,226.39		1,226.39			2,210.87	2,210.87
	Other financial liabilities									
	- Security Deposit			-		-				-
	- Salaries and other benefits Payable			3.27		3.27			40.88	40.88
	- Other Payables			245.48		245.48			135.99	135.99
	Total Financial Liabilities			7,274.43		7,274.43			8,225.25	8,225.25

						(Rs. In Lakhs)
<u>RELATED PARTY DISCLOSURE</u>						
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 (resigned as a whole time director w.e.f 20.06.2019)				
		- Mansi Gupta (appointed as CFO w.e.f 01.07.2019)				
		- Sanjay Gupta				
		- Akriti Mahajan				
		- Sidhant Gupta (resigned w.e.f 05.12.2019)				
		- Saurabh Gupta				
		- Sanjeev Kumar Jain				
		- Surender Kumar Gupta (resigned w.e.f 06.03.2020)				
		- Sonu Kumari				

		Madhavi Gaur (resigned CFO w.e.f. 30/06.2019)				
Close family members of Key Management Personnel		- Anurag Gupta				
		- Sanjay Gupta HUF				
		- Shakuntala Gupta				
						-
Particulars	Subsidiary company(ies)		Entities controlled by Directors or their Relatives		Key Management Personnel or their Relatives	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Transactions						
Purchase of Goods	-	291.77	12.17	95.58	-	-
Sale Of Machinery	-	-		-	-	-
Unsecured Loan Received	-	-		-	724.55	54.57
Unsecured Loan Repaid	-	-		-	809.81	20.00
Remuneration	-	-		-	-	24.69
Reimbursement of expenses	-	-		-	-	-
Rent paid	-	-		-	-	-
Balance outstanding						
Receivable			49.74		-	-
Payables	11.44	12.60	77.68	-	946.25	1,052.06

			(Rs. In Lakhs)
Nature of Trasaction	Relation and Name	March 31, 2021	March 31, 2020
Unsecured Loan Received	With Key Management Personnel or their Relatives		
	Mansi Gupta-Relative of Director	25.00	-
	Rita Gupta- Whole Time Director	241.80	-
	Sanjay Gupta- Managing Director	437.50	54.57
	Shankuntla Gupta Relative of Director	-	-
	Sidhant Gupta	20.25	
Unsecured Loan Repaid	With Key Management Personnel or their Relatives		
	Anurag Gupta- Relative of Director		-
	Sanjay Gupta- Managing Director	423.81	20.00
	Mansi Gupta-Relative of Director	92.00	
	Rita Gupta- Whole Time Director	294.00	
	With enterprise controlled by Director or their Relatives		
Purchase of Goods (including GST)	Superlink Polyfeb Ltd.- Associate Enterprises	12.17	95.58
Sale of Machinery (Including GST)	Superlink Polyfeb Ltd.- Associate Enterprises	-	49.74
Remuneration and Salary	With Key Management Personnel or their Relatives		
	Sanjay Gupta- Managing Director	-	6.00
	Rita Gupta- Whole Time Director	-	1.50
	Sidhant Gupta- Whole Time Director	-	2.40
	Mansi Gupta-Relative of Director	-	3.00

	Anurag Gupta- Relative of Director	-	6.00
	Madhvi Gaur CFO	-	3.39
	Vipul Singhal CFO	-	
	Akriti Mahajan- Company Secretary	-	2.40
Reimbursement of expense	With Key Management Personnel or their Relatives		
	Sanjay Gupta- Managing Director	-	-
Rent Paid	With Key Management Personnel or their Relatives		
	Rita Gupta- Whole Time Director	-	-
	Shankuntla Gupta Relative of Director	-	-
Payables	Subsidiary company(ies)		
	Sanjita Polymet Limited	11.44	12.60
	With enterprise controlled by Director or their Relatives		
	Sanco Enterprises (P) Ltd.	55.03	99.44
	Entities controlled by Directors or their Relatives		
	Superlink Polyfeb Ltd.- Associate Enterprises	22.65	95.24
Receivables	Entities controlled by Directors or their Relatives		
	Superlink Polyfeb Ltd.- Associate Enterprises	49.74	49.74
	Key Management Personnel or their Relatives		
	Unsecured Loan Repayable		
	Anurag Gupta- Relative of Director		
	Mansi Gupta-Relative of Director	25.00	92.00
	Rita Gupta- Whole Time Director	241.80	294.00
	Sanjay Gupta- Managing Director	432.50	418.81
	Shankuntla Gupta Relative of Director	225.00	225.00

	Sidhant Gupta	20.25	-
	Rent Payable		
	Rita Gupta- Whole Time Director	-	2.03
	Shankuntla Gupta Relative of Director	-	2.03
	Remuneration and Salary Payable		
	Sanjay Gupta- Managing Director	-	5.00
	Rita Gupta- Whole Time Director	-	2.50
	Sidhant Gupta- Whole Time Director	-	4.25
	Mansi Gupta-Relative of Director	0.13	4.25
	Anurag Gupta- Relative of Director	-	0.50
	Madhvi Gaur CFO	0.32	0.30
	Akriti Mahajan- Company Secretary	1.26	1.40
	Reimbursement of expenses payable		
	Sanjay Gupta- Managing Director	-	-

1. Corporate Information

Sanco Industries Limited is an integrated infrastructure developing company. The company provides engineering, procurement, construction, commissioning and project management services on a turnkey basis to the power Sector for thermal (coal fired and gas fired) and hydro power plants as well and also construction of highways, power plants, water supply and irrigation projects including dam, tunnels etc. The Company is also into generation of energy from wind and solar power plants.

2. 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 IndAS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share-based payments.

2.1 First Time Adoption of Ind-AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the Notes.

Exemptions and Exceptions availed

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

Exceptions to retrospective application of other Ind AS (Mandatory Exceptions)

- (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 2015 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.

Under Ind AS 109, hedge accounting is to be applied only to hedging relationships that meet the 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) Ind AS 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.

2.2 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, mineral leaseholds 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 of long-lived assets is disclosed in Notes and Notes, and 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.

Provision for warranty

The company has recognised a provision for warranty associated with liquidated damages and shortfall in performance arising from obligations stated in its project contracts. In determining the amount of the provision, assumption and estimates are made in relation to the present value of the potential risk, risk adjusted equity return rate, current sales levels, subsequent events and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The carrying amount of the provisions as at the reporting period end are disclosed in Notes to the financial statement.

Construction Contracts

The Company uses internal technical team with quantity surveyors together to estimate the costs to complete for construction contracts. Factors such as changes in material prices, labour costs, defects liability costs and other costs are included in the construction cost estimates based on best estimates.

In the Construction and EPC industry, there are various contractual matters relating to possible penalties for delays in contract completion, claims of suppliers/subcontractors, recovery of additional claims, expected costs during defect liability period etc., that are subject to various sources of uncertainties and future negotiations. The management regularly reviews estimates and suitably accounts for the possible financial impact of such contractual matters based on their assessment, past experience and available information.

Contract work in progress and Contract revenues are recognised on a percentage of completion basis, that requires the management to estimate the costs expected to be incurred in future to complete the contracts. Further, profits on contracts in progress are recognized only when the final outcome can be reliably estimated.

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.

Service concession arrangements

The analysis on whether the Appendix A of Ind AS 11 applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities.

Therefore, the application of Appendix A of Ind AS 11 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of Appendix A of Ind AS 11, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity.

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of Appendix A of Ind AS 11 and, therefore, on the results of operations or the financial position.

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.

II. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, 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.

Cost includes its purchase price(after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into net income as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on 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. Asset class wise useful lives in years are as under:

Plant and Machinery	1 to 25
Buildings	30 to 60
Computers and equipment	3 to 6
Furniture & fixtures	10 to 15
Vehicles	8 to 10
Office equipment	5 to 15

Leasehold Assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

III. 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.

IV. Intangible Assets

Service concession arrangements (SCA)

Where the company enters into service concession arrangements under which the company constructs, uses and operates certain assets for the provision of public services, construction revenue and costs are recognised in the profit and loss account by reference to the stage of completion at the balance sheet date while the fair value of construction service is capitalised initially as service concession assets in the balance sheet. Expenditure for the replacement and/or upgrade of the assets subject to service concession is capitalised.

Concession rights are recognized as an intangible asset to the extent that it receives a right to charge users of the service. Concession rights are stated at cost less accumulated amortization and accumulated impairment losses.

In case of BOOT based road projects amortization is as per the schedule II of companies act 2013 i.e. calculated by taking the proportionate of actual revenue earned for the year over the total projected revenues from the balance concession period of the project applied to the cost of Intangible assets. The total projected revenues are reviewed at the end of each financial year and the total projected revenues are adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

In all other intangible service concession assets, amortization is calculated by using the straight-line method over the licensing periods.

Other 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 4 years.

V. 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.

VI. 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.

VII. Government Grants

Government assistance is recognized when there is reasonable assurance that the Company will comply with the conditions attached to the government assistance and the grants will be received. Such assistance is recorded as a reduction to the related expense or asset.

VIII. Inventories

Raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

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

IX. 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.

X. 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.

XI. Share Capital

Equity shares are classified as equity.

XII. 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.

XIII. 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.

XIV. 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.

XV. 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.

XVI. 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.

Lease-hold 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.

XVII.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

XVIII. 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 (for example, over-the-counter derivatives) 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.

XIX. 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:

Insurance Claims

Insurance claims are recognized on acceptance / actual receipt of the claim.

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.

XX. 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

XXI. 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.

XXII. 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.

XXIII. 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.

XXIV. 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 AUDITORS' REPORT

TO,

THE MEMBERS OF SANCO INDUSTRIES LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of SANCO INDUSTRIES LIMITED (herein referred as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

The Accounts of the Holding company is audited by us and the Accounts of Subsidiaries M/s sanjita polymet limited (Hong Kong), 100% Subsidiary Company) included in consolidated financial statements is audited by other Auditors whose reports have been furnished to us by the Holding Company's management. Our opinion on the consolidated financial statements, to the

extent they are derived from such annual financial statements is based solely on the report of management of the company. Further, subsidiary company is located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principle generally accepted in their country. Our opinion in so far as it relates to the balance and affairs of the subsidiary located outside India is based on management report.

Emphasis of Matter

- *Based on our review conducted as above we observed that company having Cash Credit (CC) accounts with South Indian Bank & Union Bank of India and loan accounts with HDFC Bank & Aditya Birla Finance Ltd has become Non- Performing Assets (NPA) as per banking rules and regulations. The company is also irregular while paying its undisputed and disputed statutory liabilities. We observed that undisputed and disputed statutory liabilities which are pending for more than 6 months with respect to ESIC, EPF and Income Tax has also not been paid till the date of this report.*
- *We have not been provided any reconciliation of balances of Creditors as well as with Debtors. We have been provided GST reconciliation which is not reconciled with GST Returns. Hence we are unable to comment upon the accuracy of these balances.*
- *Long term outstanding balances in some of personal and impersonal accounts are subject to confirmation and reconciliation.*
- *There are following material uncertainties that may cast significant doubt about the company's ability to continue as a going concern such as company has no working capital to run its factory in foreseeable future as all the loan facilities has been NPA & most of its Debtors are outstanding for more than a year and under litigation. Further, its turnover is declining drastically in past few years.*
- *Stock register, Fixed Asset Register and some of the E-way bills for sale and purchase etc. are not provided to us for verification.*

Key Audit Matters

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

Property Plant and Equipment and Intangible Assets

There are areas where management judgments impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortization amounts. These includes the decision to capitalize or expense costs; the annual asset life review; the timelines of the

capitalization of assets and the use of management assumptions and estimates for the determination of the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the balance sheet of the company on the level of judgment and estimates required, we consider to be a key audit matter.

Response to Key Audit Matter

We assessed the controls in place, evaluated the appropriateness of capitalization process, performed tests of details on costs capitalized, the timeliness of the capitalization of the assets and the DE recognition criteria for the assets retired from active use.

In performing these procedures, we reviewed the judgment made by management including the nature of the underlying costs capitalized: Determination of realizable value of the assets retired from active use: The appropriateness of asset live applied in the calculation of depreciation; useful lives of assets as per the technical assessment of the management and external technical experts. We have observed that there are no materials changes.

Revenue Recognition

Revenue recognition is significant audit risk across all units within the Company, risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".

Response to Key Audit Matter

Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive as follows:

- We have evaluated the design of internal controls relating to revenue recognition.
- We selected samples of Sales and transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving inquiry and observation, performance and inspection.
- We have tested samples of Sale transaction to their respective underlying invoices and related documents.
- We have performed cut-off procedures for sample of revenue transactions at year-end in order to conclude on whether they were recognized in accordance with Ind AS-115.

Evaluation of Uncertain Tax Positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

Response to Key Audit Matters

Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain position. Additionally, we consider the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's to these uncertainties.

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

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business

Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management and Those Charged with Governance (TCWG)

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 Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

3. As required by Section 143 (3) of the Act, we report that:

- (i) 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.
- (j) 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.
- (k) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- (l) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- (m) On the basis of the written representations received from the directors as on **31/03/2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31/03/2021** from being appointed as a director in terms of Section 164 (2) of the Act.
- (n) 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.
- (o) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended :
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (p) 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, in our opinion and to the best of our information and according to the explanations given to us:
- iv. There are pending litigations by and against the Company as at March 31, 2021 which may impact its financial position but no provision has been made as in the opinion of the management the amount cannot be estimated and will be dealt with in the year in which the dispute is settled and the Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements.
- v. The Company has made provision, as required under the applicable law or applicable accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- vi. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For GAUR & ASSOCIATES
Chartered Accountants
FRN: 005354C

Sd/-
S. K. Gupta
Partner

M. No. 016746
UDIN: 21016746AAAAFQ6051

Place: New Delhi
Date:13/08/2021

“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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of **SANCO INDUSTRIES LIMITED** as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Consolidated 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 Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 issues by the Institute of Chartered Accountants of India.

For GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C

Sd/-

S. K. Gupta

Partner

M. No. 016746

UDIN: 21016746AAAAFQ6051

Place: New Delhi

Date: 13/08/2021

Sanco Industries Limited					
Consolidated Balance Sheet as at March 31, 2021					
					(Rs. In Lakhs)
	Particulars	Note No.	As at Mar 31, 2021		As at Mar 31, 2020
I	ASSETS				
(1)	Non Current Assets				
	(a) Property, Plant and Equipment	3	174.25		224.13
	(b) Investment Property	4	-		-
	(c) Other Intangible Assets	5	-		-
	(d) WIP	6	2.99		2.99
	(e) Financial Assets				
	(i) Investments	7	46.72		46.72
	(ii) Trade receivables	8	3,439.88		2,544.68
	(iii) Bank balances	9	-		-
	(iv) Other financial assets	10	225.83		144.46
	(f) Deferred tax assets (net)	11	8.67		15.48
	(g) Other non current assets	12	0.10		0.10
	Total Non Current Assets		3,898.45		2,978.57
(2)	Current assets				
	(a) Inventories	13	1,947.55		4,249.05
	(b) Financial Assets				
	(i) Investments		-		-
	(ii) Trade receivables	8	1,883.60		3,563.96
	(v) Cash and cash equivalents	14	85.00		88.22
	(vi) Bank balances	9	16.26		32.35
	(vii) Other financial assets	10	1,342.18		1,439.16
	(c) Other current assets	12	85.15		58.67
	Total Current Assets		5,359.74		9,431.41
	Total Assets		9,258.19		12,409.98
II	EQUITY AND LIABILITIES				
A	EQUITY				
	(a) Equity Share Capital	15	1,151.20		1,028.40
	(b) Other Equity		316.65		2,608.69
	Total Equity		1,467.85		3,637.09

B	LIABILITIES				
(1)	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	1,104.86		1,205.50
	(ii) Trade payables	17	-		-
	(iii) Other financial liabilities	18	16.68		0.94
	(b) Provisions	20	0.50		16.30
	(c) Other non current liabilities	21	317.03		274.30
	Total Non Current Liabilities		1,439.06		1,497.04
(2)	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	22	4,670.10		4,579.84
	(ii) Trade payables	17			
	Total Outstanding dues of MSME Creditor		655.54		1,326.10
	Total Outstanding dues of creditors other than MSME		635.55		951.57
	(iii) Other financial liabilities	18	260.96		215.50
	(b) Current tax Liabilities (Net)	19	-		4.31
	(c) Provisions	20	-		1.21
	(d) Other current liabilities	21	129.14		197.31
	Total Current Liabilities		6,351.28		7,275.84
	Total Equity and Liabilities		9,258.19		12,409.98
	Summary of Significant Accounting Policies	2.2			
	The accompanying notes and other explanatory information are an integral part of the Consolidated Financial Statements.				
	As per our report of even date. For Gaur & Associates Chartered Accountants FRN: 005354C Sd/- CA S.K. Gupta Partner		For and on behalf of the Board of Directors Sanco Industries Limited		

Membership No. 016746 Date: 13th August, 2021 Place: Delhi UDIN:21016746AAAAFQ6051	Sd/- SANJAY GUPTA Managing Director DIN - 00726005 Sd/- ANURAG GUPTA Chief Financial Officer	Sd/- RITA GUPTA Director DIN - 00725987 Sd/- AKRITI MAHAJAN Company Secretary
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Sanco Industries Limited					
Consolidated Statement Of Profit And Loss For The Year Ended March 31, 2021					
					(Rs. In Lakhs)
	Particulars	Note No.	Year ended March '2021		Year ended March '2020
I	Revenue from operations	23	239.91		3,739.89
II	Other income	24	27.64		165.26
III	Total Income (I+II)		267.55		3,905.15
IV	Expenses				
	Cost of Materials Consumed	25	1,820.10		3,310.16
	Purchase of Stock-in-trade	26	1.77		295.21
	(Increase)/Decrease in Inventories Of Finished Goods	27	620.79		(313.95)
	Employee Benefit Expenses	28	55.20		139.75
	Finance costs	29	7.52		193.46
	Depreciation and amortisation expense	30	37.75		50.36
	Other expenses	31	58.36		193.63
	Total expenses (IV)		2,601.49		3,868.61
V	Profit/ (loss) before exceptional items and tax (III- IV)		(2,333.94)		36.53
VI	Exceptional items		-		-
VII	Profit/ (loss) before tax (V-VI)		(2,333.94)		36.53
VIII	Tax expense:				
	(1) Current tax		-		5.71
	(2) Deferred tax		-		(3.05)
	(3) Mat Credit Entitlement		-		(2.19)
	Total Tax Expense (VIII)		-		0.48
IX	Profit/ (loss) for the year (VII-VIII)		(2,333.94)		36.06
X	Other Comprehensive Income				
	(1) Items that will not be reclassified to profit and loss				
	(2) Items that will be reclassified to profit and loss		-		0.88

	(3) Income tax effect on above		-		0.23
	Total Other comprehensive income		-		0.65
XI	Total Comprehensive Income for the year (IX+X) (Comprising profit and other comprehensive income for the year)		(2,333.94)		36.71
XII	Earnings per equity share				
	(1) Basic (Rs.)	32	(20.27)		0.35
	(2) Diluted (Rs.)	32	(20.27)		0.35
The accompanying notes and other explanatory information are as integral part of the Financial Statements.					
As per our report of even date. For Gaur & Associates Chartered Accountants FRN: 005354C Sd/- CA S.K. Gupta Partner Membership No. 016746 Date: 13th August, 2021 Place: Delhi UDIN:21016746AAAAFQ6051		For and on behalf of the Board of Directors of Sanco Industries Limited			
		Sd/- SANJAY GUPTA Managing Director DIN - 00726005 Sd/- ANURAG GUPTA Chief Financial Officer		Sd/- RITA GUPTA Director DIN - 00725987 Sd/- AKRITI MAHAJAN Company Secretary	

Sanco Industries Limited				
Consolidated Cash Flow Statement for the Period ended December 31, 2021				
				(Rs. In Lakhs)
	Particular		For the year ended March 2021	For the year ended March 2020
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit / (Loss) before Tax		(2,333.94)	36.53
	Profit on sale of Investment		-	(5.93)
	Other comprehensive Income		-	0.88
	Depreciation and Amortization		37.75	50.36
	(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property		(12.14)	(41.24)
	Provision for Gratuity, Leave Encashment and Bonus			
	Interest Income		-	(17.81)
	Interest Expenses		7.52	193.07
	Cash Generated Before Working Capital Changes		(2,300.81)	215.87
	Movement In Working Capital			
	Increase / (Decrease) in Assets		3,075.78	43.68
	Increase / (Decrease) in Liabilities		(978.71)	(67.16)
	Cash Generated From Operations		(203.75)	192.39
	Direct Taxes Paid		-	3.52
	Net Cash Flow From / (Used in) Operating Activities		(203.75)	188.87
B.	CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES			
	Purchase of PPE, Intangible Assets and Investment Property		-	(0.17)
	Proceeds of PPE, Intangible Assets and Investment Property		24.27	42.15
	Proceeds from Investments		-	115.33
	Interest Income Received		-	17.81
	Net Cash Flow From / (Used in) Investing Activities		24.27	175.11

C.	CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
	Proceeds / (Repayment) of Long & Short Term Borrowings		72.47	(5.42)
	Interest Paid		(7.52)	(193.07)
	Net Cash Flow From / (Used in) Financing Activities		64.94	(198.49)
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		(114.53)	165.49
	Cash and Cash Equivalents at the beginning of the Period		(4,275.76)	(4,441.25)
	Cash and Cash Equivalents at the end of the Period		(4,390.30)	(4,275.76)
	Components of Cash and Cash Equivalents			
	Cash and cheques on Hand		81.21	86.07
	Balances with Banks			
	On Current accounts		3.80	2.15
	On Deposits accounts		16.26	32.35
	Bank Overdraft		(4,491.56)	(4,396.33)
	Cash and cash Equivalent		(4,390.30)	(4,275.76)
	Summary of Significant Accounting Policies	2.2		
The accompanying notes and other explanatory information are an integral part of the Consolidated Financial Statements.				
As per our report of even date.				
For Gaur & Associates Chartered Accountants FRN: 005354C Sd/- CA S.K. Gupta Partner Membership No. 016746 Date: 13th August, 2021 Place: Delhi UDIN:21016746AAAAFQ6051		For and on behalf of the Board of Directors Sanco Industries Limited		
		Sd/- SANJAY GUPTA Managing Director DIN - 00726005 Sd/- ANURAG GUPTA Chief Financial Officer	Sd/- RITA GUPTA Director DIN - 00725987 Sd/- AKRITI MAHAJAN Company Secretary	

3 Property, Plant and Equipment																
	Particulars	Free hold Land		Build ings		Plant and Equip ment		Furnitu re and Fixture s		Vehicl es		Office Equip ment		Comput ers		Total
	<u>Gross Block</u>															
	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 April 01,2018	6.61		55.90		339.42		0.11		72.72		3.50		3.31		481.57
	Additions	-		-		-		-		-		0.92		-		0.92
	Disposals	-		-		-		-		0.20		-		-		0.20
	As at March 31, 2019	6.61		55.90		339.42		0.11		72.52		4.42		3.31		482.29
	Additions					0.17										
	Disposals					7.29										
	As at March 31, 2020	6.61		55.90		332.31		0.11		72.52		4.42		3.31		482.29
	Additions															
	Disposals									12.14						
	As at March 31, 2021	6.61		55.90		332.31		0.11		60.38		4.42		3.31		475.18
	<u>Depreciation</u>															-
	As at April 01,2018	-		10.08		113.83		0.03		15.00		1.67		2.26		142.87
	Charged For															

	the Period	-	4.34	43.29	0.00	14.90	1.14	0.52	64.20
	On Disposals	-	-	-	-	-	-	-	-
	As at March 31, 2019	-	14.42	157.12	0.03	29.90	2.81	2.78	207.06
	Charged For the Period		3.93	34.84	0.00	10.81	0.62	0.17	
	On Disposals			6.37	-				
	As at March 31, 2020	-	18.34	185.59	0.03	40.70	3.43	2.95	251.05
	Charged For the Period		3.55	26.89	0.00	4.18	0.27	-	
	On Disposals				-	2.85			
	As at March 31, 2021	-	21.90	212.48	0.03	47.73	3.70	2.95	288.80
	<u>Net Block</u>								
	As at March 31, 2020	6.61	37.56	146.72	0.08	31.81	0.99	0.36	224.13
	As at March 31, 2021	6.61	34.00	119.82	0.075	12.65	0.73	0.36	174.25
Note : Gross Block as on 01.04.2016 represents deemed cost (Gross Block - Accumulated Depreciation) as per IndAS 101.									

						(Rs. In Lakhs)
4	Investment Property					
	Particulars	Land		Buildings		TOTAL ASSETS
	<u>Gross Block</u>					
	As at April 01, 2019	-		-		-
	Additions	-		-		-
	Disposals	-		-		-
	As at March 31, 2020	-		-		-
	Additions	-		-		-
	Disposals	-		-		-

	As at March 31, 2021	-	-	-
	<u>Depreciation</u>			
	As at April 01, 2019	-	-	-
	Charged For the Period	-	-	-
	On Disposals	-	-	-
	As at March 31, 2020	-	-	-
	Charged For the Period	-	-	-
	On Disposals	-	-	-
	As at March 31, 2021	-	-	-
	<u>Net Block</u>			
	As at March 31, 2020	-	-	-
	As at March 31, 2021	-	-	-
5	Other Intangible Assets			
	Particulars			
	<u>Gross Block</u>			
	As at April 01, 2019		0.00	0.00
	Additions		0.00	0.00
	Disposals		0.00	0.00
	As at March 31, 2020		0.00	0.00
	Additions		0.00	0.00
	Disposals		0.00	0.00
	As at March 31, 2021		0.00	0.00
	<u>Amortisation</u>			
	As at April 01, 2019		0.00	0.00
	Amortised For the Period		0.00	0.00
	On Disposals		0.00	0.00

	As at March 31, 2020			0.00		0.00
	Amortised For the Period			0.00		0.00
	On Disposals			0.00		0.00
	As at March 31, 2021			0.00		0.00
	<u>Net Block</u>					
	As at March 31, 2020			0.00		0.00
	As at March 31, 2021			0.00		0.00
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, 2020		As at Mar 31, 2021		As at Mar 31, 2020
	Intangible assets under development	2.99		2.99		2.99
		2.99		2.99		2.99

							(Rs. In Lakhs)
7	Non Current Investments						
	Particulars	As at Mar 31, 2021		As at Mar 31, 2020		As at Mar 31, 2021	As at Mar 31, 2020
		In Nos		In Nos		in Lakhs	in Lakhs
I	Investment at Cost						
A	Un-Quoted						
	Investment in Equity Shares						
(i)	Investment in Subsidiary Companies	4,50,000		4,50,000		-	-
	(*Face value of US\$ 1 each)						
	Total Equity Investment At Cost	4,50,000.00		4,50,000.00		-	-

	Total Un-Quoted Investments at Cost in Equity	4,50,000.00		4,50,000.00			-		-
II	Investment at Fair Value through OCI								
(i)	Investment in Mutual Funds								
	Union Dynemic Bond Fund						-		-
	Total Mutual Funds Investment At Fair Value						-		-
(ii)	Other Investment								
	LIC of India						38.06		38.06
	Star Union Dai-ichi Life Insurance						8.66		8.66
	Total Investment at Cost						46.72		46.72
	Total Non Current Investments						46.72		46.72

											(In Lakhs)
8	Trade Receivables										
			Non- Current					Current			
			As at Mar 31, 2021		As at Mar 31, 2020		As at 1st April, 2016	As at Mar 31, 2021		As at Mar 31, 2020	
	Trade Receivables										
	Secured, Considered Good										
	*Unsecured, Considered Good		2,623.24		1,728.04			549.20		2,229.56	
	Doubtful		816.64		816.64			1,334.40		1,334.40	
			3,439.88		2,544.68			1,883.60		3,563.96	
	Less : Allowance for bad & doubtful debts		-		-			-		-	
	Total		3,439.88		2,544.68			1,883.60		3,563.96	

* As there is no change in the status of cases pending earlier as on 31.03.2020 hence there is no change in doubtful trade receivables. (** Non - Current Trade receivable include Rs 816.64 as on 31st March 2021 and Current Trade receivable include Rs 1,334.40 as on 31st March 2021 against which recovery case are pending.)

** Non - Current Trade receivable include Rs 816.64 as on 31st March 2021 and Current Trade receivable include Rs 1,334.40 as on 31st March 2021 against which recovery case are pending.

9	Bank Balances										
	Particulars		Non- Current				Current				
			As at Mar 31, 2021		As at Mar 31, 2020		As at 1st April, 2016		As at Mar 31, 2021		As at Mar 31, 2020
	On Deposit Accounts		-		-				16.26		32.35
	Having Maturity more than 12 Months from date of deposit										
	Net Bank Balances		-		-				16.26		32.35
10	Other Financial Assets										
	Particulars		Non- Current				Current				
			As at Mar 31, 2021		As at Mar 31, 2020		As at 1st April, 2016		As at Mar 31, 2021		As at Mar 31, 2020
	Loans and Advances to Employees								1.75		1.61
	Advances to Suppliers		225.83		144.46				1,340.43		1,437.51
	Interest Accrued on Deposits								-		0.04
			225.83		144.46				1,342.18		1,439.16
11	Deferred Tax Asset/ (Liability)- Net										
	Particulars								As at Mar 31, 2021		As at Mar 31, 2020
	Deferred Tax Assets										

	Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books							3.33		2.09	
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis							5.34		13.39	
	Other Timing Difference										
	Gross Deferred Tax Assets							8.67		15.48	
	Deferred Tax Asset/ (Liability)- Net							8.67		15.48	
12	Other Assets										
	Particulars		Non- Current					Current			
			As at Mar 31, 2021		As at Mar 31, 2020		As at 1st April, 2016	As at Mar 31, 2021		As at Mar 31, 2020	
	Other Advances										
	Security Deposits		0.10		0.10			6.41		5.15	
	Prepaid Expense		-		-			0.33		0.44	
	Cenvat / Vat / Service Tax Credit Receivable		-		-			13.47		13.24	
	GST Receivable		-		-			16.08		-	
	Taxes Paid Under protest (Refer note 15)		-		-					9.50	
	MAT Credit entitlement		-		-			2.19		2.19	
	Others Assets		-		-			46.68		28.16	
	Total		0.10		0.10			85.15		58.67	

13	Inventories										
	Particulars							As at Mar 31, 2021		As at Mar 31, 2020	
	(At lower of cost and net realisable value unless otherwise stated)										
	Raw Materials							1,543		3,219.50	
	Finished Goods							273		894.10	
	Stock in Trade							131.17		135.45	
	Total							1,947.55		4,249.05	
14	Cash and Cash Equivalents										
	Particulars							As at Mar 31, 2021		As at Mar 31, 2020	
	Cash on Hand							81.21		86.07	
	Balances with Banks										
	-On Current Accounts							3.80		2.15	
								85.00		88.22	

15	Equity Share Capital						
	Particulars			As at Mar 31, 2021		As at Mar 31, 2020	
	Authorised						
	2,10,00,000 Mar 31,2021: 1,40,00,000 of Rs. 10each) Equity Shares of Rs. 10 each			2,100.00		1,400.00	
				2,100.00		1,400.00	
	Issued, Subscribed and Paid Up						
	Equity Shares						
	11512000 Mar 31,2021: 1,02,84,000 of Rs. 10 each) Equity Shares of Rs. 10 each, Fully Paid Up			1,151.20		1,028.40	
	Total Equity Share Capital			1,151.20		1,028.40	

15.1	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 end 31st March 2020	102.84	1,028.40
	Issued during the period - Bonus Issue	-	-
	Issued during the period - Cash Issue	-	122.80
	At the end 31st March 2020	115.12	1,151.20
15.2	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.		
15.3	Details of Shareholder holding more than 5% shares of the company:		
		No.	% of Holding
	Equity Shares of Rs. 10 each Held By as on 31st March 2020		
	Mr. Sanjay Gupta	23,28,550	22.64%
	Mr. Sidhant Gupta	5,28,120	5.14%
	M/s Sanjay Gupta HUF	12,52,430	12.18%
	Equity Shares of Rs. 10 each Held By as on 31st March 2021		
	Mr. Sanjay Gupta	16,10,616	13.99%
	Mr. Sidhant Gupta	5,28,120	4.59%
	M/s Sanjay Gupta HUF	11,03,430	9.59%

					(Rs. In Lakhs)
Attributable to the equity holders					
Particulars	Reserves and Surplus		Items of Other comprehensive Income		Total equity
	Securities Premium Account	Retained earnings	Foreign currency translation reserve	Other items of other comprehensive income (specify nature)	
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)		(1.94)			(6.01)
Balance as at 31.03.2017	54.60	1,929.70	-	2.68	1,986.98
Balance as at 01.04.2018	54.60	2,373.71	(3.33)	6.22	2,431.20
Current year profit		93.17	22.10	2.99	118.26
Other Comprehensive Income after tax for the Period					-
Balance as at 31.03.2019	54.60	2,466.89	18.77	9.21	2,549.46
Changes in accounting policy/prior period errors					-
Less: Revaluation reserve Transferred to Statement of Profit and Loss account as Investment sold				(2.69)	(2.69)
Current year profit		36.06	25.21	0.65	61.92
Other Comprehensive Income after tax for the Period					-
Balance as at 31.03.2020	54.60	2,502.94	43.98	7.17	2,608.69
Changes in accounting policy/prior period errors					-
Less: Revaluation reserve Transferred to Statement of Profit and Loss account as Investment sold				-	-
Current year profit	55.26	(2,333.94)	(13.36)	-	(2,292.03)

Other Comprehensive Income after tax for the Period					-
Balance as at 31.03.2021	109.86	169.01	30.62	7.17	316.65

							(Rs. In Lakhs)	
16	Long Term Borrowings							
	Particulars		Non Current			Current		
			As at Mar 31, 2021	As at Mar 31, 2020		As at Mar 31, 2021	As at Mar 31, 2020	As at 1st April, 2016
	Rupee Term Loans							
	Secured							
	From Others (refer note (a))		160.32	160.32		-	-	
	Unsecured							
	From Financial Institutions (refer note (b))		-	-			20.02	
	From Banks		944.55	15.38			17.00	
	Hypothecation Loans - Secured							
	From Banks (refer note (c))		-	-		-	15.15	
	Loans and Advances from Related Parties							
	Unsecured							
	Rupee Term Loans - from Directors		-	1,029.81		-	-	
	Net Amount		1,104.86	1,205.51		-	52.17	
	(a) Indian Rupee Loan from Financial Institutions payable on demand. The loan is secured against Keymen Insurance policy.							
	(b) Indian Rupee Loan from various Financial Institutions. The loan is secured by personal							

	guarantee of executive director of the company and their immovable property.								
	(c) Hypothecation Loans are secured by hypothecation of specific Vehicles acquired out of such loans.								
17	Trade payables								
	Particulars		Non current			Current			
			As at Mar 31, 2021	As at Mar 31, 2020		As at Mar 31, 2021	As at Mar 31, 2020	As at 1st April, 2016	
	Trade Payables (including acceptances)								
	(a) total outstanding dues of micro enterprises and small enterprises		-	-		655.54	1,326.10		
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-		635.55	951.57		
			-	-		1,291.08	2,277.68		
18	Other financial liabilities								
	Particulars		Non current			Current			
			As at Mar 31, 2021	As at Mar 31, 2020		As at Mar 31, 2021	As at Mar 31, 2020	As at 1st April, 2016	
	Current maturities long term borrowings		-	-		24.32	52.17		
	Security Deposit		-	-			-		
	Salaries and other benefits Payable		-	-		3.27	40.88		
	Other Payables		16.68	0.94		178.34	23.01		
	Other Payables (MSME Vendor)					55.03			
	Others - Related party		-	-		-	99.44		
			16.68	0.94		260.96	215.50		

19	Current Tax Liabilities (Net)								
	Particulars					As at Mar 31, 2021		As at Mar 31, 2020	
	Provision for Tax					-		6.07	
	Less: TDS and TCS					-		1.76	
						-		4.31	
20	<u>Provisions</u>								
	Particulars		Long Term			Short Term			
			As at Mar 31, 2021	As at Mar 31, 2020		As at Mar 31, 2021	As at Mar 31, 2020	As at 1st April, 2016	
	Provision for Leave Encashment		0.50	0.43		-	0.19		
	Provision for Gratuity		-	15.86		-	1.01		
	Provision for Bonus		-	-					
			0.50	16.30		-	1.21		
21	Other liabilities								
	Particulars		Non current			Current			
			As at Mar 31, 2021	As at Mar 31, 2020		As at Mar 31, 2021	As at Mar 31, 2020	As at 1st April, 2016	
	Advance from Customers		-	-		89.45	96.2		
	Taxes Payable (Other than Income Tax)		-	-		19.28	20.84		
	Income Taxes Payable (Note 30)		317.03	274.30		0.35	42.18		
	Employee Contributions Payable		-	-		20.06	38.09		
			317.03	274.30		129.14	197.31		
22	Short Term Borrowings								

	Particulars					As at Mar 31, 2021		As at Mar 31, 2020	As at 1st April, 2016
	Bank Overdraft								
	Cash Credits and Working Capital Demand Loan from Banks (Secured)*					4,491.56		4,396.33	
(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 guarantee of Director and relative)									
	Other Loans repayable on demand								
	Secured								
	From Financial Institutions (Secured against immovable property of Director)					167.43		167.43	
	Unsecured								
	From other (Inter corporate deposit)					11.10		16.07	
*the company bank CC Accounts (South Indian and UBI) has become Non-Performing Assets (NPA) as per banking rules and regulations.									
						4,670.10		4,579.84	

23	Revenue from operations			
	Particulars		Year ended March 31, 2021	Year ended March 31, 2020
	Sale of Goods		239.91	3,739.89
	Total		239.91	3,739.89
24	Other income			

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Interest on deposits	8.60	17.81
	Profit on sale of Fixed Assets	2.44	41.24
	Profit on sale of Investment	-	5.93
	Claim Settlement Income	-	100.00
	Miscellaneous Income	16.60	0.29
	Net Gain on Foreign Exchange Fluctuations	-	-
	Total	27.64	165.26
25	Cost of Materials Consumed		
	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Inventory opening balance	3,219.50	3,145.56
	Add: Purchases	143.67	3,384.11
		3,363.17	6,529.67
	Less: Inventory closing balance	1,543.07	3,219.50
	Cost of Raw Materials Consumed	1,820.10	3,310.16
26	Purchase of Stock-in-trade		
	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Purchases- trading materials	1.77	295.21
	Total	1.77	295.21
27	(Increase)/Decrease in Inventories Of Finished Goods		
	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Finished Goods		
	Inventories at the begning of	894.10	334.38

	the year			
	Less: Inventories at the end of the year	273.31		894.10
	Sub Total (A)	620.79		(559.72)
	Stock-in-trade			
	Inventories at the begning of the year	-		381.22
	Less: Inventories at the end of the year	-		135.45
		-		245.77
	(Increase)/Decrease in Inventories	620.79		(313.95)
28	Employee Benefit Expenses			
	Particulars	Year ended March 31, 2021		Year ended March 31, 2020
	Salaries, allowances and benefits of employees			108.81
	Contribution to Gratuity, PF and other funds	2.33		11.39
	Staff Welfare Expenses	3.25		7.57
	Keyman Insurance premium	49.63		11.98
	Total	55.20		139.75
29	Finance Cost			
	Particulars	Year ended March 31, 2021		Year ended March 31, 2020
	Interest			
	Paid to bank and Financial institution	6.98		177.50
	Bank charges	0.54		13.89
	Other borrowing Cost (Upfront fees, Commitment charges)	-		1.71
	Interest on advance income tax	-		0.36
	Total	7.52		193.46
30	Depreciation and			

	amortization expense			
	Particulars	Year ended March 31, 2021		Year ended March 31, 2020
	Depreciation on PPE	37.75		50.36
	Depreciation on Investment Property	-		-
	Amortization of Intangible Asset	-		-
	Total	37.75		50.36
31	Other expenses			
	Particulars	Year ended March 31, 2021		Year ended March 31, 2020
	Rent			0.04
	Rates and Taxes			
	Repair and maintenance			-
	Office Building and Plant & Machinery	1.34		3.58
	Others	0.64		3.09
	Office maintenance	0.04		0.49
	Insurance	1.93		6.39
	Printing and Stationary	0.21		2.45
	Consultancy and other professional services	7.21		15.38
	Electricity and power charges	19.15		49.72
	Remuneration to auditors	0.83		1.55
	Travelling and conveyance	2.95		16.44
	Communication expenses	0.52		1.17
	Business Promotion and advertisement	0.12		1.10
	Discount charges	5.21		21.31
	Vehicle running and maintenance	6.85		19.33
	Commission and brokerage	1.47		3.69
	Freight and forwarding charges	3.82		27.27
	Testing fees and license fee	0.45		8.62
	Listing fee	2.90		4.90

	Miscellaneous expenses		2.75		7.08
	Total		58.36		193.63

								(Rs. In Lakhs)	
32	Earning Per Share (EPS)							-	
						March 31, 2021		March 31, 2020	
	<u>Total Operations for the year</u>								
	Profit/(Loss) after tax					(2,333.94)		36.06	
	Less : Dividend on convertible Preference shares & tax thereon					-		-	
	Net Profit/(Loss) for calculation of basic EPS			(A)		(2,333.94)		36.06	
	Net Profit as above					(2,333.94)		36.06	
	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)		(2,333.94)		36.06	
	Weighted average number of Equity Shares for Basic EPS			(c)		115.12		102.84	
	Effect of dilution :								
	Due to bonus share					-		-	

	Weighted Average number of Equity shares for Diluted EPS			(D)			115.12	102.84	
	Basic EPS								
	Total Operations			(A) / (C)			(20.27)	0.35	
	Diluted EPS								
	Total Operations			(B) / (D)			(20.27)	0.35	
33	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.								
34	Capital and Other Commitments								
							March 31, 2021	March 31, 2020	
	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	
35	Employee benefit obligations								
1	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. The benefits vest after 5 years of continuous service.									
a	Balance Sheet amount (Gratuity)									
				Present value of obligation			Fair value of plan assets		Net amount	
	April 01, 2019			16.70			-		16.70	
	Current service cost			1.72			-		1.72	
	Interest expense (income)			1.29			-		1.29	
	Total amount recognised in profit and loss			19.71			-		19.71	
	Remeasurement									
	Return on plan assets, excluding amount included in interest expense (income)									
	(Gain) Loss from change in financial assumptions			1.94			-		1.94	
	Experience (gain) loss			(2.82)			-		(2.82)	
	Total amount recognised in Other Comprehensive Income			(0.88)			-		(0.88)	
	Employer contributions			-			-		-	
	Benefit payments			(1.95)			-		(1.95)	
	March 31, 2020			16.88			-		16.88	
	Current service cost			-			-		-	
	Interest expense (income)			-			-		-	
	Total amount recognised in profit and loss			-			-		-	

	Remeasurement								
	Change in demographic assumptions			0.00			-	0.00	
	(Gain) Loss from change in financial assumptions			-			-	-	
	Experience (gain) loss			-			-	-	
	Total amount recognised in Other Comprehensive Income			0.00			-	0.00	
	Employer contributions						-	-	
	Benefit payments			(16.88)			-	(16.88)	
	March 31, 2021			0.00			-	0.00	
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, 2021	March 31, 2020	
	Current Liability (Short term)						-	1.01	
	Non-Current Liability (Long term)						-	15.86	
							-	16.88	
c	Expenses Recognised in the Income Statement						March 31, 2021	March 31, 2020	
	Current Service Cost						-	1.72	
	Past Service Cost						-	-	
	Loss / (Gain) on settlement						-	-	

	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)						-		1.29	
	Expenses Recognised in the Income Statement						-		3.01	
d	Other Comprehensive Income						March 31, 2021		March 31, 2020	
	Actuarial (gains) / losses									
	- change in demographic assumptions						-		-	
	- change in financial assumptions						-		1.94	
	- experience variance (i.e. Actual experience vs assumptions)						-		(2.82)	
	- 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						-		(0.88)	
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 also been advised to consider the requirements of Para 144 of Ind AS19 in this regard.									
	Financial Assumptions									
	The principal financial assumptions used in the valuation are shown in the table below:									

							March 31, 2021	March 31, 2020	
	Discount rate (per annum)						0.00%	6.70%	
	Salary growth rate (per annum)						0.00%	7.00%	
f	Demographic Assumptions								
							March 31, 2021	March 31, 2020	
	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 occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:								
							March 31, 2021	March 31, 2020	
	Defined Benefit Obligation (Base)						-	16.88	
	Particular	March 31, 2021				March 31, 2020			
		Decrease	Increase			Decrease	Increase		
	Discount Rate (-/ + 1%)	-		-		19.18		14.94	
	(% change compared to base due to					13.60%		-11.50%	

	sensitivity)								
	Salary Growth Rate (- / + 1%)	-	-				14.93	19.15	
	(% change compared to base due to sensitivity)						-11.50%	13.40%	
	Attrition Rate (- / + 50% of attrition rates)	-	-				16.94	16.82	
	(% change compared to base due to sensitivity)						0.40%	-0.30%	
	Mortality Rate (- / + 10% of mortality rates)	-	-				-	16.88	
	(% change compared to base due to sensitivity)	-	-				-	-	
36	Contingent Liabilities - Not probable and therefore not provided for								
	A. Claims disputed by the company						March 31, 2021	March 31, 2020	
	Income tax Liability								
	A.Y. 14-15*						63.33	63.33	
	A.Y. 12-13						119.91	-	
	Interest on TDS, Short deduction and Late fee						-	7.56	
	*Order of appellate authority pass in favour of the company, but Revenue authority has the right to filed appeal against the order of appellate authority in higher authority.								
	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	
37	Segment Reporting									
	<u>As the company business activity fall within one segment viz. Manufacturing Business As per IndA 108, the disclosure requirements of IndAs 108 of Operating segment is not applicable</u>									
38	Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises									
	Particulars						March 31, 2021		March 31, 2020	
	Principal amount remaining unpaid to any supplier as at the end of the year						655.54		1,326.10	
	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.						-		-	
	<i>Note: Due to financial crunch in the company payment outstanding with to vendor registered MSME Act, 2006 was pending for the payment more than 45 days (limit specified in MSME Act, 2006) due to that compant was liability to interest on delay in payments, As per management decision interest will charged in financial statemnets when paid.</i>									
39	Cash and Cash Equivalents									
	For the purpose of the financial statement cash and cash equivalents									

	comprise of following: -								
							March 31, 2021	March 31, 2020	
	Cash on Hand						81.21	86.07	
	Balances with Banks						-	-	
	-On Current Accounts						3.80	2.15	
	-On deposits						16.26	32.35	
							101.26	120.57	
	For the purpose of the cash flow statement, cash and cash equivalents comprise of following: -								
	Particulars						March 31, 2021	March 31, 2020	
	Cash & Cash equivalent as per balance sheet						101.26	120.57	
	Bank Overdraft						(4,491.56)	(4,396.33)	
							(4,390.30)	(4,275.76)	
40	Payment to Auditor								
	Particulars						March 31, 2021	March 31, 2020	
	Audit fees						1.31	1.30	
	Tax Audit Fees							0.25	
	Other tax matter fees						0.59	1.00	
	Total						1.90	2.55	
41	Earning in Foreign Currency								
	Particulars						March	March	

							31, 2021	31, 2020	
	Income in foreign currency						Nil	Nil	
42	Expenditure in Foreign Currency								
	Particulars						March 31, 2021	March 31, 2020	
	Purchase of Goods						-	596.07	
43	Details of Unpaid undisputed Statutory Liabilities								
	The Company has not paid its undisputed and disputed statutory liability which are pending for more than 2 years related to income tax, more than 6 months related to ESIC and EPF.								
	Statutory Liability						March 31, 2021	March 31, 2020	
	Income Tax Act						317.02	320.16	
	ESIC						7.51	6.90	
	EPF						12.55	27.11	
44 Balance of certain trade receivables, trade payables, provisions, liabilities and TDS receivable are subject to reconciliation/confirmation									
45 Previous year figures have been regrouped/reclassified where ever necessary, to confirm to those of the current year.									
48 As allowed uner Schedule III of the companies Act, 2013, financials are prepared in Lakhs/ In Crores and rounded off to two decimals. The numbers / amounts below thousand/ fifty thousandsare appearing as zero.									
Summary of Significant Accounting Policies									
The accompanying notes and other explanatory information are an integral part of the Financial Statements.									

As per our report of even date. For Gaur & Associates Chartered Accountants FRN: 005354C Sd/- CA S.K. Gupta Partner Membership No. 016746 Date: 13th August, 2021 Place: Delhi UDIN:21016746AAAAFQ6051	For and on behalf of the Board of Directors Sanco Industries Limited	
	Sd/- SANJAY GUPTA Managing Director DIN - 00726005 Sd/- ANURAG GUPTA Chief Financial Officer	Sd/- RITA GUPTA Director DIN - 00725987 Sd/- AKRITI MAHAJAN Company Secretary

47	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 based on the observability of significant inputs to the measurement, as follows:											
	Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3: Inputs for the asset or liability that are not based on observable market data.											
	(Rs. In Lakhs)											
	Particular						As at			As at		
							March 31, 2021			April 1, 2020		
							FVPL	FVOCI	Amortised	FVPL	FVOCI	Amortised
	Financial assets											
	Investments											
	- Equity instruments						-	-	-	-	-	-
	- Mutual Funds						-	-	-	-	-	-
	- Other											

	Investment					-	-	46.72	-	-	46.72
	Trade receivables					-	-	5,323.48	-	-	6,108.64
	Deposit with Bank					-	-	16.26	-	-	32.35
	Cash and cash equivalents					-	-	85.00	-	-	88.22
	Other financial assets										
	- Loans and Advances to Employees					-	-	1.75	-	-	1.61
	- Advances to Suppliers					-	-	1,566.26	-	-	1,437.51
	- Interest Accrued on Deposits					-	-	-	-	-	0.04
	Total Financial Assets					-	-	7,039.48	-	-	7,715.09
	Financial liabilities										
	Borrowings							5,799.28			5,837.51
	Trade payables							1,291.08			2,277.68
	Other financial liabilities										
	- Security Deposit							-			-
	- Salaries and other benefits Payable							3.27			40.88
	- Other Payables							195.02			23.94
	Total Financial Liabilities					-	-	7,288.65	-	-	8,180.00
	Fair Market Value of Financial Assets										
	(Rs. In Lakhs)										
	Particular					As at March 31, 2021			As at March 31, 2020		

				Carrying Amount	FMV		Carrying Amount	FMV
	Financial assets							
	Investments							
	- Equity instruments			-	-		-	-
	- Mutual Funds			-	-		-	-
	- Other Investment			46.72	46.72		46.72	46.72
	Trade receivables			5,323.48	5,323.48		6,108.64	6,108.64
	Deposit with Bank			16.26	16.26		32.35	32.35
	Cash and cash equivalents			85.00	85.00		88.22	88.22
	Other financial assets							
	- Loans and Advances to Employees			1.75	1.75		1.61	1.61
	- Advances to Suppliers			1,566.26	1,566.26		1,437.51	1,437.51
	- Interest Accrued on Deposits			-	-		0.04	0.04
	Total Financial Assets			7,039.48	7,039.48		7,715.09	7,715.09
	Financial liabilities							
	Borrowings			5,799.28	5,799.28		5,837.51	5,837.51
	Trade payables			1,291.08	1,291.08		2,277.68	2,277.68
	Other financial liabilities							
	- Security Deposit			-	-		-	-
	- Salaries and other benefits Payable			3.27	3.27		40.88	40.88
	- Other Payables			195.02	195.02		23.94	23.94
	Total Financial Liabilities			7,288.65	7,288.65		8,180.00	8,180.00

						(Rs. In Lakhs)
<u>RELATED PARTY DISCLOSURE</u>						
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 (resigned as a whole time director w.e.f 20.06.2019)			
			- Mansi Gupta (appointed as CFO w.e.f 01.07.2019)			
			- Sanjay Gupta			
			- Akriti Mahajan			
			- Sidhant Gupta (resigned w.e.f 05.12.2019)			
			- Saurabh Gupta			
			- Sanjeev Kumar Jain			
			- Surender Kumar Gupta (resigned w.e.f 06.03.2020)			
			- Sonu Kumari			

	- Madhavi Gaur (resigned as CFO w.e.f. 30/06.2019)
Close family members of Key Management Personnel	- Anurag Gupta
	- Sanjay Gupta HUF
	- Shakuntala Gupta

Particulars	Subsidiary company(ies)		Entities controlled by Directors or their Relatives		Key Management Personnel or their Relatives		
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	
Transactions							
Purchase of Goods	-	291.77	12.17	95.58	-	-	
Sale Of Machinery	-	-	-	-	-	-	
Unsecured Loan Received	-	-	-	-	724.55	54.57	
Unsecured Loan Repaid	-	-	-	-	809.81	20.00	
Remuneration	-	-	-	-	-	24.69	
Reimbursement of expenses	-	-	-	-	-	-	
Rent paid	-	-	-	-	-	-	
Balance outstanding							
Receivable			49.74		-	-	
Payables	11.44	12.60	77.68	-	946.25	1,052.06	

			(Rs. In Lakhs)
Nature of Transaction	Relation and Name	March 31, 2021	March 31, 2020
Unsecured Loan Received	With Key Management Personnel or their Relatives		
	Mansi Gupta-Relative of Director	25.00	-
	Rita Gupta- Whole Time Director	241.80	-
	Sanjay Gupta- Managing Director	437.50	54.57
	Shankuntla Gupta Relative of Director	-	-
	Sidhant Gupta	20.25	
Unsecured Loan Repaid	With Key Management Personnel or their Relatives		
	Anurag Gupta- Relative of Director	-	-
	Sanjay Gupta- Managing Director	423.81	20.00
	Mansi Gupta-Relative of Director	92.00	
	Rita Gupta- Whole Time Director	294.00	
	With enterprise controlled by Director or their Relatives		
Purchase of Goods (including GST)	Superlink Polyfeb Ltd.- Associate Enterprises	12.17	95.58
Sale of Machinery (Including GST)	Superlink Polyfeb Ltd.- Associate Enterprises	-	49.74
Remuneration and Salary	With Key Management Personnel or their Relatives		
	Sanjay Gupta- Managing Director	-	6.00
	Rita Gupta- Whole Time Director	-	1.50
	Sidhant Gupta- Whole Time Director	-	2.40
	Mansi Gupta-Relative of Director	-	3.00
	Mansi Gupta-CFO	-	-
	Anurag Gupta- Relative of Director	-	6.00
	Madhvi Gaur CFO	-	3.39
	Vipul Singhal CFO	-	
	Akriti Mahajan- Company Secretary	-	2.40
Reimbursement of expenses	With Key Management Personnel or their Relatives		
	Sanjay Gupta- Managing Director	-	-
Rent Paid	With Key Management Personnel or their Relatives		
	Rita Gupta- Whole Time Director	-	-

	Shankuntla Gupta Relative of Director	-	-
Payables	Subsidiary company(ies)		
	Sanjita Polymet Limited	11.44	12.60
	With enterprise controlled by Director or their Relatives		
	Sanco Enterprises (P) Ltd.	55.03	99.44
	Entities controlled by Directors or their Relatives		
	Superlink Polyfeb Ltd.- Associate Enterprises	22.65	95.24
Receivables	Entities controlled by Directors or their Relatives		
	Superlink Polyfeb Ltd.- Associate Enterprises	49.74	49.74
	Key Management Personnel or their Relatives		
	Unsecured Loan Repayable		
	Anurag Gupta- Relative of Director		
	Mansi Gupta-Relative of Director	25.00	92.00
	Rita Gupta- Whole Time Director	241.80	294.00
	Sanjay Gupta- Managing Director	432.50	418.81
	Shankuntla Gupta Relative of Director	225.00	225.00
	Sidhant Gupta	20.25	-
	Rent Payable		
	Rita Gupta- Whole Time Director	-	2.03
	Shankuntla Gupta Relative of Director	-	2.03
	Remuneration and Salary Payable		
	Sanjay Gupta- Managing Director	-	5.00
	Rita Gupta- Whole Time Director	-	2.50
	Sidhant Gupta- Whole Time Director	-	4.25
	Mansi Gupta-CFO	0.13	4.25
	Anurag Gupta- Relative of Director	-	0.50
	Madhvi Gaur CFO	0.32	0.30
	Akriti Mahajan- Company Secretary	1.26	1.40
	Reimbursement of expenses payable		
	Sanjay Gupta- Managing Director	-	-

1. COMPANY INFORMATION:

Sanco Industries Limited (the 'Company') is a public limited Company domiciled in India with its registered office located at D-161, Surajmal Vihar Delhi DL 110092. The Company is listed on the National Stock Exchange (NSE). The Company is in the manufacturing business comprising primarily of PVC Pipes. The Company has manufacturing facilities across the country and sells primarily in India.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Preparation and Measurement****(a) Basis of preparation and compliance with Ind AS**

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 30th June, 2021.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations

- (b) Measurement and likelihood of occurrence of provisions and contingencies
- (c) Recognition of deferred tax assets
- (d) Key assumptions used in discounted cash flow projections
- (e) Impairment of Intangible assets
- (f) Measurement of Lease liabilities and Right of Use Asset (ROUA)

Provision for warranty

The company has recognised a provision for warranty associated with liquidated damages and shortfall in performance arising from obligations stated in its project contracts, in determining the amount of the provision, assumption and estimates are made in relation to the present value of the potential risk, risk adjusted equity return rate, current sales levels, subsequent events and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The carrying amount of the provisions as at the reporting period end are disclosed in Notes to the financial statement.

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.

I. Critical judgements 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 fulfilment 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.

Service concession arrangements

The analysis on whether the Appendix A of Ind AS 11 applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities.

Therefore, the application of Appendix A of Ind AS 11 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of Appendix A of Ind AS 11, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity.

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of Appendix A of AS 11 and, therefore, on the results of operations or the financial position.

Impairment 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. The determination requires significant judgement. 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 judgement and estimates.

Expected credit loss

Expected credit losses of the company are based on an evaluation at the collectability of receivables. A considerable amount of judgement 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.

II. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, 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.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognised into net income as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on Written down value Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives in years are as under:

Factory buildings	30
Other than factory buildings	60
Plant and Machinery	15
Office equipments	5
Electrical Fittings	10
Computers and peripherals	3 - 6
Furniture and Fixtures	10
Furniture and Fixtures (Hotel)	8
Plant & Machinery (Hotel)	8
Vehicles	8

Leasehold Assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions/deletions to the fixed assets/leasehold improvements, depreciation is charged from the date the asset is ready to use/up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

III. Investment properties

Property that is held for long-term rental yields or for capital appreciation of 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 derecognised.

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.

IV. Intangible Assets

Service concession arrangements (SCA)

Where the company enters into service Concession arrangements under which the company constructs, uses and operates certain assets for the provision of public services, construction revenue and costs are recognised in the profit and loss account by reference to the stage of completion at the balance sheet date while the fair value of construction service is capitalised initially as service concession assets in the balance sheet. Expenditure for the replacement and/or upgrade of the assets subject to service concession capitalised.

Concession rights are recognized as an intangible asset to the extent that it receives a right to charge users of the service. Concession rights are stated at cost less accumulated amortization and accumulated impairment losses.

In case of BOOT based road projects amortization is as per the schedule II of companies act 2013 i.e. calculated by taking the proportionate of actual revenue earned for the year over the total projected revenues from the balance concession period of the project applied to the cost of intangible assets. The total projected revenues are reviewed at the end of each financial year and the total projected revenues are adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

In all other intangible service concession assets, amortization is calculated by using the straight-line method over the licensing periods.

Other 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 4 years.

V. 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. 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.

VI. Government Grants

Government assistance is recognized when there is reasonable assurance that the Company will comply with the conditions attached to the government assistance and the grants will be received. Such assistance is recorded as a reduction to the related expense of asset.

VII. Inventories

Raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

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

VIII. 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.

IX. 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 or 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.

X. Share Capital

Equity shares are classified as equity.

XI. 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

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 assets 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.

1) 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 or 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.

2) 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 de-recognized 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.

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.

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.

De-recognition

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 de-recognition 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.

XII. 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.

XIII. 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. Re-measurement 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. Re-measurements 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.

XIV. 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 a legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

XV. 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 (not 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 balanced sheet based on their nature.

Lease-hold 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.

XVI. Provisions, Contingent and 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 or 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 obligations.
- 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 as inflow of economic benefits is probable.

XVII. 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 (for example, over the counter derivatives) 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 cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at thereporting 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 theremaining financial instruments.

XVIII. Revenue Recognition

Revenue is recognised 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.

Insurance Claims

Insurance claims are recognized on acceptance/actual receipt of the claim.

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.

XIX. 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.

XX. 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.

XXI. 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.

XXII. 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.

XXIII. 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 II of the Companies Act, 2013, unless otherwise stated.

