



SANCO TRANS LIMITED
"Service And Trust - Part Of Our Tradition"

Annual Report 2017



K.SANTHANAM
(1929 - 1981)
FOUNDER - SANCO GROUP

“Business is religion and religion is business; the man who does not make a business of his religion, has a religion of no force, and the man who does not make a religion of his business, has a business life of no character.”



SANCO TRANS LIMITED

AWARDS RECEIVED

2016 Port Services Provider of the year - Cargo & Logistics Sector Award - (South East India)

2015 Top Container Maintenance & Repair Award - (South East India)

2014 Lifetime Achievement Award presented to Mr. V.Upendran
Award for Excellence in Cargo & Logistics Sector (South East India)

2014 SICCI & Times of India Award

2014 & 2011 Top Container Maintenance & Repair Award - (South East India)

2013 Young Logistics Entrepreneur
Award to S.Sathyanarayanan (South East India)

2012 - Logistics Company of the year Award (South East)

2011 Top Customs Duty paid Award
(The Tamil Chamber of Commerce)
Awarded by: His Excellency Dr.Mr. Rosaiah-Governor of Tamilnadu

2011 Top CFS Award
(The Tamil Chamber of Commerce)
Awarded by: His Excellency Dr.Mr. Rosaiah-Governor of Tamilnadu

2010 Top Customs Duty Paid Award
(The Tamil Chamber of Commerce)
Awarded by: His Excellency Mr.Surjit Singh Barnala-Governor of Tamilnadu

2008 Top CFS of the year Award
(DP World Port)

2005 Top Concor Railway Service Award (Concor)



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Sanco Trans Limited

CORPORATE INFORMATION

Corporate Identification No. : L60220TN1979PLC007970

Board of Directors

V Upendran - Chairman & Managing Director
S Sathyanarayanan - Deputy Managing Director
U Udayabhaskar Reddy - Wholetime Director
S R Srinivasan - Director-Finance & Chief Financial Officer
S Devaki
R Vijayaraghavan
V Govind
V Shankar
R Raghavan
T R Chandrasekaran
(from May 23, 2016)

Registered Office

S.T. Tower, New No. 24 & 25, II Floor,
Second Line Beach Road, Chennai - 600 001.
Tel.: 91-44-66449000
Fax: 91-44-66449009
Website : www.sancotrans.com
Email ID : shareholder@sancotrans.com

Auditors

M/s M. S. Krishnaswami and Rajan
Chartered Accountants
GB, Anand Apartments
JP Avenue, 6th Street,
Dr Radhakrishnan Salai,
Mylapore, Chennai 600004.

Branch Offices

Bangalore, Chennai (Container Freight Station),
Mumbai, Ranipet, Trichy, Tuticorin.

Bankers

IDBI Bank
HDFC Bank
Indian Bank

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building, No.1, Club Road
Chennai – 600 002.
Telephone No.2846 0390 (6 Lines)

Listing of Equity Shares

BSE Limited, Mumbai.

Annual General Meeting

18th September 2017, 10.00 am
Narada Gana Sabha, Mini Hall, 314, T.T.K Road,
Alwarpet, Chennai 600018

The Attendance Slip / Proxy form and AGM Notice are being sent by registered post / email separately

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BOARD'S REPORT

Dear Members,

The Directors are pleased to present their 37th Annual Report of the Company, together with the Audited Financial Statements for the year ended March 31, 2017.

1. Financial highlights (Rs. Lakhs)

| | For the year 2016-17 | For the year 2015-16 |
|---|-------------------------|-------------------------|
| Income from Operations | 8228.45 | 7527.69 |
| Other Income | 244.33 | 195.65 |
| Gross Income | 8472.78 | 7723.34 |
| Expenses | | |
| Operating expense | 5302.37 | 4764.99 |
| Employee benefit expense | 1050.58 | 980.45 |
| Finance costs | 350.92 | 321.03 |
| Depreciation and amortisation | 583.88 | 420.42 |
| Other expenses | 1159.79 | 1119.46 |
| Total Expenses | 8447.54 | 7606.35 |
| Profit before exceptional/extraordinary item and tax | 25.24 | 116.99 |
| Exceptional/ Extraordinary item | -- | -- |
| Profit before tax | 25.24 | 116.99 |
| Tax expense | (7.30) | 9.63 |
| Profit after tax | 32.54 | 107.36 |

2. Management Discussion & Analysis

A detailed analysis on the performance of the industry, the company, internal control systems, risk management are enumerated in the Management Discussion and Analysis report forming part of this report and annexed as 'Annexure A'.

3. Dividend

The Directors have recommended a dividend of Rs. 0.90 per Equity share of Rs. 10/- each (9%) for the financial year ended March 31, 2017. Payment of Dividend is subject to the approval of shareholders at the ensuing Annual General Meeting. An amount of Rs. 10,00,000/- (Rupees Ten Lakhs Only) is being transferred to the General reserves of the Company.

4. Unclaimed Dividends

There are no unclaimed dividends to be transferred to the credit of Investor Education and Protection Fund as on March 31, 2017.



BOARD'S REPORT

5. Directors

i. Re-appointment of Directors:

Mr. S. Sathyanarayanan, Deputy Managing Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

The resolution seeking approval of the members of the Company for the re-appointment of Mr. S. Sathyanarayanan, Deputy Managing Director, has been incorporated in the Notice of the Thirty Seventh Annual General Meeting of the Company along with details about him.

ii. Key managerial Personnel:

Mrs. B Lakshmi Sowjanya, Company Secretary, has resigned from the position with effect from December 31, 2017.

iii. Statement on Declaration by the Independent Directors of the Company:

All the Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The terms and conditions of appointment of the Independent Directors are posted on the website of the Company under the web link <http://www.sancotrans.com/stl.html>.

6. Auditors

M/s. M. S. Krishnaswami & Rajan, Chartered Accountants, Chennai (FRN: 001554S), Statutory Auditors of the company, have been in office for more than ten years and in compliance with the provisions of Companies Act, 2013, the Audit Committee and the Board of Directors at their meetings held on July 15, 2017, recommended the appointment of M/s. R. Sundararajan & Associates, Chartered Accountants, Chennai (FRN: 008282S), as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of forthcoming Annual General Meeting till the conclusion of the Forty Second Annual General Meeting, subject to ratification of the appointment at every Annual General Meeting. The necessary resolution is being placed before the shareholders for approval.

The Company has received confirmation from M/s. R. Sundararajan & Associates, Chartered Accountants, Chennai (FRN: 008282S) regarding their consent and eligibility for appointment as the Auditors of the Company.

The Auditors' Report to the shareholders on the standalone and consolidated financial statements for the year ended March 31, 2017 does not contain any qualification or adverse comment.

7. Corporate Governance

The Company is in full compliance with the Corporate Governance guidelines as laid out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance is attached as 'Annexure B' to this Report.



BOARD'S REPORT

The Auditors' Certificate of the Compliance with the Corporate Governance requirements by the Company is attached as 'Annexure C' to this Report.

The Managing Director and Chief Financial Officer (CFO) certification as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as 'Annexure D' to this Report.

8. Consolidated Financial Statements

The Audited Consolidated Financial Statements provided in the Annual Report pursuant to Section 129(3) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in accordance with Accounting Standards prescribed in The Companies Accounting Standard Rules, 2006.

9. Subsidiaries, Associates and Joint Ventures

Pursuant to Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries' (in Form AOC-1) is attached as 'Annexure E' to this Report.

10. Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on March 31, 2017 is attached as 'Annexure F' to this Report pursuant to the provisions of Section 92(3) of the Companies Act, 2013.

11. Board Meetings held during the year

During the year, 6(six) meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this Report.

12. Directors' responsibility statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013:

- a. in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b. for the financial year ended March 31, 2017, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2017.
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the annual financial statements have been prepared on a going concern basis.



BOARD'S REPORT

- e. that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively

13. Remuneration Policy of the Company

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached to this Report.

14. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

There were no guarantees or investments made by the Company under Section 186 of the Companies Act, 2013, during the financial year under review. However the Company has granted a loan of Rs. 9 Lakhs to M/s. Sanco Clearance Limited, wholly owned subsidiary, during the financial year and has complied with the provisions of Section 186 of the Companies Act, 2013.

15. Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Ms. A.K. Jain & Associates, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2017. The Secretarial Audit Report (in Form MR-3) is attached as 'Annexure G' to this Report.

16. Related Party Transactions

All transactions entered by the company with Related Parties were in the ordinary course of business and at arm's length pricing basis.

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. Suitable disclosures as required under Accounting Standard-18 have been made in Note 3.12 of the Notes to the financial statements.

Details of the transactions are provided in Form AOC-2 which is attached as 'Annexure H' to this Report. The Board has approved policies on Related Party Transactions and Material Subsidiary and has posted in the website under the web link <http://www.sancostrans.com/stl.html>.

17. Risk Management Policy

The Company has a proper Risk Management policy towards operations and administrative affairs of the Company formulated by the Risk Management Committee.

The Risk Management Committee reviews the Policy at regular intervals of time and ensures proper implementation of the policy formulated.



BOARD'S REPORT

18. Corporate Social Responsibility (CSR) initiatives

The company ceased to be covered under Section 135(1) of the Companies Act, 2013 as per Rule 3(2) of the Corporate Social Responsibility Rules, 2014 and hence no contributions were made towards Corporate Social Responsibility for the financial year 2016-17.

19. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination & Remuneration and Stakeholders Relationship Committee) and individual Directors (without participation of the relevant Director).

20. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Whistle Blower Policy has posted in the website under the web link <http://www.sancotrans.com/stl.html>. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

21. Public Deposits

During the financial year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

22. Material changes and commitments affecting the financial position of the Company which have occurred between April 01, 2017 and July 15, 2017 (date of the Report)

There were no material changes and commitments affecting the financial position of the company between the end of financial year (April 1, 2017) and the date of the Report (July 15, 2017).

23. Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

24. Conservation of energy, technology absorption

Disclosure of information regarding conservation of energy and technology absorption is not applicable to the Company.



BOARD'S REPORT

25. Foreign exchange earnings and outgo

During the year your company earned foreign exchange to an extent of Rs. 31.85 Lakhs (2015-16 Rs. 28.14 Lakhs) and expended foreign currency to an extent of Rs. 11.73 Lakhs (2015-16 Rs. 7.65 Lakhs).

26. Particulars regarding employees

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, forming part of the Annual Report, is available for inspection at the registered office of the company during working hours. Any member interested in obtaining such information may write to the Company and the same will be furnished without any fee and free of cost.

27. Industrial relations

Industrial relations remained cordial and harmonious throughout the year.

28. Acknowledgements

The Directors wish to thank all the employees, shareholders, bankers, customers, suppliers and Government Authorities for their continued co-operation throughout the year.

For and on behalf of the Board of Directors

Place : Chennai
Dated : July 15, 2017

V Upendran
Chairman & Managing Director
(DIN: 00557511)



ANNEXURE A TO BOARD'S REPORT

Management Discussion and Analysis Report

A. About the Company

The Company was incorporated by late Sri K Santhanam Reddiar in the year 1979 as a Private Limited Company with a paid up share capital of Rs. 5 Lakhs which took over his proprietary business carried on in that name and was converted into a Public Limited Company in the year 1986..

The key performance indicators of the company for 10 years are given below:

| Year ended 31st March | Revenue (Rs Lakhs) | Profit before tax (Rs Lakhs) | Profit after tax (Rs Lakhs) | Net worth (Rs Lakhs) | Fixed Assets-net (Rs Lakhs) | Dividend % | Earnings per share (Rupees) |
|--------------------------|-----------------------|------------------------------------|-----------------------------------|-------------------------|-----------------------------------|---------------|-----------------------------------|
| 2008 | 4302.57 | 735.57 | 467.23 | 1051.87 | 2451.93 | 31.5 | 25.96 |
| 2009 | 6171.76 | 1654.99 | 1060.58 | 6761.59 | 7828.18 | 45 | 58.92 |
| 2010 | 5053.50 | 935.61 | 610.90 | 7396.77 | 7930.92 | 27 | 33.94 |
| 2011 | 6311.87 | 752.25 | 828.45 | 8202.73 | 7905.22 | 27 | 46.03 |
| 2012 | 7807.43 | 985.82 | 766.04 | 8733.33 | 8473.33 | 27 | 42.56 |
| 2013 | 7770.26 | 925.33 | 636.58 | 9316.45 | 10597.43 | 27 | 35.37 |
| 2014 | 7500.75 | 489.72 | 416.27 | 9673.43 | 11472.48 | 27 | 23.13 |
| 2015 | 7677.93 | 227.78 | 235.67 | 9844.53 | 11460.48 | 27 | 13.09 |
| 2016 | 7723.34 | 116.99 | 107.36 | 9912.89 | 11702.08 | 18 | 5.96 |
| 2017 | 8472.78 | 25.24 | 32.54 | 9925.91 | 11103.87 | 9 | 1.81 |

Note: Net worth includes revaluation reserves from year 2009

B. Industry Progress and outlook:

Our country which is considered as one of the fastest growing economies saw its growth rate improving above 7% in the past. Growth has been driven by agriculture, manufacturing and construction sectors. However service sector growth declined from 8.8% during 15-16 to 7.2%.

Average growth in developing economies including China declined from 4.2% in 2015 to 4.1% in 2016 and in advance economies it declined from 2.1% in 2015 to 1.7% in 2016. What is however worrisome is the continued slowdown in industrial production from 2.4% in 2015-16 to 0.6% during 2016-17. Exports are 12% lower than peak levels of 2013-14.

The developments on the external front like slowdown and re-balancing of chinese economy, geo political risks arising out of BREXIT, weak global economy have not had a direct impact on our EXIM trade.

Tamil Nadu continues to be an attractive investment destination as it has well established transportation system that connects all parts of the state. This low growth of population at 0.9% p.a. has its own merits. Our state has the largest auto component industry and it accounts for 30% share of the same. Chennai is emerging as major export hub for cars. Around 13 lakhs cars



ANNEXURE A TO BOARD'S REPORT

and 3.5 lakhs commercial vehicles have been exported in the last year. Chennai / Tamil Nadu has potential to double the auto protection within the next 3 years. Other sectors like Power, Textiles, Engineering, Chemical and Pharmaceutics are showing promising signs of recovery.

Adani Port and Terminals have commissioned their second container terminal at Kamarajar Port, Chennai) with this Chennai has the forth container terminal with the added capacity of four million TEUs, as against the current handled volume of 1.8 million p.m.

C. Financial Review

The revenue from operations has registered an increase of 9% during the financial year 2016-17 as compared to previous financial year 2015-16 mainly on account of revenue from Container Freight Station (CFS) at Andarkuppam.

The company has managed to retain the operating expenses and other expenses at the same level despite the increased revenue, including interest costs with strict monitoring on working capital. However, profit before tax during this year has been impacted because of additional amortisation / depreciation of the warehouse and connected facilities at the new CFS at Andarkuppam.

D. Internal Control Systems and their adequacy

The company's internal control system has been developed taking into account the size of operations to make sure that it would provide for accurate recording of transactions which in turn provides for safe guarding of assets and for compliance to mandatory accounting standards.

Consequent to the implementation of Companies Act, 2013 (Act), the Company has complied with the specific requirements in terms of Section 134(5)(e) of the said Act calling for establishment and implementation of an Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Directors' responsibility statement.

The Internal Auditor of the company carried out periodical verifications at all locations and all divisions as per the audit plan approved by Audit Committee. The observations are discussed with management and actions wherever required to strengthen the controls are taken. Significant observations are placed and discussed in Audit Committee every quarter.

Further, MD and CFO certification are provided in the Annual Report confirming the existence on adequacy of our internal financial control systems and procedures.

E. Opportunities and Threats

We believe that our strengths includes

- Facilities to handle a total capacity of 12500 TEUs per month.
- 6 million sq ft dedicated empty container terminal and maintenance and repair service.
- Availability of sufficient number of operating equipments like Reach Stackers to handle the containers without delay.
- Professionally engineered yard for economical stacking and delivery.



ANNEXURE A TO BOARD'S REPORT

- Warehouse space availability (bonded, general warehouse, export and import) 4,00,000 sq.ft
- Location Advantage: Container closest to Chennai port and containers can reach to/from port gate within 40 minutes.
- Online Container Tracking.
- Domain expertise.
- Serving 17 major shipping line customers.

Despite the above strengths, the company's business volume depends on the total volume handled at Chennai port. Movements at Chennai port continue to be hampered due to lack of road connectivity and certain infra structure facilities not taken up or stalled. Consequently the revenues of the company are also difficult to predict and in turn puts pressure on our margin also. Our increasing work with governmental agencies may expose us to additional risks.

F. Risk Management

The company has formed a Risk Management Committee during November 2014 and formulated the policy. The Committee discusses with Heads of Divisions for assessment of risks and will put risk mitigation plans wherever required.

G. Human Resources

During the year under review, the total number of people on the rolls of the company is 220 and the company sustained harmonious and cordial relations all through the year.

H. Cautionary note

Statements in this report discloses forward looking information that set our anticipated results based on the management's plans and assumptions to enable investors to fully appreciate our prospects and take informed investment decisions. The company cannot, of course, guarantee that these forward looking statements will be realized, although the company believes it has been prudent in its assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should the underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.



ANNEXURE B TO BOARD'S REPORT

Report on Corporate Governance

1. Philosophy on Corporate Governance

The Board of Directors and the Management of Sanco Trans Limited commit themselves to

- Strive towards enhancement of shareholder value through
 - sound business decisions
 - prudent financial management and
 - high standards of ethics throughout the organization
- Ensure transparency and professionalism in all decisions and transactions of the company; and
- Achieve excellence in Corporate Governance through
 - conforming to and exceeding wherever possible; the prevalent mandatory guidelines on Corporate Governance
 - regular review of the Board processes and the management systems for further improvement
- Apart from the above stated objectives the Board and the Management have been following scrupulously the abiding philosophy of the Founder of the Company Late Sri K Santhanam Reddiar which is reflected in the below mentioned words-

“Business is religion and religion is business; the man who does not make a business of his religion, has a religion of no force, and the man who does not make a religion of his business, has a business life of no character.”

Following the above stated philosophy, Sanco Trans Limited, as a freight facilitator is Committed-

- to provide comprehensive and fully integrated service through extensive network, deploying modern equipment, engaging efficient professionals to cater to the needs of customers
- to build up transparent working environment to facilitate cost effective service and to provide more than reasonable return for the share holders.

2. Board of Directors

The Board comprises of five Independent Directors, one Non-independent Director and four Executive Directors.

a. Composition

i) Independent Directors

1. Mr. R. Vijayaraghavan
2. Mr. V. Govind
3. Mr. V. Shankar
4. Mr. R. Raghavan
5. Mr. T. R. Chandrasekaran



ANNEXURE B TO BOARD'S REPORT

ii) Non-Independent Director

1. Mrs. S. Devaki

iii) Executive Directors

1. Mr. V. Upendran - Chairman and Managing Director
2. Mr. S. Sathyanarayanan - Deputy Managing Director
3. Mr. U. Udayabhaskar Reddy - Whole Time Director
4. Mr. S. R. Srinivasan - Director Finance

None of the Independent Directors are related to each other and to other Directors.

b. Attendance at Board meetings and last Annual General Meeting (AGM) and details of memberships of Directors in other Boards and Board Committees.

| Name of Director | No of Board meetings attended during the year 2016-17 | Whether attended last AGM held on Sep 15, 2016 | No. of Directorship in other Public Companies under Companies Act | | No. of Committee position in other Public Companies registered under Companies Act* | |
|--------------------------|---|--|---|-------------|---|-------------|
| | | | As member | As chairman | As member | As chairman |
| Mr. V Upendran | 6 | Yes | 2 | 1 | 1 | Nil |
| Mr. S Sathyanarayanan | 6 | Yes | 2 | Nil | Nil | Nil |
| Mr. U Udayabhaskar Reddy | 6 | Yes | 2 | Nil | Nil | Nil |
| Mrs. S Devaki | 4 | Yes | Nil | Nil | Nil | Nil |
| Mr. S R Srinivasan | 6 | Yes | Nil | Nil | Nil | Nil |
| Mr. R Vijayaraghavan | 5 | Yes | 8 | Nil | 7 | 4 |
| Mr. V Govind | 2 | No | 2 | Nil | 1 | 1 |
| Mr. V Shankar | 6 | Yes | Nil | Nil | Nil | Nil |
| Mr. R Raghavan | 6 | Yes | Nil | Nil | Nil | Nil |
| Mr. T R Chandrasekaran | 6 | Yes | 1 | Nil | 2 | Nil |

* Represents memberships in Audit committee, Nomination & Remuneration Committee and Shareholders/Investors Grievance Committee of Public Companies governed by the Companies Act, 2013.

Details of Director seeking re-appointment at the ensuing Annual general meeting have been furnished in the Notice convening the meeting of the Shareholders.



ANNEXURE B TO BOARD'S REPORT

The details of shares held by the Directors of the Company are furnished below:

| Name of the Director | No of equity shares |
|------------------------|---------------------|
| Mr. V. Upendran | 79900 |
| Mrs. S. Devaki | 212750 |
| Mr. S. Sathyanarayanan | 197600 |
| Mr. R. Raghavan | 300 |

There are no shares or convertible instruments held by any other Directors.

Board meetings held during the year 2016-17 and attendance details:

| Date of meeting | Total no. of Directors | No of Directors present |
|------------------|------------------------|-------------------------|
| May 30,2016 | 10 | 8 |
| June 11, 2016 | 10 | 9 |
| August 08,2016 | 10 | 9 |
| November 12,2016 | 10 | 10 |
| February 04,2017 | 10 | 9 |
| February 13,2017 | 10 | 8 |

- The time gap between any two meetings did not exceed 120 days.
- The last Annual General Meeting was held on September 15, 2016

Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has published Standards on secretarial practices relating to meetings of the Board/Committees, General meetings, Dividends, etc. The Secretarial and the operating practices of the Company are in line with the above Secretarial Standards. Information required as per Part A of Schedule II to SEBI Listing Regulations is provided to the Board at every meeting.

The company has put in place a system to familiarize the Independent Directors about the company's operations and business. In addition, the company also undertakes various measures to update the Independent Directors about the ongoing events and developments relating to the company. The company has disclosed the familiarization programme on its website under the web link <http://www.sancotrans.com/stl.html>.

3. Audit Committee

a) Composition, Names of Members and Chairman:

The Audit Committee comprises of Independent Directors, with Mr. R Vijayaraghavan as Chairman, Mr. V Govind, as Member and Mr. V Shankar as Member.

All the members of the Audit Committee have the expertise in finance and in general management. Mr. R Vijayaraghavan is Partner of a renowned firm of Advocates, specialized in Taxation matters and corporate law. Mr. V Govind is Managing Director of Lotus group of



ANNEXURE B TO BOARD'S REPORT

companies. Mr. V Shankar is a Chartered Accountant and Company Secretary & specialist in Company law matters.

b) **Terms of reference in brief:**

The Audit Committee reviews the quarterly / half yearly / annual financial statements and holds discussions with statutory auditors on the "Limited Review" of the quarterly / half-yearly accounts and review of annual accounts, matters relating to compliance with Accounting Standards, the Auditors' observations arising from the audit, areas of concern and other related matters.

The Committee also reviews at every meeting audit plan, significant observations arising from the reports of the Internal Auditor, areas of concern, adequacy of the follow up action taken by the management and adequacy of internal control systems.

The terms of reference have been reviewed from time to time and the committee has been mandated to review on compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c) **Meetings and Attendance:**

Audit committee meetings held and its attendance during the year 2016-17:

| Date of meeting | No. of members present |
|------------------------|-------------------------------|
| May 30, 2016 | 2 |
| August 08, 2016 | 2 |
| November 12,2016 | 3 |
| February 13,2017 | 2 |

The Statutory Auditors of the Company and the Internal Auditors have been invited to attend the Audit Committee meetings.

4. **Nomination & Remuneration Committee**

a) **Composition, Names of Members and Chairman:**

The Nomination & Remuneration committee comprises of the following independent Directors viz Mr. R Vijayaraghavan as the Chairman and Mr. V. Shankar and Mr. R. Raghavan as members.

b) **Terms of Reference in brief:**

- Formulate Remuneration Policy which includes the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.



ANNEXURE B TO BOARD'S REPORT

c) Meetings and Attendance:

| Date of meeting | No. of members present |
|-----------------|------------------------|
| May 19, 2016 | 3 |
| May 30, 2016 | 2 |

d) Performance Evaluation:

The Board has carried out the performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and its committees, number of committees and their roles, frequency of meetings, level of participation, independence of judgement, performance of their duties and obligations and implementation of good corporate governance practices.

Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-independent Directors. The Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, individual Non-Independent Board Members, Independent Directors and the Chairman.

e) Remuneration Policy:

1. Objective

The objective of the policy is to attract, retain and motivate the individuals that the company needs to achieve its goals.

2. Nomination and Remuneration Committee:

The committee is responsible for formulating and making amendments to the policy for the Directors, and Key Managerial Personnel (KMP) and Senior Executives of Sanco Trans Limited.

3. Remuneration to Non – Executive Directors:

Sitting Fees:

The Non-Executive / Independent Director are remunerated by way of sitting fees for attending meetings of the Board or Committee thereof as decided collectively by the members of the Board of Directors. The amount of such fees shall not exceed Rs.1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee or such other amount as may be prescribed by the Central Government from time to time.

4. Remuneration for the Managing Director, Whole-Time Director, KMP and Senior Management Personnel:

- a. The remuneration / compensation / commission etc. to the Whole-Time / Managing Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the



ANNEXURE B TO BOARD’S REPORT

prior / post approval of the shareholders/Central Government, wherever required.

The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel, will be determined by the Managing Director which will be ratified by the Committee and the Board.

b. Minimum remuneration:

If, in any financial year, the company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-Time/ Managing Director in accordance with the provisions of the Companies Act.

5. Remuneration for other employees:

The company reviews the performance of other employees annually and the remuneration is fixed. The remuneration consists of fixed pay, applicable DA and other allowances.

6. Remuneration for Workmen:

Remuneration for workmen is negotiated and agreed upon on periodical basis. Increase in remuneration of workmen is affected based on a review of performance of the company and increase in cost of living index.

7. Term of Appointment:

Term of Managing Director / Whole Time Director is generally for a period of 3 years and renewed for periods decided from time to time. Term of other employees generally is upto the age of superannuation. However the company also employs contract employees as consultants on need basis.

8. Post Retirement Benefits:

All employees are entitled for retirement benefits such as provident fund and gratuity.

9. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

f) Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors of the company are paid remuneration by way of sitting fees based on the Remuneration policy framed by the Nomination & Remuneration Committee. The payment is made based on the Member’s attendance in the meetings.

Non-Executive Directors are entitled to a Sitting Fee as detailed below:

| Particulars | Sitting Fees |
|---|---------------------|
| Board Meeting & Audit Committee meeting | Rs. 10,000/- |
| Other Committee Meetings | Rs. 5,000/- |



ANNEXURE B TO BOARD'S REPORT

- g) The details of remuneration paid/payable to the Directors during 2016-17 are:
- i) Non-executive Directors- Sitting Fees (excluding reimbursement of travel and other expenses incurred for the Company's business).
1. Mrs. S Devaki - Rs. 40,000/-
 2. Mr. R Vijayaraghavan - Rs. 95,000/-
 3. Mr. V Govind - Rs. 45,000/-
 4. Mr. V Shankar - Rs. 155,000/-
 5. Mr. R. Raghavan - Rs. 80,000/-
 6. Mr. T. R. Chandrasekaran - Rs. 70,000/-

- ii) Managing Director/Whole time Directors

| | Managing Director (Rs) | Deputy Managing Director (Rs) | Whole time Director (Rs) | Director Finance & CFO (Rs) |
|-----------------------------|------------------------|-------------------------------|--------------------------|-----------------------------|
| Salary | 36,00,000 | 30,00,000 | 16,40,000 | 20,50,000 |
| Allowances | -- | 9,00,000 | 5,80,000 | 3,00,000 |
| Perquisites | -- | 3,00,000 | -- | -- |
| Employer Contribution to PF | 4,32,000 | 3,24,000 | 1,96,800 | 2,46,000 |

The Company has no Employee Stock options scheme in force at present.

5. Stakeholders Relationship Committee

- a. The Stakeholders Relationship Committee consists of Mr. V. Shankar, Independent Non – Executive Director as Chairman, Mr. U. Udayabhaskar Reddy, Whole-time Director and Mr. S. R. Srinivasan, Director – Finance as members.
- b. The name and designation of Compliance Officer: Mr. S. R. Srinivasan, Director – Finance & Chief Financial Officer
- c. The number of investor complaints received during the year is 4 (four)
- d. The number of investor complaints not solved to the satisfaction of Shareholders is 'nil'
- e. The number of pending complaints as on date is 'nil'

6. Corporate Social Responsibility Committee

The company has constituted Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 comprising of Mr. S. Sathyanarayanan as Chairman, Mr. V. Upendran and Mr. V. Govind as members. The Committee met once during the year on November 02, 2016.



ANNEXURE B TO BOARD'S REPORT

7. Other Committee

The Company has constituted Finance and Investment Committee comprising of Mr. V. Upendran as Chairman and Mr. S. Sathyanarayanan, Mr. U. Udayabhaskar Reddy, Mr. S. R. Srinivasan & Mr. R. Raghavan as members. The Committee did not meet during the financial year.

8. General Body meetings

a) Details of location and time of holding the last three AGMs:

| Year | Location | Date & Time |
|-----------------------------|--|--------------------------------|
| 34 th AGM - 2014 | Narada Gana Sabha Mini Hall, 314, TTK Road, Alwarpet, Chennai 600018 | September 15, 2014 10.15 am |
| 35 th AGM - 2015 | Narada Gana Sabha Mini Hall, 314, TTK Road, Alwarpet, Chennai 600018 | August 19, 2015 10.15 am |
| 36 th AGM - 2016 | Narada Gana Sabha Mini Hall, 314, TTK Road, Alwarpet, Chennai 600018 | September 15, 2016 10.15 am |

- b) Special Resolutions have been passed in the previous three Annual General Meetings.
- c) No special resolution was passed through postal ballot during the financial year 2016-2017.
- d) No Extra Ordinary General Meeting was held in the last three years.
- e) No special resolution is proposed to be conducted through postal ballot.

9. Other Disclosures

a. Related Party Transactions:

There have been no materially significant related party transactions with the Company Promoters, Directors, and the Management, their subsidiaries or relatives which may have potential conflict with the interest of the Company. The necessary disclosures regarding the transactions with the related parties are given in the notes to the Annual Accounts for the year 2016-17.

The company has formulated a policy on related party transactions as required under Listing Agreement / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the policy is hosted in the website under the web link <http://www.sancotrans.com/stl.html>.

- b. There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.



ANNEXURE B TO BOARD'S REPORT

c. Whistle Blower Policy:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Whistle Blower Policy and has posted in the website under the web link <http://www.sancotrans.com/stl.html>. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

d. Subsidiary Companies:

The company has formulated a policy for determining Material Subsidiary as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the policy is hosted in the website under the web link <http://www.sancotrans.com/stl.html>.

The company does not have any material unlisted Indian subsidiary. The minutes of the meetings of the Board of Directors of the subsidiary companies are placed in the meetings of the Board of Directors of the Company.

e. Reconciliation of share capital audit:

The Company has engaged a qualified practicing Company Secretary to carry out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

f. Disclosure of Accounting Treatment:

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

g. Code of Conduct:

Your Company has adopted a Code of Conduct for members of the Board and the Senior Management personnel. The Code has been hosted on the Company's website under the web link <http://www.sancotrans.com/stl.html>.

h. Code of Conduct for prohibition of insider trading:

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. The Code has been hosted on the Company's website under the web link <http://www.sancotrans.com/stl.html>.



ANNEXURE B TO BOARD'S REPORT

- i. The Company has complied with all other mandatory requirements in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Means of communication

- a. The quarterly/half yearly results have been published in one English national Newspaper (Trinity Mirror) and in one Tamil Newspaper (Makkal Kural).
- b. The Company's website (www.sancotrans.com) also displays several other details/information of interest to various stakeholders.
- c. A Management discussion and Analysis Report is being presented as 'Annexure A' to the Board's Report.

11. General shareholder information

a. 37th Annual General Meeting

Day : Monday
 Date and Time : 18th September, 2017 at 10.00 AM
 Venue : Narada Gana Sabha, Mini Hall, 314,
 T.T.K Road, Alwarpet, Chennai 600018

b. Financial Calendar

| | |
|--------------------------------------|-------------------------------|
| First quarter results | Second week of September 2017 |
| Second quarter results | Second week of December 2017 |
| Third quarter results | Second week of February 2018 |
| Audited Results for the year 2017-18 | Before end of May 2018 |

- c. **Book Closure dates** : 12.09.2017 to 18.09.2017
- d. **Dividend payment date** : Commencing on September 23, 2017–
 To be completed within the statutory time limit
- e. **Listing/Stock Code of equity shares:**

| Name of exchange | Stock code |
|------------------|------------|
| BSE Limited | 523116 |



ANNEXURE B TO BOARD'S REPORT

f. Market price data

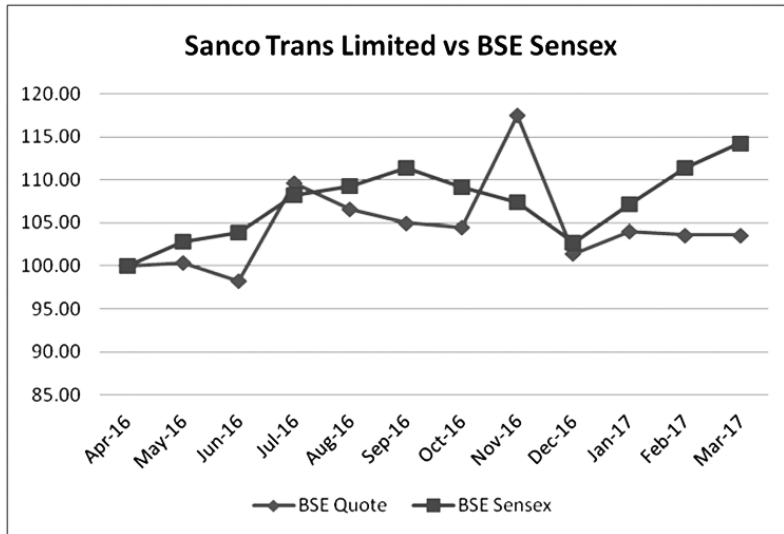
| Month & Year | BSE LIMITED | | | |
|--------------|------------------|--------|----------|----------|
| | Share Price (Rs) | | Sensex | |
| | High | Low | High | Low |
| April-16 | 280.00 | 234.10 | 26100.54 | 24523.20 |
| May-16 | 281.00 | 247.00 | 26837.20 | 25057.93 |
| June-16 | 275.00 | 239.20 | 27105.41 | 25911.33 |
| July-16 | 306.95 | 245.00 | 28240.20 | 27034.14 |
| August-16 | 298.30 | 257.00 | 28532.25 | 27627.97 |
| September-16 | 293.95 | 250.00 | 29077.28 | 27716.78 |
| October-16 | 292.50 | 269.05 | 28477.65 | 27488.30 |
| November-16 | 328.90 | 250.00 | 28029.80 | 25717.93 |
| December-16 | 284.00 | 250.50 | 26803.76 | 25753.74 |
| January-17 | 291.05 | 260.00 | 27980.39 | 26447.06 |
| February-17 | 290.00 | 258.90 | 29065.31 | 27590.10 |
| March -17 | 290.00 | 257.05 | 29824.62 | 28716.21 |

g. Performance in comparison to BSE Sensex

| STOCK PERFORMANCE VS BSE SENSEX | | | | |
|---------------------------------|-----------|-----------|------------|-----------|
| Month | BSE Quote | % to base | BSE Sensex | % to base |
| | (High) | | (High) | |
| April-16 | 280.00 | 100.00 | 26100.54 | 100.00 |
| May-16 | 281.00 | 100.36 | 26837.20 | 102.82 |
| June-16 | 275.00 | 98.21 | 27105.41 | 103.85 |
| July-16 | 306.95 | 109.63 | 28240.20 | 108.20 |
| August-16 | 298.30 | 106.54 | 28532.25 | 109.32 |
| September-16 | 293.95 | 104.98 | 29077.28 | 111.40 |
| October-16 | 292.50 | 104.46 | 28477.65 | 109.11 |
| November-16 | 328.90 | 117.46 | 28029.80 | 107.39 |
| December-16 | 284.00 | 101.43 | 26803.76 | 102.69 |
| January-17 | 291.05 | 103.95 | 27980.39 | 107.20 |
| February-17 | 290.00 | 103.57 | 29065.31 | 111.36 |
| March -17 | 290.00 | 103.57 | 29824.62 | 114.27 |



ANNEXURE B TO BOARD'S REPORT



h. Registrar and Transfer Agents

All share registry work in respect of both physical and demat segments are handled by a single agency viz. M/s Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Anna Salai, Chennai - 600002 as the Registrar and Transfer Agent (RTA) of the Company for all aspects of investor servicing relating to shares.

i. Share transfer system

The share transfers, transmission & requests for dematerialization were approved in the Stakeholders' Relationship Committee meetings within the statutory time limit.

j. Distribution of shareholding as on March 31, 2017:

| Range | Shareholders | | Shares | |
|-------------------|--------------|-----------------|----------------|-----------------|
| | Number | % | Number | % |
| 1 - 100 | 1767 | 71.1639 | 91264 | 5.0702 |
| 101 - 500 | 555 | 22.3519 | 146356 | 8.1308 |
| 501 - 1000 | 81 | 3.2621 | 63370 | 3.5205 |
| 1001 - 2000 | 42 | 1.6915 | 61283 | 3.4046 |
| 2001 - 3000 | 14 | 0.5638 | 34498 | 1.9165 |
| 3001 - 4000 | 4 | 0.1610 | 14181 | 0.7878 |
| 4001 - 5000 | 1 | 0.0402 | 4035 | 0.2241 |
| 5001 - 10000 | 6 | 0.2416 | 46421 | 2.5789 |
| 10001 - And above | 13 | 0.5235 | 1338592 | 74.3662 |
| TOTAL | 2483 | 100.0000 | 1800000 | 100.0000 |



ANNEXURE B TO BOARD'S REPORT

k. Shareholding pattern as on March 31, 2017:

| Sl No | Category | No. of holders | No. of Shares | % |
|-------|--------------------------|----------------|----------------|---------------|
| 1 | Promoters | 9 | 1263433 | 70.19 |
| 2 | Resident individuals | 2342 | 418532 | 23.25 |
| 3 | Bodies corporate | 45 | 74504 | 4.14 |
| 4 | Clearing members | 4 | 219 | 0.01 |
| 5 | Hindu undivided families | 65 | 33674 | 1.87 |
| 6 | Non Resident Indians | 18 | 9638 | 0.54 |
| | TOTAL | 2483 | 1800000 | 100.00 |

l. Dematerialization of shares and liquidity

Shares of the company can be held and traded in dematerialized form. The pattern of shareholding in physical and dematerialized form as on March 31, 2017 is given below:

| Category | No. of holders | No. of Shares |
|----------|----------------|---------------|
| Physical | 803 | 142877 |
| Demat | 1680 | 1657123 |
| Total | 2483 | 1800000 |

m. Branches: Bangalore, Chennai (Container Freight Station), Mumbai, Ranipet, Trichy, Tuticorin.

n. Address for correspondence

Investors may contact the Registrar and Transfer Agents (RTA) for matters relating to shares, dividends, annual reports and related issues at the following address:

M/s. Cameo Corporate Services Limited
 Subramanian Building, No. 1, Club House Road,
 Anna Salai, Chennai - 600 002
 Tel: 044-28461073 Fax: 044-28460129
 E Mail: kanthimathi@cameoindia.com

For other general matters or in case of any difficulties/grievances investors may contact:

Mr. S. R. Srinivasan
 Director - Finance & Compliance Officer,
 Sanco Trans Limited,
 S. T. Tower, New No. 24 & 25, II Floor,
 Second Line Beach Road, Chennai - 600 001
 Tel: 044-6644 9000
 E-Mail: shareholder@sancotrans.com



ANNEXURE C TO BOARD'S REPORT

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Sanco Trans Limited

1. We have examined the compliance of conditions of Corporate Governance by M/s. Sanco Trans Limited (the Company), for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).
2. **Managements' Responsibility**
The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.
3. **Auditor's Responsibility**
Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. **Opinion**
Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
8. We 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 M S Krishnaswami & Rajan

Chartered Accountants
Registration No. 01554S

Dated : July 15, 2017
Place : Chennai

M S Murali- Partner
Membership No.26453



ANNEXURE D TO BOARD'S REPORT

Certification by Managing Director and Chief Financial Officer

We, V Upendran, Managing Director and S R Srinivasan, Chief Financial Officer of Sanco Trans Limited, certify that:

1. We have reviewed the financial statements for the year 2016-17 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's Internal Control System for financial reporting and evaluating its effectiveness. Internal audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit committee of the Board. The auditors and audit committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the auditors and to the Audit Committee:
 - a. significant changes, if any, in internal control over financial reporting during the year;
 - b. significant changes, if any, in accounting policies during the year;
 - c. instances of significant fraud, if any, of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting. However, there was no such instance during the year.

V. Upendran

Chairman & Managing Director
(DIN: 00557511)

July 15, 2017
Chennai

S. R. Srinivasan

Director-Finance/Chief Financial Officer
(DIN: 03559408)

Declaration on Compliance with Code of Conduct

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that for the financial year ended March 31, 2017, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

July 15, 2017
Chennai

V. Upendran

Chairman & Managing Director
(DIN: 00557511)



ANNEXURE E TO BOARD'S REPORT

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint venture

Part "A" Subsidiaries

| | | |
|-----|---|--------------------------------|
| 1. | Sl. No. 1 | |
| 2. | Name of the subsidiary | : M/s. Sanco Transport Limited |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | : N.A. |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | : N.A. |
| 6. | Reserves & surplus | : (Rs. 40,322,349.65) |
| 7. | Total assets | : Rs. 51,193,471.00 |
| 8. | Total Liabilities | : Rs. 51,193,471.00 |
| 9. | Investments | : Nil |
| 10. | Turnover | : Rs. 87,623,905.00 |
| 11. | Profit before taxation | : (Rs. 24,013,460.23) |
| 12. | Provision for taxation | : Nil |
| 13. | Profit after taxation | : (Rs. 24,013,460.23) |
| 14. | Proposed Dividend | : Nil |
| 15. | % of shareholding | : 100% |



ANNEXURE E TO BOARD'S REPORT

| | | |
|-----|---|--------------------------------|
| 1. | Sl. No. 2 | |
| 2. | Name of the subsidiary | : M/s. Sanco Clearance Limited |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | : N.A. |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | : N.A. |
| 5. | Share capital | : Rs. 500,000.00 |
| 6. | Reserves & surplus | : (Rs. 730,161.00) |
| 7. | Total assets | : Rs. 730,542.00 |
| 8. | Total Liabilities | : Rs. 730,542.00 |
| 9. | Investments | : Nil |
| 10. | Turnover | : Nil |
| 11. | Profit before taxation | : (Rs. 511,389.00) |
| 12. | Provision for taxation | : Nil |
| 13. | Profit after taxation | : (Rs. 511,389.00) |
| 14. | Proposed Dividend | : Nil |
| 15. | % of shareholding | : 100% |

Notes:

1. Names of subsidiaries which are yet to commence operations: M/s. Sanco Clearance Limited
2. Names of subsidiaries which have been liquidated or sold during the year: Nil
3. The Company has no Associates and Joint Ventures. Hence Part B of Form AOC-1 is not applicable to the company.

For and on behalf of the Board of Directors

Place : Chennai
Dated : July 15, 2017

V Upendran
Chairman & Managing Director
(DIN: 00557511)



ANNEXURE F TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|---|---|
| 1. | CIN | L60220TN1979PLC007970 |
| 2. | Registration Date | 12.10.1979 |
| 3. | Name of the Company | M/s. Sanco Trans Limited |
| 4. | Category/Sub-category of the Company | Company Limited by Shares / Indian Non Government Company |
| 5. | Address of the Registered office & contact details | S.T. Tower, New No. 24 & 25, II Floor, Second Line Beach Road, Chennai - 600 001. |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent | M/s. Cameo Corporate Services Limited Subramanian Building, No. 1, Club House Road, Anna Salai, Chennai – 600 001 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Supporting transport services | 552 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Appropriate Section |
|--------|---|-----------------------|--------------------------------|------------------|---------------------|
| 1. | Sanco Transport Limited II Floor, No. 24 & 25, ST Tower, Second Line Beach Road, Chennai - 600001 | U74999TN2015PLC099736 | Subsidiary | 100% | 2(87) |
| 2. | Sanco Clearance Limited II Floor, No. 24 & 25, ST Tower, Second Line Beach Road, Chennai - 600001 | U74999TN2015PLC099734 | Subsidiary | 100% | 2(87) |



ANNEXURE F TO BOARD'S REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

1. Category-wise Share Holding

| Cat-egory code | Category of Shareholder | No. of shares held at the beginning of the year | | | No. of shares held at the end of the year | | | % Change during the year | |
|----------------|--|---|----------|----------------|---|----------------|----------|--------------------------|----------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | | Total |
| A. | SHAREHOLDING OF PROMOTER AND PROMOTER GROUP | | | | | | | | |
| 1. | INDIAN | | | | | | | | |
| a. | INDIVIDUALS/HINDU UNDIVIDED FAMILY | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| b. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | BODIES CORPORATE | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | ANY OTHER | | | | | | | | |
| | DIRECTORS AND THEIR RELATIVES | 1296733 | 0 | 1296733 | 72.0407 | 1263433 | 0 | 1263433 | 70.1907 |
| | | 1296733 | 0 | 1296733 | 72.0407 | 1263433 | 0 | 1263433 | 70.1907 |
| | SUB - TOTAL (A)(1) | 1296733 | 0 | 1296733 | 72.0407 | 1263433 | 0 | 1263433 | 70.1907 |
| 2. | FOREIGN | | | | | | | | |
| a. | INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 |
| b. | BODIES CORPORATE | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 |
| c. | INSTITUTIONS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 |
| d. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 |



ANNEXURE F TO BOARD'S REPORT

| Cat-egory code | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year | |
|----------------|--|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|---------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| e. | ANY OTHER | | | | | | | | | | |
| | SUB - TOTAL (A)(2) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| | TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2) | 1296733 | 0 | 1296733 | 72.0407 | 1263433 | 0 | 1263433 | 70.1907 | -1.8500 | -1.8500 |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | | |
| a. | MUTUAL FUNDS/UTI | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| b. | FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| c. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| d. | VENTURE CAPITAL FUNDS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| e. | INSURANCE COMPANIES | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| f. | FOREIGN INSTITUTIONAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| g. | FOREIGN VENTURE CAPITAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| h. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| i. | ANY OTHER | | | | | | | | | | |
| | SUB - TOTAL (B)(1) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 |
| 2. | NON-INSTITUTIONS | | | | | | | | | | |
| a. | BODIES CORPORATE | 42042 | 400 | 42442 | 2.3578 | 74104 | 400 | 74504 | 4.1391 | 1.7812 | 1.7812 |



ANNEXURE F TO BOARD'S REPORT

| Category code | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|---------------|--|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| b. | INDIVIDUALS - | | | | | | | | | |
| | I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH | 272078 | 147275 | 419353 | 23.2973 | 265732 | 142475 | 408207 | 22.6781 | -0.6192 |
| | II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | ANY OTHER | | | | | | | | | |
| | CLEARING MEMBERS | 18 | 0 | 18 | 0.0010 | 219 | 0 | 219 | 0.0121 | 0.0111 |
| | HINDU UNDIVIDED FAMILIES | 33301 | 2 | 33303 | 1.8501 | 33672 | 2 | 33674 | 1.8707 | 0.0206 |
| | NON RESIDENT INDIANS | 8151 | 0 | 8151 | 0.4528 | 9638 | 0 | 9638 | 0.5354 | 0.0826 |
| | | 41470 | 2 | 41472 | 2.3040 | 43529 | 2 | 43531 | 2.4183 | 0.1143 |
| | SUB - TOTAL (B)(2) | 355590 | 147677 | 503267 | 27.9592 | 393690 | 142877 | 536567 | 29.8092 | 1.8500 |
| | TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2) | 355590 | 147677 | 503267 | 27.9592 | 393690 | 142877 | 536567 | 29.8092 | 1.8500 |
| | TOTAL (A)+(B) | 1652323 | 147677 | 1800000 | 100.0000 | 1657123 | 142877 | 1800000 | 100.0000 | 0.0000 |
| C. | SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED | | | | | | | | | |
| | Promoter and Promoter Group | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Public | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | TOTAL CUSTODIAN (C) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | GRAND TOTAL (A)+(B)+(C) | 1652323 | 147677 | 1800000 | 100.0000 | 1657123 | 142877 | 1800000 | 100.0000 | 0.0000 |



ANNEXURE F TO BOARD'S REPORT

2. Shareholding of Promoters:

| SI No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding 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 | SUDHARSAN LOGISTICS PRIVATE LIMITED | 496883 | 27.6046 | 0.0000 | 463583 | 25.7546 | 0.0000 | -1.8500 |
| 2 | DEVAKI S | 212750 | 11.8194 | 0.0000 | 212750 | 11.8194 | 0.0000 | 0.0000 |
| 3 | SATHYANARAYANAN S | 197600 | 10.9777 | 0.0000 | 197600 | 10.9777 | 0.0000 | 0.0000 |
| 4 | SANCO ESTATES AND FARMS PRIVATE LIMITED | 150100 | 8.3388 | 0.0000 | 150100 | 8.3388 | 0.0000 | 0.0000 |
| 5 | UPENDRAN V | 79900 | 4.4388 | 0.0000 | 79900 | 4.4388 | 0.0000 | 0.0000 |
| 6 | SATHYAVATHI P | 40000 | 2.2222 | 0.0000 | 40000 | 2.2222 | 0.0000 | 0.0000 |
| 7 | GAJALAKSHMI S | 40000 | 2.2222 | 0.0000 | 40000 | 2.2222 | 0.0000 | 0.0000 |
| 8 | GUNAVATHI D | 40000 | 2.2222 | 0.0000 | 40000 | 2.2222 | 0.0000 | 0.0000 |
| 9 | MEERA M | 39500 | 2.1944 | 0.0000 | 39500 | 2.1944 | 0.0000 | 0.0000 |



ANNEXURE F TO BOARD'S REPORT

3 Change in Promoter's Shareholding:

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | SUDHARSAN LOGISTICS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2016 | 496883 | 27.6046 | 496883 | 27.6046 |
| | Sale 17-Feb-2017 | -33300 | 1.8500 | 463583 | 25.7546 |
| | At the end of the Year 31-Mar-2017 | 463583 | 25.7546 | 463583 | 25.7546 |
| 2 | DEVAKI S | | | | |
| | At the beginning of the year 01-Apr-2016 | 212750 | 11.8194 | 212750 | 11.8194 |
| | At the end of the Year 31-Mar-2017 | 212750 | 11.8194 | 212750 | 11.8194 |
| 3 | SATHYANARAYANAN S | | | | |
| | At the beginning of the year 01-Apr-2016 | 197600 | 10.9777 | 197600 | 10.9777 |
| | At the end of the Year 31-Mar-2017 | 197600 | 10.9777 | 197600 | 10.9777 |
| 4 | SANCO ESTATES AND FARMS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2016 | 150100 | 8.3388 | 150100 | 8.3388 |
| | At the end of the Year 31-Mar-2017 | 150100 | 8.3388 | 150100 | 8.3388 |
| 5 | UPENDRAN V | | | | |
| | At the beginning of the year 01-Apr-2016 | 79900 | 4.4388 | 79900 | 4.4388 |
| | At the end of the Year 31-Mar-2017 | 79900 | 4.4388 | 79900 | 4.4388 |
| 6 | SATHYAVATHI P | | | | |
| | At the beginning of the year 01-Apr-2016 | 40000 | 2.2222 | 40000 | 2.2222 |
| | At the end of the Year 31-Mar-2017 | 40000 | 2.2222 | 40000 | 2.2222 |
| 7 | GAJALAKSHMI S | | | | |
| | At the beginning of the year 01-Apr-2016 | 40000 | 2.2222 | 40000 | 2.2222 |
| | At the end of the Year 31-Mar-2017 | 40000 | 2.2222 | 40000 | 2.2222 |
| 8 | GUNAVATHI D | | | | |
| | At the beginning of the year 01-Apr-2016 | 40000 | 2.2222 | 40000 | 2.2222 |
| | At the end of the Year 31-Mar-2017 | 40000 | 2.2222 | 40000 | 2.2222 |
| 9 | MEERA M | | | | |
| | At the beginning of the year 01-Apr-2016 | 39500 | 2.1944 | 39500 | 2.1944 |
| | At the end of the Year 31-Mar-2017 | 39500 | 2.1944 | 39500 | 2.1944 |



ANNEXURE F TO BOARD'S REPORT

4. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | RAJ KUMAR LOHIA | | | | |
| | At the beginning of the year 01-Apr-2016 | 21209 | 1.1782 | 21209 | 1.1782 |
| | At the end of the Year 31-Mar-2017 | 21209 | 1.1782 | 21209 | 1.1782 |
| 2 | AQUITAS INVESTMENT CONSULTANCY PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2016 | 10325 | 0.5736 | 10325 | 0.5736 |
| | At the end of the Year 31-Mar-2017 | 10325 | 0.5736 | 10325 | 0.5736 |
| 3 | SREY FINANCIAL SERVICE PVT. LTD | | | | |
| | At the beginning of the year 01-Apr-2016 | 10000 | 0.5555 | 10000 | 0.5555 |
| | At the end of the Year 31-Mar-2017 | 10000 | 0.5555 | 10000 | 0.5555 |
| 4 | SAMIR NARENDRA SHAH | | | | |
| | At the beginning of the year 01-Apr-2016 | 8000 | 0.4444 | 8000 | 0.4444 |
| | Sale 29-Apr-2016 | -8000 | 0.4444 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2017 | 0 | 0.0000 | 0 | 0.0000 |
| 5 | RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2016 | 7704 | 0.4280 | 7704 | 0.4280 |
| | Sale 03-Jun-2016 | -307 | 0.0170 | 7397 | 0.4109 |
| | Sale 06-Jan-2017 | -404 | 0.0224 | 6993 | 0.3885 |
| | Sale 17-Mar-2017 | -222 | 0.0123 | 6771 | 0.3761 |
| | At the end of the Year 31-Mar-2017 | 6771 | 0.3761 | 6771 | 0.3761 |
| 6 | HITESH RAMJI JAVERI | | | | |
| | JT1 : RADHABAI RAMJI JAVERI | | | | |
| | JT2 : HARSHA HITESH JAVERI | | | | |
| | At the beginning of the year 01-Apr-2016 | 6500 | 0.3611 | 6500 | 0.3611 |
| | At the end of the Year 31-Mar-2017 | 6500 | 0.3611 | 6500 | 0.3611 |
| | HAVING SAME PAN | | | | |



ANNEXURE F TO BOARD'S REPORT

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 6 | HITESH RAMJI JAVERI | | | | |
| | JT1 : RADHABAI RAMJI JAVERI | | | | |
| | JT2 : HARSHA HITESH JAVERI | | | | |
| | At the beginning of the year 01-Apr-2016 | 815 | 0.0452 | 815 | 0.0452 |
| | At the end of the Year 31-Mar-2017 | 815 | 0.0452 | 815 | 0.0452 |
| 7 | SUDHEER MAHAJAN | | | | |
| | JT1 : NAMRATA MAHAJAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 6213 | 0.3451 | 6213 | 0.3451 |
| | Purchase 13-Jan-2017 | 489 | 0.0271 | 6702 | 0.3723 |
| | Purchase 27-Jan-2017 | 160 | 0.0088 | 6862 | 0.3812 |
| | Purchase 10-Feb-2017 | 232 | 0.0128 | 7094 | 0.3941 |
| | Purchase 17-Feb-2017 | 225 | 0.0125 | 7319 | 0.4066 |
| | Purchase 17-Mar-2017 | 191 | 0.0106 | 7510 | 0.4172 |
| | At the end of the Year 31-Mar-2017 | 7510 | 0.4172 | 7510 | 0.4172 |
| 8 | HARSHA HITESH JAVERI | | | | |
| | JT1 : HITESH RAMJI JAVERI | | | | |
| | At the beginning of the year 01-Apr-2016 | 5700 | 0.3166 | 5700 | 0.3166 |
| | At the end of the Year 31-Mar-2017 | 5700 | 0.3166 | 5700 | 0.3166 |
| 9 | S N RAJAN | | | | |
| | JT1 : ANURADHA RAJAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 5080 | 0.2822 | 5080 | 0.2822 |
| | Purchase 15-Apr-2016 | 231 | 0.0128 | 5311 | 0.2950 |
| | Purchase 22-Apr-2016 | 284 | 0.0157 | 5595 | 0.3108 |
| | Purchase 29-Apr-2016 | 200 | 0.0111 | 5795 | 0.3219 |
| | Purchase 06-May-2016 | 500 | 0.0277 | 6295 | 0.3497 |
| | Purchase 20-May-2016 | 2458 | 0.1365 | 8753 | 0.4862 |
| | Purchase 08-Jul-2016 | 349 | 0.0193 | 9102 | 0.5056 |
| | Sale 22-Jul-2016 | -252 | 0.0140 | 8850 | 0.4916 |
| | Purchase 05-Aug-2016 | 64 | 0.0035 | 8914 | 0.4952 |
| | Purchase 09-Sep-2016 | 57 | 0.0031 | 8971 | 0.4983 |
| Sale 30-Sep-2016 | -24 | 0.0013 | 8947 | 0.4970 | |



ANNEXURE F TO BOARD'S REPORT

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Purchase 07-Oct-2016 | 1383 | 0.0768 | 10330 | 0.5738 |
| | Purchase 14-Oct-2016 | 17 | 0.0009 | 10347 | 0.5748 |
| | Purchase 28-Oct-2016 | 42 | 0.0023 | 10389 | 0.5771 |
| | Purchase 04-Nov-2016 | 247 | 0.0137 | 10636 | 0.5908 |
| | Purchase 11-Nov-2016 | 105 | 0.0058 | 10741 | 0.5967 |
| | Purchase 18-Nov-2016 | 53 | 0.0029 | 10794 | 0.5996 |
| | Sale 02-Dec-2016 | -104 | 0.0057 | 10690 | 0.5938 |
| | Purchase 30-Dec-2016 | 20 | 0.0011 | 10710 | 0.5950 |
| | Purchase 27-Jan-2017 | 37 | 0.0020 | 10747 | 0.5970 |
| | Sale 03-Feb-2017 | -232 | 0.0128 | 10515 | 0.5841 |
| | Sale 10-Feb-2017 | -105 | 0.0058 | 10410 | 0.5783 |
| | Purchase 17-Feb-2017 | 127 | 0.0070 | 10537 | 0.5853 |
| | Sale 03-Mar-2017 | -479 | 0.0266 | 10058 | 0.5587 |
| | Sale 10-Mar-2017 | -213 | 0.0118 | 9845 | 0.5469 |
| | Purchase 24-Mar-2017 | 480 | 0.0266 | 10325 | 0.5736 |
| | At the end of the Year 31-Mar-2017 | 10325 | 0.5736 | 10325 | 0.5736 |
| 10 | RAJ KUMAR LOHIA | | | | |
| | At the beginning of the year 01-Apr-2016 | 4035 | 0.2241 | 4035 | 0.2241 |
| | At the end of the Year 31-Mar-2017 | 4035 | 0.2241 | 4035 | 0.2241 |
| | NEW TOP 10 AS ON (31-Mar-2017) | | | | |
| 11 | INDFOS INDUSTRIES PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2016 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 17-Feb-2017 | 33300 | 1.8500 | 33300 | 1.8500 |
| | At the end of the Year 31-Mar-2017 | 33300 | 1.8500 | 33300 | 1.8500 |
| 12 | VENKATTU SRINIVASAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 2230 | 0.1238 | 2230 | 0.1238 |
| | Purchase 08-Jul-2016 | 426 | 0.0236 | 2656 | 0.1475 |
| | Purchase 15-Jul-2016 | 1771 | 0.0983 | 4427 | 0.2459 |
| | Purchase 22-Jul-2016 | 949 | 0.0527 | 5376 | 0.2986 |
| | Purchase 29-Jul-2016 | 146 | 0.0081 | 5522 | 0.3067 |
| | Purchase 05-Aug-2016 | 10 | 0.0005 | 5532 | 0.3073 |



ANNEXURE F TO BOARD'S REPORT

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Purchase 26-Aug-2016 | 151 | 0.0083 | 5683 | 0.3157 |
| | Purchase 02-Sep-2016 | 206 | 0.0114 | 5889 | 0.3271 |
| | Purchase 08-Sep-2016 | 1117 | 0.0620 | 7006 | 0.3892 |
| | Purchase 16-Sep-2016 | 1244 | 0.0691 | 8250 | 0.4583 |
| | Purchase 23-Sep-2016 | 1504 | 0.0835 | 9754 | 0.5418 |
| | Purchase 30-Sep-2016 | 121 | 0.0067 | 9875 | 0.5486 |
| | Purchase 07-Oct-2016 | 300 | 0.0166 | 10175 | 0.5652 |
| | Sale 10-Mar-2017 | -235 | 0.0130 | 9940 | 0.5522 |
| | At the end of the Year 31-Mar-2017 | 9940 | 0.5522 | 9940 | 0.5522 |

5. Shareholding of Directors and Key Managerial Personnel:

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | DEVAKI S | | | | |
| | At the beginning of the year 01-Apr-2016 | 212750 | 11.8194 | 212750 | 11.8194 |
| | At the end of the Year 31-Mar-2017 | 212750 | 11.8194 | 212750 | 11.8194 |
| 2 | SATHYANARAYANAN S | | | | |
| | At the beginning of the year 01-Apr-2016 | 197600 | 10.9777 | 197600 | 10.9777 |
| | At the end of the Year 31-Mar-2017 | 197600 | 10.9777 | 197600 | 10.9777 |
| 3 | UPENDRAN V | | | | |
| | At the beginning of the year 01-Apr-2016 | 79900 | 4.4388 | 79900 | 4.4388 |
| | At the end of the Year 31-Mar-2017 | 79900 | 4.4388 | 79900 | 4.4388 |
| 4 | RAGHAVAN R | | | | |
| | At the beginning of the year 01-Apr-2016 | 300 | 0.0167 | 300 | 0.0167 |
| | At the end of the Year 31-Mar-2017 | 300 | 0.0167 | 300 | 0.0167 |



ANNEXURE F TO BOARD'S REPORT

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 3261.53 | -- | -- | 3261.53 |
| ii) Interest due but not paid | -- | -- | -- | -- |
| iii) Interest accrued but not due | 18.29 | -- | -- | 18.29 |
| Total (i+ii+iii) | 3279.82 | -- | -- | 3279.82 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 359.19 | -- | -- | 359.19 |
| * Reduction | (567.76) | -- | -- | (567.76) |
| Net Change | (208.57) | -- | -- | (208.57) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 3071.25 | -- | -- | 3071.25 |
| ii) Interest due but not paid | -- | -- | -- | -- |
| iii) Interest accrued but not due | 22.09 | -- | -- | 22.09 |
| Total (i+ii+iii) | 3093.34 | -- | -- | 3093.34 |



ANNEXURE F TO BOARD'S REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: In Rupees

| S No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|-------|---|---|---|---|---|--------------|
| | | Mr. V. Upendran Managing Director | Mr. S. Sathyanarayanan Deputy Managing Director | Mr. U. Udayabhaskar Reddy Whole Time Director | Mr. S.R. Srinivasan Director- Finance & CFO | |
| | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 36,00,000 | 42,00,000 | 22,20,000 | 23,50,000 | 123,70,000 |
| 1 | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | -- | -- | -- | -- | -- |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -- | -- | -- | -- | -- |
| 2 | Stock Option | -- | -- | -- | -- | -- |
| 3 | Sweat Equity | -- | -- | -- | -- | -- |
| 4 | Commission - as % of profit - others, specify... | -- | -- | -- | -- | -- |
| 5 | Others, please specify | -- | -- | -- | -- | -- |
| | Total (A) | 36,00,000 | 42,00,000 | 22,20,000 | 23,50,000 | 123,70,000 |
| | Ceiling as per the Act | As per section II of Part II of Schedule V to the Companies Act, 2013 | | | | |

B. Remuneration to other directors

| S No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-------|--|-----------------------|----------------|---------------|-----------------|--------------|
| | | Mr. R. Vijayaraghavan | Mr. V. Shankar | Mr. V. Govind | Mr. R. Raghavan | |
| 1 | Independent Directors | | | | | |
| | Fee for attending board committee meetings | 95,000 | 1,55,000 | 45,000 | 80,000 | 4,50,000 |
| | Commission | -- | -- | -- | -- | -- |
| | Others, please specify | -- | -- | -- | -- | -- |
| | Total (1) | 95,000 | 1,55,000 | 45,000 | 80,000 | 4,45,000 |



ANNEXURE F TO BOARD'S REPORT

| | | | |
|---|--|---|-----------------|
| 2 | Other Non-Executive Directors | Mrs. S Devaki | Total Amount |
| | Fee for attending board committee meetings | 40,000 | 40,000 |
| | Commission | -- | -- |
| | Others, please specify | -- | -- |
| | Total (2) | 40,000 | 40,000 |
| | Total (B)=(1+2) | | 4,85,000 |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act | As per Section 197 of the Companies Act, 2013 | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | |
|----|---|--------------------------|---------|
| | | Company Secretary | Total |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 202,500 | 202,500 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | -- | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -- | -- |
| 2 | Stock Option | -- | -- |
| 3 | Sweat Equity | -- | -- |
| 4 | Commission | -- | -- |
| | - as % of profit | -- | -- |
| | others, specify... | -- | -- |
| 5 | Others, please specify | -- | -- |
| | Total | 202,500 | 202,500 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |



ANNEXURE G TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To,
The Members,
M/s. SANCO TRANS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sanco Trans Limited. (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Sanco Trans Limited'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, 2017, complied with the statutory provisions and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sanco Trans Limited ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings; (Not Applicable to the company during the audit period)
- (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, 2009; (Not Applicable to the company during the audit period)



ANNEXURE G TO BOARD'S REPORT

- (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008; (Not Applicable to the company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the company during the audit period)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

We further report that with respect to the other laws specifically applicable to the Company as furnished below, based on the written representations received from the officials/executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines:

1. Customs Act 1962.
2. Handling of Cargo in Customs Area Regulations, 2009
3. The Multimodal Transport of Goods Act, 1993
4. Transport of Dangerous Goods Act, 1992
5. IATA Act, 1945
6. The Madras Port Trust (Licensing of Stevedores) Regulations, 1987

We have also examined the applicable clauses of the following:

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. We report that the Company Secretary (KMP) had resigned w.e.f 31.12.2016.

We further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory audit and by other designated professionals.



ANNEXURE G TO BOARD'S REPORT

We further report that:

- i) the board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) 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 and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.
- iii) all the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- iv) there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- v) the shareholders of the company have given their consent to borrow money in excess of paid up capital and free reserves and to create charge or mortgage the assets of the Company to an extent of Rs. 75 Crores in the Annual General meeting held on 15.09.2014.

We further report that the Company had passed resolution by way of postal ballot on 28.03.2017 for approval of related party transactions pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Foreign technical collaborations.

Place : Chennai
Date : 30.05.2017

For A.K Jain & Associates
Company Secretaries

Balu Sridhar
Partner
FCS No. 5869
C. P. No. 3550



ANNEXURE H TO BOARD'S REPORT

Form 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 arms 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, if any : Nil
 - (e) Justification for entering into such contracts or arrangements or transactions : Nil
 - (f) Date(s) of approval by the Board : Nil
 - (g) Amount paid as advances, if any : 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**
 - i. (a) Name of the related party and nature of relationship:
SUDHARSAN LOGISTICS PRIVATE LIMITED
Enterprise where significant influence is exercised
 - (b) Nature of contracts/arrangements/transactions: For taking on lease/hire vehicles
 - (c) Duration of the contracts / arrangements / transactions : 11 months
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Rs. 40,000/- per month per vehicle
 - (e) Date(s) of approval by the Board, if any: Audit Committee approval on 12.11.2016
 - (f) Amount paid as advances, if any: Nil

 - ii. (a) Name of the related party and nature of relationship:
SUDHARSAN LOGISTICS PRIVATE LIMITED
Enterprise where significant influence is exercised
 - (b) Nature of contracts/arrangements/transactions: Lease Agreement
 - (c) Duration of the contracts / arrangements / transactions : 1 and 1/2 months
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Rent - Rs. 29,465.50/- per month
 - (e) Date(s) of approval by the Board, if any: Audit Committee approval on 13.02.2017
 - (f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

Place : Chennai
Dated : July 15, 2017

V Upendran
Chairman & Managing Director
(DIN: 00557511)



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANCO TRANS LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **SANCO TRANS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 as applicable.

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.
4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



INDEPENDENT AUDITOR'S REPORT

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements – Also Refer Note 3.4 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law (or) accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



INDEPENDENT AUDITOR'S REPORT

- iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on our audit procedures and relying on the Management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management- Refer Note 3.17 to the standalone financial statements.
9. 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 M.S. Krishnaswami & Rajan

Chartered Accountants

Registration No. 01554S

May 30, 2017

Chennai

M.S. Murali -Partner

Membership No. 26453



INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 8(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **SANCO TRANS LIMITED** ("the Company") as of March 31, 2017 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

2. 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 safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

3. 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



INDEPENDENT AUDITOR'S REPORT

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.S. Krishnaswami & Rajan

Chartered Accountants

Registration No. 01554S

May 30, 2017

Chennai

M.S. Murali -Partner

Membership No. 26453



INDEPENDENT AUDITOR'S REPORT

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of SANCO TRANS LIMITED ("the Company") for the year ended March 31, 2017)

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the year by the Management and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds/ transfer deeds/ conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loan to the two subsidiary companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In our opinion and based on the information and explanations furnished to us, we report that,
 - a. The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;
 - b. The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per Stipulations
 - c. There is no amount overdue for more than 90 days.
- (iv) The Company has not granted any loans secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (v) 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 Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (vi) According to information and explanations given to us, the Company has not accepted any deposit during the year and accordingly, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vii) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the Company.



INDEPENDENT AUDITOR'S REPORT

(viii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Sales Tax, Excise Duty and Cess which has not been deposited on account of any dispute with the relevant authorities. Details of dues (including interest, penalty etc.) of Income-tax, Service Tax, and Customs Duty which have not been deposited as at March 31, 2017 on account of disputes are as stated below:

| SI No | Name of the statute | Nature of dues | Period to which the amount relates | Disputed dues not deposited Rs | Forum where the dispute is pending |
|-------|--------------------------|------------------------|---|-----------------------------------|------------------------------------|
| 1 | The Income tax Act, 1961 | Tax Deducted at Source | Financial Year 2007-08 | 11,89,280 | CIT(A) |
| 2 | The Income tax Act, 1961 | Tax Deducted at Source | Financial Year 2008-09 | 4,13,480 | CIT(A) |
| 3 | The Income tax Act, 1961 | Tax Deducted at Source | Financial Year 2009-10 | 1,09,000 | CIT(A) |
| 4 | The Income tax Act, 1961 | Tax Deducted at Source | Financial Year 2009-10 | 2,68,820 | CIT(A) |
| 5 | The Income tax Act, 1961 | Income Tax | Assessment Year 2013-14 | 28,18,930 | CIT(A) |
| 6 | Central Excise Act, 1944 | Service Tax | 18-04-2006 to 31-03-2008 | 80,15,138 | CESTAT |
| 7 | Customs Act | Duty Drawback Claims | Financial Years 2008-09, 2009-10, 2010-11 | 18,32,000 | CESTAT |

(ix) The Company has neither borrowed from financial institutions or government nor are there any dues to debenture holders. Hence the question of commenting on defaults, if any, in respect of



INDEPENDENT AUDITOR'S REPORT

such borrowings, does not arise. In our opinion and according to the information and explanations given to us the Company has not defaulted in the repayment of loans or borrowings to banks.

- (x) The Company has not raised moneys by way of initial public offer or further public offers (including debt instruments) during the year. Hence, reporting on utilisation of such money does not arise. In our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purpose for which they were raised.
- (xi) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.
- (xii) 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 Companies Act, 2013.
- (xiii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable to the Company.
- (xiv) 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 financial statements etc. as required by the applicable accounting standards. Refer Note 3.12.
- (xv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M.S. Krishnaswami & Rajan

Chartered Accountants
Registration No. 01554S

May 30, 2017
Chennai

M.S. Murali - Partner
Membership No. 26453



Sanco Trans Limited

Balance Sheet as at March 31, 2017

| | Note No | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|--|---------|---|--|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 1.1 | 180.00 | 180.00 |
| Reserves and surplus | 1.2 | 9,745.91 | 9,732.89 |
| | | <u>9,925.91</u> | <u>9,912.89</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 1.3 | 1,024.24 | 1,457.30 |
| Deferred tax liabilities | 1.4 | 244.36 | 261.82 |
| Other Long-term liabilities | 1.5 | 61.83 | 61.83 |
| | | <u>1,330.43</u> | <u>1,780.95</u> |
| Current liabilities | | | |
| Short-term borrowings | 1.6 | 1,397.94 | 1,038.76 |
| Trade payables | | | |
| (a) Total Outstanding dues of micro enterprises and small enterprises (Refer Note: 3.13) | | - | - |
| (b) Total Outstanding dues of creditors other than micro enterprises and small enterprises | | 708.54 | 491.44 |
| Other current liabilities | 1.7 | 2,151.01 | 2,030.00 |
| Short - term provisions | 1.8 | 179.74 | 187.92 |
| | | <u>4,437.23</u> | <u>3,748.12</u> |
| TOTAL | | <u>15,693.57</u> | <u>15,441.96</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed Assets | 1.9 | | |
| Tangible assets | | 10,680.91 | 11,286.21 |
| Intangible assets | | 6.23 | 1.95 |
| Capital Work In Progress | | 416.73 | 413.92 |
| | | <u>11,103.87</u> | <u>11,702.08</u> |
| Non-current investment | 1.10 | 10.00 | 10.00 |
| Long - term loans and advances | 1.11 | 1,462.75 | 1,478.64 |
| Other non-current assets | 1.12 | 8.77 | 3.56 |
| Current Assets | | | |
| Inventories - Stores and spares | | 13.01 | 11.17 |
| Trade receivables | 1.13 | 1,813.41 | 1,212.81 |
| Cash and Bank balances | 1.14 | 841.49 | 586.41 |
| Short-term loans and advances | 1.15 | 168.79 | 127.56 |
| Other current assets | 1.16 | 271.48 | 309.73 |
| | | <u>3,108.18</u> | <u>2,247.68</u> |
| TOTAL | | <u>15,693.57</u> | <u>15,441.96</u> |
| Significant accounting policies and Notes to the Financial Statements form an integral part of this Balance sheet. | | | |
| This is the Balance sheet referred to in our report of even date | | For and on behalf of the Board | |
| For M.S. Krishnaswami & Rajan Chartered Accountants | | V Upendran Chairman and Managing Director DIN: 00557511 | S Sathyanarayanan Deputy Managing Director DIN: 00446573 |
| M S Murali - Partner | | | S R Srinivasan Director- Finance DIN: 03559408 |
| Chennai May 30, 2017 | | | |



Sanco Trans Limited

Statement of Profit and Loss for the year ended March 31, 2017

| | Note No. | Year ended March 31,2017 Rs. in Lakhs | Year ended March 31,2016 Rs. in Lakhs |
|--|----------|---|---|
| Revenue | | | |
| Revenue from operations | 2.1 | 8,228.45 | 7,527.69 |
| Other Income | 2.2 | 244.33 | 195.65 |
| Total Revenue | | 8,472.78 | 7,723.34 |
| Expenses | | | |
| Equipment and fleet hire | | 2,472.96 | 2,225.14 |
| Operating expenses | 2.3 | 2,829.41 | 2,539.85 |
| Employee benefits expense | 2.4 | 1,050.58 | 980.45 |
| Finance costs | 2.5 | 350.92 | 321.03 |
| Depreciation and amortization expense (Refer Note 1.9 to the Balance Sheet) | | 583.88 | 420.42 |
| Other expenses | 2.6 | 1,159.79 | 1,119.46 |
| Total expenses | | 8,447.54 | 7,606.35 |
| Profit before Exceptional/Extraordinary items and tax | | 25.24 | 116.99 |
| Exceptional items | | -- | -- |
| Extraordinary items | | -- | -- |
| | | 25.24 | 116.99 |
| Profit before tax | | 25.24 | 116.99 |
| Tax expense | 2.7 | (7.30) | 9.63 |
| Profit for the year after tax from continuing operations | | 32.54 | 107.36 |
| Profit/(Loss) from discontinuing operations | | -- | -- |
| Profit for the year | | 32.54 | 107.36 |
| Earnings per Equity Share | | | |
| Basic and diluted (Refer Note 3.9 the Financial Statements) | | | |
| - before extraordinary item | Rs. | 1.81 | 5.96 |
| - after extraordinary item | Rs. | 1.81 | 5.96 |

Significant accounting policies and Notes to the Financial Statements form an integral part of this Statement of Profit and loss

This is the Statement of Profit and loss referred in our report of even date

For and on behalf of the Board

For **M.S. Krishnaswami & Rajan**
Chartered Accountants

V Upendran
Chairman and
Managing Director
DIN: 00557511

S Sathyanarayanan
Deputy Managing
Director
DIN: 00446573

M S Murali - Partner

S R Srinivasan
Director- Finance
DIN: 03559408

Chennai
May 30, 2017



Cash Flow Statement for the year ended March 31, 2017

| | 2016-17 (Rs. In lakhs) | 2015-16 (Rs. In lakhs) |
|--|---------------------------|---------------------------|
| Cash flows from operating activities | | |
| Net profit before tax | 25.24 | 116.99 |
| Adjustments for : | | |
| Depreciation/amortisation/impairment not considered as cash outflow | 583.88 | 420.42 |
| (Profit) /Loss on disposal of fixed assets (net) considered under investing activities | 17.91 | (1.29) |
| Interest expense considered under Financing activity | 338.12 | 314.93 |
| Interest income considered under Investing activity | (161.05) | (116.98) |
| Amortisation of loan raising expenses | 0.86 | 1.01 |
| Operating profit before working capital changes | 804.96 | 735.08 |
| Adjustments for changes in : | | |
| Trade payables | 217.10 | 33.28 |
| Short term provisions | 11.32 | 18.00 |
| Other current liabilities | 234.61 | 296.28 |
| Long term liabilities | - | - |
| Inventories | (1.86) | (3.09) |
| Trade and other receivables | (600.60) | (61.60) |
| Long term advances | 255.31 | 12.99 |
| Short term advances | (41.23) | (65.19) |
| Other current and non-current assets | 34.63 | (165.01) |
| | 914.24 | 800.74 |
| Direct taxes paid | (249.58) | (191.02) |
| Cash inflow from operating activities | (1) 664.66 | 609.72 |
| Cash flows from investment activities | | |
| Payments for acquisition of fixed assets | (26.29) | (662.74) |
| Proceeds on disposal of fixed assets | 22.71 | 2.00 |
| Movement in other Bank balances | (38.99) | (1.60) |
| Interest received | 158.60 | 121.20 |
| Cash inflow/(outflow) from investment activities | (2) 116.03 | (541.14) |



Sanco Trans Limited

Cash Flow Statement for the year ended March 31, 2017 (Continued)

| | 2016-17 (Rs. In lakhs) | 2015-16 (Rs. In lakhs) |
|--|---------------------------|---------------------------|
| Cash flows from financing activities | | |
| Borrowings - Long term - Raised | - | 637.00 |
| - Repaid | (549.45) | (508.47) |
| - Short term - Movement | 359.18 | 147.78 |
| Interest paid | (334.32) | (309.95) |
| Dividend and tax thereon | (39.00) | (58.49) |
| Cash inflow/(outflow) from financing activities | (3) (563.59) | (92.13) |
| Net cash inflow/(outflow) (1) + (2) + (3) | 217.10 | (23.55) |
| At beginning | | |
| Cash and cash equivalents | 37.46 | 61.01 |
| | (4) 37.46 | 61.01 |
| At end | | |
| Cash and cash equivalents Refer Note. 1.14(i) | 254.56 | 37.46 |
| | (5) 254.56 | 37.46 |
| Movement: increase/(decrease) in Cash and cash equivalents | (5-4) 217.10 | (23.55) |

Significant accounting policies and Notes to the Financial Statements form an integral part of this Cash Flow Statement.

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

For and on behalf of the Board

For **M. S. Krishnaswami & Rajan**
Chartered Accountants

M S Murali - Partner

Chennai
May 30, 2017

V Upendran
Chairman and
Managing Director
DIN: 00557511

S Sathyanarayanan
Deputy Managing
Director
DIN: 00446573

S R Srinivasan
Director- Finance
DIN: 03559408



Significant Accounting Policies

Statement on Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2017

(a) Accounting convention

1. The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts.
2. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

(b) Use of estimates

Preparation of financial statements involves making of estimates and assumptions in accordance with generally accepted accounting principles that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and revenue and expenses during the periods reported. The estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Due to inherent uncertainty involved in making estimates, actual results may differ from those estimates under different assumptions or conditions. Any revision to accounting estimate is recognized prospectively in the current and future periods in which the results are known or materialize.

(c) Fixed assets

Cost of assets with certain limits on economic life and cost is capitalised. Cost (less CENVAT, if any) will include inward freight, duties, taxes and other incidental expenses related to acquisition. Certain categories of fixed assets were revalued and are carried at the revalued amounts less accumulated depreciation and impairment loss, if any.

Fixed assets that are not yet ready for their intended use, are carried at costs, comprising direct cost, and other incidental / attributable expenses and reflected under Capital work in progress.

(d) Depreciation /amortisation/ impairment

Depreciation is calculated on fixed assets in a manner that amortises, by equal annual installments, the cost of the assets after commissioning, over their economic useful lives subject to statutory requirements. Depreciation on additions to any asset or with respect to any asset sold/discarded/ demolished, is charged to revenue proportionately from/ upto the date the asset is used.



Significant Accounting Policies

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Provision for impairment will be reviewed periodically and amended depending on changes in circumstances.

(e) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. Expenditure incurred on raising loans is amortised over the period of such borrowings. Premium paid on prepayment of borrowing is amortised over the unexpired period thereof or sixty months, whichever is less. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

(f) Inventories

Stores and spares for the operating equipments are stated at lower of cost and estimated net realizable value, cost being ascertained on First In First Out basis. Obsolete, slow moving and defective items of inventories are adequately provided for.

(g) Investments

Long term investments are stated at cost. However, provision for diminution is made to recognize a decline, if any, other than temporary, in the carrying value of the investment.

(h) Revenue recognition

Revenue is recognized in respect of (i) executed work, at contracted rates, (ii) other work yet to be completed, at estimated net realizable value, (iii) warehousing operations, at estimated net realizable value (net of incentives, rebates, discounts etc), (iv) container freight station operations, at estimated net realizable value and (v) goods lying in the Container Freight Station auctioned by the Customs department, at the bid money, net of related expenses on clearance of goods from the yard. Operating earnings are reckoned net of the relevant expenses and losses claimable from the constituents.

(i) Foreign currency transactions

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at year-end rates and the gains/ losses arising on settlement of transactions and translation of monetary items is recognized in the Statement of Profit and Loss.

(j) Employee benefits

Employee benefits expense include salary, wages, compensated absences, medical benefits and other perquisites. It also includes post-employment benefits such as provident fund, gratuity, pensionary benefits etc.



Significant Accounting Policies

Short term employee benefit obligations are estimated and provided for.

Post-employment benefits and other long term employee benefits

- Defined contribution plans:

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees

- Defined benefits plan and compensated absences:

Company's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence.

Termination benefits

Expenditure on termination benefits is recognised in the Statement of Profit and Loss in the period of incurrence.

(k) Taxation

Provision for income tax expense comprises of current tax and deferred tax. Provision for current tax is made with reference to taxable income for the current accounting year by applying the applicable tax rate in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws after considering credit for Minimum Alternate Tax (MAT) available. Deferred income tax charge reflects the impact of the current period timing differences between taxable income and accounting income subject to consideration of prudence. The deferred tax charge or credit is recognized using prevailing tax rates. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case laws to reassess realization/liabilities.

(l) Provisions and contingencies

Provision is recognized when (i) the Company has a present obligation as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation that may, but probably will not, require outflow of resources. Where there is possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

(m) Cash Flow Statement

Cash flow statements are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information including taxes paid relating to these activities.



Notes to the Financial Statements

| | As at March 31,2017 Rs. in lakhs | As at March 31,2016 Rs. in lakhs |
|--|---|--|
| 1.1 Share Capital | | |
| Authorised | | |
| 70,00,000 (March31,2016: 70,00,000) | | |
| Equity shares of Rs.10 each with voting rights | 700.00 | 700.00 |
| Issued and Subscribed and fully Paid up | | |
| 18,00,000 (March 31,2016: 18,00,000) | | |
| Equity shares of Rs.10 each with voting rights | 180.00 | 180.00 |

- 1) Of the above, shares held by each shareholder holding more than 5% of shares

| Name of the shareholder | As at March 31,2017 | | As at March 31,2016 | |
|-------------------------------------|----------------------------|------------------------|--------------------------|------------------------|
| | No. of shares held | % of shares held | No. of shares held | % of shares held |
| Srimathi. Devaki S | 212,750 | 11.82 | 212,750 | 11.82 |
| Sri. Sathyanarayanan S | 197,600 | 10.98 | 197,600 | 10.98 |
| Sudharsan Logistics Private Ltd | 463,583 | 25.75 | 496,883 | 27.60 |
| Sanco Estates and Farms Private Ltd | 150,100 | 8.34 | 150,100 | 8.34 |

- 2) Rights, Preferences and Restrictions attached to shares

The holders of Equity shares are entitled to vote at the General Meeting and also to the dividend declared/paid in proportion to the Shares held by them. Apart from the above, their rights, preferences and restrictions are governed by the terms of their issue under the provisions of the Companies Act, 2013.

1.2 Reserves and Surplus

(a) Revaluation reserve

| | | |
|--|---------------------|-----------------|
| Balance as at the beginning of the year | 4,660.00 | 4,668.69 |
| Less: Transfer to General Reserve (Refer note 3.6(i)) | (8.69) | (8.69) |
| Balance as at the end of the year | (a) 4,651.31 | 4,660.00 |

(b) General reserve

| | | |
|---|---------------------|-----------------|
| Balance as at the beginning of the year | 4,712.39 | 4,638.70 |
| Add: Transfer from Surplus in Statement of Profit and loss | 10.00 | 65.00 |
| Add: Transfer from Revaluation Reserve (Refer note 3.6(i)) | 8.69 | 8.69 |
| Balance as at the end of the year | (b) 4,731.08 | 4,712.39 |



Notes to the Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|--|---|--|
| (c) Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 360.50 | 357.14 |
| Add: Profit for the year after tax | 32.54 | 107.36 |
| Less: Transfer to General reserve | 10.00 | 65.00 |
| Less: Dividend proposed Rs. 0.90 (March 31, 2016 Rs. 1.80) per Equity share | 16.20 | 32.40 |
| Less: Corporate tax on proposed dividend | 3.32 | 6.60 |
| Balance as at the end of the year | (c) 363.52 | 360.50 |
| Total (a)+(b)+(c) | 9,745.91 | 9,732.89 |
| 1.3 Long-term borrowings | | |
| Term loans from Banks - Secured | | |
| (i) Loan for construction of warehouse | - | 122.94 |
| (ii) Loan for acquisition of Land and building | 800.97 | 913.47 |
| (iii) Loan for acquisition of capital assets under deferred payment scheme | 223.27 | 420.89 |
| Total | 1,024.24 | 1,457.30 |
| (Security details Refer Note 3.1. Terms of the loans: Refer Note 3.14) | | |
| 1.4 Deferred Tax Liabilities (Net) | | |
| (a) Deferred tax liability arising due to | | |
| (i) Depreciation | 243.09 | 280.01 |
| (ii) Others | 1.27 | 1.65 |
| | 244.36 | 281.66 |
| (b) Deferred tax asset on account of Timing differences | | |
| | - | (19.84) |
| | 244.36 | 261.82 |
| 1.5 Other Long-term Liabilities | | |
| Rental Advance | 61.83 | 61.83 |
| | 61.83 | 61.83 |



Notes to the Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|--|---|--|
| 1.6 Short-term borrowings | | |
| Loans repayable on demand – Secured | | |
| From Banks – cash credit facilities (Security details Refer Note : 3.1(iv)) | 1,397.94 | 1,038.76 |
| Total | 1,397.94 | 1,038.76 |
| 1.7 Other Current Liabilities | | |
| (a) Current maturities of long term debt | | |
| - Secured | 649.07 | 765.46 |
| (b) Interest accrued but not due on borrowings | 22.09 | 18.29 |
| (c) Accrued expenses | 1,089.30 | 850.85 |
| (d) Advance from customers | 224.71 | 193.42 |
| (e) Employee related expenses | 49.19 | 48.31 |
| (f) Statutory dues | 27.87 | 45.04 |
| (g) Capital Creditors | 11.64 | 28.33 |
| (h) Unclaimed dividend | 13.70 | 14.71 |
| (i) Due to directors | 49.46 | 31.83 |
| (j) Other payables | 13.98 | 33.76 |
| | 2,151.01 | 2,030.00 |
| Note : a) Security details for current maturities of long term debt: Refer Note 3.1 to the Financial Statements | | |
| b) Details of terms of the current maturities of long term debt: Refer Note 3.14 to the Financial Statements | | |
| 1.8 Short-term provisions | | |
| (a) Provision for employee benefits | 58.06 | 60.00 |
| (b) Property tax | 102.16 | 88.92 |
| (c) Others | | |
| - Proposed Dividend | 16.20 | 32.40 |
| - Dividend Tax on proposed dividend | 3.32 | 6.60 |
| | 179.74 | 187.92 |



Notes to the Financial Statements

2016-17 Rs. In Lakhs

Note 1.9 (a) Tangible Assets

| Description | Gross block | | | Accumulated depreciation | | | Net block | |
|---|-----------------------------|--------------|---------------|------------------------------|-----------------------------|--|------------------------|------------------------------|
| | Balance as at 1 April, 2016 | Additions | Disposals | Balance as at 31 March, 2017 | Balance as at 1 April, 2016 | Depreciation / amortisation expense for the year | Disposals/ Adjustments | Balance as at 31 March, 2017 |
| (a) Land | | | | | | | | |
| Freehold | 6,356.71 | - | - | 6,356.71 | - | - | - | 6,356.71 |
| (b) Buildings - Own use | 3,641.32 | 1.15 | - | 3,642.47 | 254.73 | 210.81 | - | 3,176.93 |
| (c) Operating fleet/ equipments - Owned | 2,941.70 | - | 193.12 | 2,748.58 | 1,544.18 | 325.71 | 152.50 | 1,031.19 |
| (d) Machinery - Owned | 64.90 | - | - | 64.90 | 27.48 | 3.55 | - | 33.87 |
| (e) Office Vehicles - Owned | 88.76 | - | 0.41 | 88.35 | 46.10 | 16.68 | 0.41 | 25.98 |
| (f) Furniture - Owned | 11.14 | 0.23 | - | 11.37 | 4.54 | 1.40 | - | 5.43 |
| (g) Office equipment - Owned | 155.81 | 15.79 | - | 171.60 | 97.10 | 23.70 | - | 50.80 |
| Total | 13,260.34 | 17.17 | 193.53 | 13,083.98 | 1,974.13 | 581.85 | 152.91 | 10,680.91 |

Note 1.9 (b) Intangible Assets

| | | | | | | | | | |
|--------------------------|------------------|--------------|---------------|------------------|-----------------|---------------|---------------|-----------------|------------------|
| Software acquired | 16.29 | 6.31 | - | 22.60 | 14.34 | 2.03 | - | 16.37 | 6.23 |
| Total | 16.29 | 6.31 | - | 22.60 | 14.34 | 2.03 | - | 16.37 | 6.23 |
| Grand Total (a+b) | 13,276.63 | 23.48 | 193.53 | 13,106.58 | 1,988.47 | 583.88 | 152.91 | 2,419.44 | 10,687.14 |



Notes to the Financial Statements

2015-16 Rs. In Lakhs

Note 1.9 (a) Tangible Assets

| Description | Gross block | | | Accumulated depreciation | | | Net block | |
|---|-----------------------------|-----------------|--------------|------------------------------|-----------------------------|--|------------------------|------------------------------|
| | Balance as at 1 April, 2015 | Additions | Disposals | Balance as at 31 March, 2016 | Balance as at 1 April, 2015 | Depreciation / amortisation expense for the year | Disposals/ Adjustments | Balance as at 31 March, 2016 |
| (a) Land | | | | | | | | |
| Freehold | 6,356.71 | - | - | 6,356.71 | - | - | - | 6,356.71 |
| (b) Buildings - Own use | 1,433.28 | 2,208.04 | - | 3,641.32 | 171.58 | 83.15 | - | 3,386.59 |
| (c) Operating fleet/ equipments - Owned | 2,489.29 | 470.38 | 17.97 | 2,941.70 | 1,265.33 | 296.10 | 17.25 | 1,397.52 |
| (d) Machinery - Owned | 64.90 | - | - | 64.90 | 23.93 | 3.55 | - | 37.42 |
| (e) Office Vehicles - Owned | 88.76 | - | - | 88.76 | 29.19 | 16.91 | - | 42.66 |
| (f) Furniture - Owned | 9.13 | 2.01 | - | 11.14 | 3.29 | 1.25 | - | 6.60 |
| (g) Office equipment - Owned | 114.05 | 41.76 | - | 155.81 | 77.94 | 19.16 | - | 58.71 |
| Total | 10,556.12 | 2,722.19 | 17.97 | 13,260.34 | 1,571.26 | 420.12 | 17.25 | 11,286.21 |

Note 1.9 (b) Intangible Assets

| | | | | | | | | | |
|--------------------------|------------------|-----------------|--------------|------------------|-----------------|---------------|--------------|-----------------|------------------|
| Software acquired | 14.04 | 2.25 | - | 16.29 | 14.04 | 0.30 | - | 14.34 | 1.95 |
| Total | 14.04 | 2.25 | - | 16.29 | 14.04 | 0.30 | - | 14.34 | 1.95 |
| Grand Total (a+b) | 10,570.16 | 2,724.44 | 17.97 | 13,276.63 | 1,585.30 | 420.42 | 17.25 | 1,988.47 | 11,288.16 |



Notes to the Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|---|--|--|
| 1.10 Non- Current Investments | | |
| Long term, Trade, Unquoted 50,000 Equity Shares of Rs.10/- each in subsidiary Companies | | |
| Sanco Transport Limited | 5.00 | 5.00 |
| Sanco Clearance Limited | 5.00 | 5.00 |
| | 10.00 | 10.00 |
| 1.11 Long-Term Loans and Advances | | |
| Unsecured, considered good | | |
| (a) Security deposits | 11.76 | 22.75 |
| (b) Loan to subsidiary Companies | | |
| Sanco Transport Limited(STPL) | 409.49 | 590.64 |
| Sanco Clearance Limited(SCL) | 9.00 | - |
| (c) Advance payment of Income tax-net of provisions | 851.88 | 612.46 |
| (d) Capital Advance | - | 37.16 |
| (e) Other Advances | | |
| - Rent Advance | 124.53 | 160.71 |
| - Earnest money deposit | 18.41 | 9.22 |
| - Prepaid expenses | 12.10 | 23.97 |
| - Others | 25.58 | 21.73 |
| | 1,462.75 | 1,478.64 |
| 1.12 Other non-current assets | | |
| Unsecured, considered good | | |
| - Interest accrued on fixed deposits maturing after 12 months | 8.77 | 3.56 |
| | 8.77 | 3.56 |
| 1.13 Trade receivables | | |
| Unsecured, considered good | | |
| (a) Trade receivables outstanding for a period exceeding six months from the date they became due for payment | 19.19 | 34.63 |
| (b) Others | 1,794.22 | 1,178.18 |
| | 1,813.41 | 1,212.81 |
| Others include dues from Related Party for Rs. 631.87 Lakhs (2015-16 Rs. 133.48 Lakhs) | | |



Notes to the Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|--|--|--|
| 1.14 Cash and Bank balances | | |
| (i) Cash and cash equivalents | | |
| (a) Balance with banks | | |
| - in current account | 226.41 | 31.60 |
| (b) Cheques on hand | 26.89 | - |
| (c) Cash on hand | 1.26 | 5.86 |
| | 254.56 | 37.46 |
| (ii) Earmarked bank balances - unclaimed Dividend account | 13.70 | 14.71 |
| (iii) Balance with banks held as Margin money | 72.17 | 62.86 |
| (iv) Bank deposits maturing between 3 to 12 months | 380.23 | 433.10 |
| (v) Bank deposits maturing beyond 12 months | 120.83 | 38.28 |
| | 841.49 | 586.41 |
| 1.15 Short-term loans and advances | | |
| Unsecured, considered good | | |
| (a) Prepaid expenses | 36.63 | 15.04 |
| (b) Advances to suppliers, contractors and others | 123.65 | 103.98 |
| (c) Employee advance | 5.74 | 5.62 |
| (d) Balance with customs, port trust etc; | 2.77 | 2.92 |
| | 168.79 | 127.56 |
| 1.16 Other Current assets | | |
| (a) Interest accrued and due on fixed deposits maturing within 12 months | 18.63 | 22.40 |
| (b) Interest receivable from related parties | 1.01 | - |
| (c) Unamortised loan raising expenses | 4.11 | 4.97 |
| (d) Unbilled revenue | 247.73 | 282.36 |
| | 271.48 | 309.73 |



Notes to the Financial Statements

| | Year Ended March 31, 2017 Rs. in Lakhs | Year Ended March 31, 2016 Rs. in Lakhs |
|--|--|--|
| 2.1 Revenue from operations | | |
| (a) Handling earnings | 4,062.97 | 3,895.65 |
| (b) Equipment and fleet hire earnings | 3,078.23 | 2,468.90 |
| (c) Warehouse earnings | 793.01 | 899.18 |
| (d) Agency and other earnings | 294.24 | 263.96 |
| | 8,228.45 | 7,527.69 |
| 2.2 Other Income | | |
| (a) Interest income | 161.05 | 116.98 |
| (b) Profit on sale of fixed assets (net) | - | 1.29 |
| (c) Rent Received | 80.46 | 77.09 |
| (d) Net gain on foreign currency transaction and translation | 0.76 | 0.29 |
| (e) Others | 2.06 | |
| | 244.33 | 195.65 |
| 2.3 Operating expenses | | |
| (a) Handling expenses | 1,302.25 | 1,168.17 |
| (b) Container repairs | 290.92 | 291.87 |
| (c) Hired equipments upkeep | 73.83 | 52.54 |
| (d) Others | 67.99 | 46.33 |
| (e) Operating equipment upkeep | 1,094.42 | 980.94 |
| | 2,829.41 | 2,539.85 |
| 2.4 Employee benefits expense | | |
| (a) Salaries, wages and bonus | 751.89 | 722.47 |
| (b) Contribution to provident, gratuity and other funds | 54.79 | 45.26 |
| (c) Staff welfare expense | 243.90 | 212.72 |
| | 1,050.58 | 980.45 |
| 2.5 Finance costs | | |
| (a) Interest expense | 338.12 | 314.93 |
| (b) Other borrowing costs | | |
| - Guarantee charges | 11.94 | 5.09 |
| - Amortisation of loan raising expenses | 0.86 | 1.01 |
| | 350.92 | 321.03 |



Notes to the Financial Statements

| | Year Ended March 31, 2017 Rs. in Lakhs | Year Ended March 31, 2016 Rs. in Lakhs |
|--|--|--|
| 2.6 Other expenses | | |
| (a) Consumption of stores and tools | 6.78 | 32.22 |
| (b) Power and fuel | 64.20 | 52.18 |
| (c) Rent | | |
| - Warehouse | 491.39 | 533.76 |
| - Others | 45.49 | 44.44 |
| (d) Repairs to buildings | | |
| - Warehouse | 25.45 | 40.44 |
| - Others | 13.40 | 15.28 |
| (e) Repairs to vehicles | 7.43 | 2.27 |
| (f) Fuel for Office Vehicles | 12.63 | 15.18 |
| (g) Insurance | | |
| - Office Vehicles | 1.56 | 1.82 |
| - Others | 9.61 | 7.23 |
| (h) Rates and taxes | 32.21 | 6.81 |
| (i) Travel and conveyance | 122.90 | 89.50 |
| (j) Corporate Social Responsibility expenses | - | 13.75 |
| (k) Directors' Sitting Fees | 4.85 | 4.90 |
| (l) Security Services | 98.79 | 71.52 |
| (m) Loss on sale of fixed assets | 17.91 | - |
| (n) Others | 205.19 | 188.16 |
| | 1,159.79 | 1,119.46 |
| 2.7 Tax expense | | |
| (a) Current tax - Current year | 10.15 | 24.34 |
| - Prior year - (withdrawal) - net | - | (0.48) |
| (b) Deferred tax-Provision / (withdrawal) | (17.45) | (14.23) |
| | (7.30) | 9.63 |



Notes to the Financial Statements

- 3.1 (i) Loan for acquisition of capital assets under deferred payment scheme is secured by hypothecation of related capital assets and guaranteed by Deputy Managing Director;
- (ii) Loan Sanctioned of Rs.1,383 lakhs from a Bank for acquisition of immovable property(Note 1.3 and Note 1.7(a)) is secured by the immovable property (comprising Land and Building situated at Chennai) and is guaranteed by three Directors;
- (iii) Loan Sanctioned of Rs. 900 Lakhs (March 31, 2016 Rs. 900 Lakhs) (Note 1.3(i) and Note 1.7(a)) for construction of warehouse is secured by Land belonging to an enterprise which has a significant influence on the Company and is further secured by personal guarantee of three Directors; and
- (iv) Cash credit facility is secured by first charge on the book debts, land and structures thereon at Container Freight Station and guaranteed by three Directors.
- 3.2 Balance with banks in deposit accounts in Note 1.14(iv)and 1.14(v) to the Balance Sheet includes Rs. 486.59 lakhs (March 31, 2016 Rs.413.25 lakhs) in respect of which the relative deposit receipts have been pledged with banks as security for the guarantee facilities extended by them to the Company.
- 3.3 Capital expenditure commitments (net of advances) Rs. Nil (March 31, 2016 Rs. Nil)
- 3.4 Contingent liabilities - Claims against the Company not acknowledged as debts:
- Taxes Rs. 93.99 lakhs (2016 Rs. 161.63 lakhs).
 - Bank guarantee Rs. 683.89 lakhs (2016 Rs. 556.60 lakhs).
 - Others Rs. 53.93 lakhs (2016 Rs.35.88 lakhs).
- Outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.
- 3.5 (a) Warehouse earnings in Note 2.1 is net of incentives/ rebates/ trade discounts of Rs.796.76 lakhs (2015-16 Rs.1,017.72 lakhs)
- (b) Tax deducted at source on (i) Revenue from operations Rs. 57.44 lakhs (2015-16 Rs 161.61 lakhs); (ii) Interest income Rs. 6.23 lakhs (2015-16 Rs 19.19 lakhs).
- 3.6 (i) Depreciation for the year computed on revalued assets in excess of the depreciation computed under the method followed by the Company prior to revaluation is transferred from Revaluation reserve to the General Reserve in terms of the Application Guide on the provisions of schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India.



Notes to the Financial Statement

(ii) Useful life of Tangible and Intangible Assets:

(a) Useful life lower than that derived from the rates specified in Schedule II to the Companies Act, 2013.

| Block of Asset | Useful life(Years) | |
|----------------|--------------------|---------|
| | 2016-17 | 2015-16 |
| Office Vehicle | 5 | 5 |

b) Useful life not prescribed in Schedule II to the Companies Act, 2013.

| Block of Asset | Useful life (Years) | |
|-------------------|---------------------|---------|
| | 2016-17 | 2015-16 |
| Computer Software | 3 | 3 |

3.7 Corporate Social Responsibility (CSR) Obligation:

The Provisions of corporate social responsibility are not applicable to the Company for current financial year. The amount spent on CSR in the financial year 2015-16 was Rs.13.75 Lakhs.

3.8 Foreign exchange and foreign currency transactions and derivatives - (i) Imports – Rs. 9.28 lakhs (2015-16 Rs. Nil); (ii) Other expenditure in foreign currency Rs. 2.45 lakhs (2015-16 Rs. 7.65 lakhs); (iii) Other earnings in foreign exchange Rs. 31.85 lakhs (2015-16 Rs. 28.14 lakhs); (iv) There was no remittance in foreign currencies on account of dividend to non-resident shareholders; (v) Derivatives – Company has not so far used derivative financial instruments such as forward contracts, currency swap to hedge currency exposures, present and anticipated. However, currency exposure not hedged by derivative instruments are as under:

Amount receivable on account of services rendered, advances, etc. US \$8,673.15 equivalent Rs. 5.52 lakhs (March 31, 2016 US \$5,860.87 equivalent Rs. 3.89 lakhs); Amount payable on account of services obtained US \$3,827.66 equivalent Rs. 2.48 lakhs (March 31,2016 US \$2,339.58 equivalent Rs. 1.57 lakhs).

3.9 Earnings per share:

Rs. In lakhs

| | 2016-17 | 2015-16 |
|---|---------|---------|
| Profit/(loss) after tax as per Statement of Profit and Loss | 32.54 | 107.36 |
| Weighted average number of equity shares outstanding | 18.00 | 18.00 |
| Basic and Diluted earnings per share (Face value Rs. 10 each) | 1.81 | 5.96 |

3.10 (i) The Company has complied with the revised Accounting Standard 15-Employee benefits. Accordingly provision of Rs. 2.36 Lakhs has been made for the incremental liability towards gratuity for the year ended March 31,2017 (2015-16 Rs. Nil).



Notes to the Financial Statements

- (ii) Defined benefit plan - Gratuity: As per actuarial valuation on March 31, 2017. The disclosures furnished by Life Insurance Corporation of India in this regard are (a) Discounting rate: 8%(March 31, 2016 - 8%); (b) Salary escalation rate: 5%-7%(March 31, 2016 - 5%); (c) Mortality rate: as per LIC (1994-96) Mortality Table; (d) Attrition rate: 1% - 3% (March 31, 2016 1% - 3%); Method of valuation: Projected unit credit method.
- (iii) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year for the returns over the entire life of the related obligation.
- (iv) During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in Note 2.4 (b) - Contribution to provident fund Rs. 51.27 lakhs, (2015-16 Rs. 51.22 lakhs), Contribution towards gratuity Rs.3.52 lakhs (2015-16 Rs(5.96 lakhs)), Employees' welfare expenses includes contribution to employees' state insurance plan Rs.9.64 lakhs (2015-16 -Rs 9.42 lakhs).
- (v) Deferred benefits plan - Gratuity: As per actuarial valuation on March 31, 2017. The disclosures required in the said Accounting Standard regarding computation of the said benefits plan have not been furnished since the said information is not considered as material.
- (vi) Note 2.6(n)-Others under other expenses include Fees to auditors for statutory audit Rs. 2.50 Lakhs; for tax audit Rs. 1.50 lakhs; for taxation matters Rs. 1.00 lakhs and for certification and other services Rs. 1.00 lakh. The fees for the earlier year was Rs. 6.00 lakhs which was an all inclusive fees covering statutory audit, tax audit and other certification work.

3.11 Segment information - The Company's primary segment is identified as business segment based on nature of services, risks, returns and the internal business reporting system. The Company is primarily engaged in a single business segment viz., logistics.

3.12 Related party disclosure :

(i) List of Related Parties

(a) Key management personnel (KMP)

| | | |
|----------------------------|---|--|
| Shri. V Upendran | - | Managing Director |
| Shri. S Sathyanarayanan | - | Deputy Managing Director |
| Shri. U Udayabhaskar Reddy | - | Whole time Director |
| Shri. S R Srinivasan | - | Director - Finance* |
| Smt. Lakshmi Sowjanya | - | Company Secretary* (Upto December 31,2016) |

* KMP as per Section 2(76) of Companies Act, 2013.

(b) Enterprise where significant influence is exercised on the Company

- Sudharsan Logistics Private Limited (SLPL)



Notes to the Financial Statements

(c) Fully Owned Subsidiaries

- Sanco Transport Ltd
- Sanco Clearance Ltd

| | 2016-17 | 2015-16 |
|--|----------------|----------------|
| | Rs. in lakhs | Rs. in lakhs |
| (ii) Related Party Transactions and Closing balance | | |
| (a) Key Management Personnel | | |
| Remuneration | 125.73 | 122.15 |
| Rent Payment | 1.42 | 1.42 |
| Amounts payable at year end | 49.46 | 31.83 |
| (b) Enterprise where significant influence is exercised on the Company | | |
| Tractor/Trailer hire charges paid | 154.18 | 99.37 |
| Tractor/Trailer hire charges earned | 442.76 | 310.46 |
| Lease rent paid | 28.55 | 27.71 |
| Operating and maintenance charges earned | 674.90 | 66.97 |
| Dividend paid | 8.94 | 13.42 |
| Trade Receivables | 631.87 | 133.48 |
| Other Receivables | 293.37 | - |
| Rent advance outstanding | 5.00 | 5.00 |
| (c) Fully owned Subsidiaries | | |
| Tractor/Trailer hire charges paid | 113.18 | 146.23 |
| Interest received | 65.14 | 67.25 |
| Loan given | 9.00 | - |
| Trade payables outstanding | - | 0.64 |
| Trade receivable | 46.77 | - |
| Loan due from subsidiary companies | 418.49 | 590.64 |
| Interest receivable | 1.01 | - |

3.13 The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.



Notes to the Financial Statements

3.14 Details of terms of Secured Loans (Rs. in Lakhs)

| LOAN A/C | LOAN AMOUNT | | NO. OF INSTALMENTS | | INTEREST RATE RANGE | | INSTALMENT RANGE | | LOAN CLOSURE DATE | |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 |
| LA 17 | 54.88 | 175.96 | 5 | 17 | 12.00% | 12.00% | 9.55-11.20 | 9.55-11.20 | 07.08.17 | 07.08.17 |
| LA 18 | 913.47 | 994.72 | 57 | 69 | 11.65% | 10.00% | 6.25-20.83 | 6.25-20.83 | 15.12.21 | 15.12.21 |
| LA 19 | - | 3.68 | - | 5 | 11.25% | - | 0.72-0.75 | 0.72-0.75 | 05.08.16 | 05.08.16 |
| LA 20 | - | 2.08 | - | 7 | 11.25% | - | 0.29-0.30 | 0.29-0.30 | 05.10.16 | 05.10.16 |
| LA 21 | - | 1.85 | - | 10 | 11.25% | - | 0.18-0.19 | 0.18-0.19 | 07.01.17 | 07.01.17 |
| LA 22 | 5.40 | 13.51 | 8 | 20 | 10.50% | 10.50% | 0.67 | 0.67 | 20.11.17 | 20.11.17 |
| LA 23 | 2.16 | 5.40 | 8 | 20 | 10.50% | 10.50% | 0.27 | 0.27 | 20.11.17 | 20.11.17 |
| LA 26 | 68.07 | 218.25 | 5 | 17 | 12.00% | 12.00% | 13.34-13.89 | 11.84-13.89 | 07.08.17 | 07.08.17 |
| LA 27 | 1.47 | 9.76 | 2 | 14 | 10.15% | 10.15% | 0.73-0.74 | 0.66-0.74 | 07.05.17 | 07.05.17 |
| LA 28 | 216.00 | 216.00 | - | - | 11.30% | 11.30% | - | - | - | - |
| LA 29 | 54.94 | 96.65 | 14 | 26 | 11.25% | 11.25% | 3.70-4.17 | 3.03-4.17 | 20.05.18 | 20.05.18 |
| LA 30 | 280.27 | 370.76 | 31 | 43 | 10.04% | 10.04% | 7.96-10.22 | 7.02-10.22 | 15.10.19 | 15.10.19 |
| LA 31 | 76.65 | 114.15 | 21 | 33 | 11.26% | 11.26% | 3.32-5.16 | 2.93-4.01 | 20.12.18 | 20.12.18 |
| TOTAL | 1673.31 | 2222.77 | | | | | | | | |



Notes to the Financial Statements

- 3.15 The Company has taken land and buildings under operating lease for which lease rent of Rs.518.42 lakhs paid has been included in Other expenses Note no. 2.6

Rs. in lakhs

| Particulars | Minimum Future Lease rentals | | |
|--------------|------------------------------|---|------------------------|
| | Due within 1 year | Due later 1 year and not later than 5 years | Due later than 5 years |
| Lease rental | 454.87 | 914.66 | - |

- 3.16 The Company has purchased vehicles or hire purchase loan, Details of Repayments are as follows

Rs. in lakhs

| Particulars | Minimum Future Lease rentals | | |
|--------------------------|------------------------------|---|------------------------|
| | Due within 1 year | Due later 1 year and not later than 5 years | Due later than 5 years |
| (i) Principal Repayments | 649.07 | 1,673.30 | - |
| (ii) Interest Repayments | 37.99 | 55.21 | - |

- 3.17 The following are details of specified bank notes and other denomination notes during 08.11.2016 to 30.12.2016

Rs. in lakhs

| Particulars | SBNs | Other denomination notes | Total |
|---------------------------------------|-------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | 18.00 | 4.11 | 22.11 |
| Add : Permitted receipts | - | 21.95 | 21.95 |
| Less : Permitted payments | - | 19.24 | 19.24 |
| Less : Amount deposited in Banks | 18.00 | - | 18.00 |
| Closing cash in hand as on 30.12.2016 | - | 6.82 | 6.82 |

- 3.18 Figures relating to the previous year have been reclassified /regrouped, wherever necessary.

For and on behalf of the Board

Chennai
May 30,2017
V Upendran
Chairman and Managing Director
DIN: 00557511

S Sathyanarayanan
Deputy Managing Director
DIN: 00446573

S R Srinivasan
Director Finance
DIN: 03559408



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF SANCO TRANS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **SANCO TRANS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. 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.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

8. Financial Statements/ Consolidated Financial Statements of two subsidiaries which reflect total assets (net) of Rs. 519.24 lakhs as at March 31, 2017, total revenue (net) of Rs. 763.77 lakhs and net cash flows amounting to Rs. (14.00) lakhs for the year ended on that date, have been audited by us.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with the generally accepted accounting practice. Also Refer Note 3.5 to the consolidated financial statements.
 - ii. The Group did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
 - iv. The Group has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on our audit procedures and relying on the Management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management- Refer note 3.18 to the consolidated financial statements.

For M.S. Krishnaswami & Rajan

Chartered Accountants
Registration No. 01554S

May 30, 2017
Chennai

M.S. Murali -Partner
Membership No. 26453



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 9(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **SANCO TRANS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of March 31, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year then ended.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting based on criteria established by respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding company and its subsidiaries 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2017, 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



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports issued by us.

For M.S. Krishnaswami & Rajan

Chartered Accountants

Registration No. 01554S

May 30, 2017

Chennai

M.S. Murali -Partner

Membership No. 26453



CONSOLIDATED BALANCE SHEET AS AT MARCH 31,2017

| | Note No. | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|--|----------|--|--|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 1.1 | 180.00 | 180.00 |
| Reserves and surplus | 1.2 | 9,335.37 | 9,567.59 |
| | | <u>9,515.37</u> | <u>9,747.59</u> |
| Non- current liabilities | | | |
| Long-term borrowings | 1.3 | 1,148.71 | 1,511.22 |
| Deferred tax liabilities (net) | 1.4 | 244.36 | 261.82 |
| Other long-term liabilities | 1.5 | 61.83 | 61.83 |
| | | <u>1,454.90</u> | <u>1,834.87</u> |
| Current liabilities | | | |
| Short-term borrowings | 1.6 | 1,397.94 | 1,038.76 |
| Trade payables | | | |
| (a) Total Outstanding dues of micro enterprises and small enterprises | | - | - |
| (b) Total Outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 3.14) | | 922.04 | 659.79 |
| Other current liabilities | 1.7 | 2,266.54 | 2,077.72 |
| Short-term provisions | 1.8 | 179.74 | 187.92 |
| | | <u>4,766.26</u> | <u>3,964.19</u> |
| TOTAL | | <u>15,736.53</u> | <u>15,546.65</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed Assets | | | |
| Tangible assets | 1.9 | 11,052.05 | 11,743.59 |
| Intangible assets | | 6.23 | 1.95 |
| Capital Work in Progress | | 416.73 | 413.92 |
| | | <u>11,475.01</u> | <u>12,159.46</u> |
| Long-term loans and advances | 1.10 | 1,059.36 | 1,053.68 |
| Other non-current assets | 1.11 | 8.77 | 3.56 |
| Current Assets | | | |
| Inventories-Stores and spares | | 13.01 | 11.17 |
| Trade receivables | 1.12 | 1,857.18 | 1,267.34 |
| Cash and Bank balances | 1.13 | 847.31 | 602.40 |
| Short-term loans and advances | 1.14 | 175.10 | 127.56 |
| Other current assets | 1.15 | 300.79 | 321.48 |
| | | <u>4,261.52</u> | <u>3,387.19</u> |
| TOTAL | | <u>15,736.53</u> | <u>15,546.65</u> |

Significant accounting policies and Notes to the Consolidated Financial Statements form an integral part of this Consolidated Balance sheet.

This is the Consolidated Balance sheet referred to in our report of even date

For and on behalf of the Board

For **M.S. Krishnaswami & Rajan**
Chartered Accountants

V Upendran
Chairman and
Managing Director
DIN: 00557511

S Sathyanarayanan
Deputy Managing
Director
DIN: 00446573

M S Murali - Partner

S R Srinivasan
Director- Finance
DIN: 03559408

Chennai
May 30, 2017



Sanco Trans Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2017

| | Note No. | Year ended March 31,2017 Rs. in Lakhs | Year ended March 31,2016 Rs. in Lakhs |
|---|----------|---|---|
| Revenue | | | |
| Revenue from operations | 2.1 | 8,991.50 | 8,219.21 |
| Other income | 2.2 | 179.90 | 127.80 |
| Total Revenue | | 9,171.40 | 8,347.01 |
| Expenses | | | |
| Equipment and fleet hire | | 2,918.72 | 2,459.89 |
| Operating expenses | 2.3 | 3,213.54 | 2,999.37 |
| Employee benefits expense | 2.4 | 1,054.67 | 981.09 |
| Finance costs | 2.5 | 367.73 | 327.81 |
| Depreciation and amortization expense (Refer Note 1.9 to the consolidated Balance Sheet) | | 670.14 | 501.66 |
| Other expenses | 2.6 | 1,166.62 | 1,124.97 |
| Total expenses | | 9,391.42 | 8,394.79 |
| Profit/(Loss) before Exceptional/Extraordinary items and tax | | (220.02) | (47.78) |
| Exceptional items | | - | - |
| Extraordinary items | | - | - |
| | | (220.02) | (47.78) |
| Profit/(Loss) before tax | | (220.02) | (47.78) |
| Tax expense | 2.7 | (7.30) | 9.63 |
| Profit/(Loss) for the year after tax from continuing operations | | (212.72) | (57.41) |
| Profit/(Loss) from discontinuing operations | | -- | -- |
| Profit/(Loss) for the year | | (212.72) | (57.41) |
| Earnings per Equity Share | | | |
| Basic and diluted | | | |
| (Refer Note 3.10) to the Consolidated Financial Statements | | | |
| - before extraordinary item | Rs. | (11.82) | (3.19) |
| - after extraordinary item | Rs. | (11.82) | (3.19) |

Significant accounting policies and Notes to the Consolidated Financial Statements form an integral part of this Consolidated Statement of Profit and Loss.

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

For and on behalf of the Board

For **M.S. Krishnaswami & Rajan**
Chartered Accountants

V Upendran
Chairman and
Managing Director
DIN: 00557511

S Sathyanarayanan
Deputy Managing
Director
DIN: 00446573

M S Murali - Partner

S R Srinivasan
Director- Finance
DIN: 03559408

Chennai
May 30, 2017



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| | 2016-17 (Rs. in lakhs) | 2015-16 (Rs. in lakhs) |
|---|---------------------------|---------------------------|
| Cash flows from operating activities | | |
| Net profit before tax | (220.02) | (47.78) |
| Adjustments for : | | |
| Depreciation/amortisation/impairment not considered as cash outflow | 670.14 | 501.66 |
| (Profit) /Loss on disposal of fixed assets(net) considered under investing activities | 17.91 | (1.29) |
| Interest expense considered under Financing activity | 366.87 | 326.80 |
| Interest income considered under Investing activity | (96.62) | (49.73) |
| Amortisation of loan raising expenses | 0.86 | 1.01 |
| Operating profit before working capital changes | 739.14 | 730.67 |
| Adjustments for changes in : | | |
| Trade payables | 262.25 | 63.42 |
| Short term provisions | 11.32 | 18.00 |
| Other current liabilities | 232.11 | 458.37 |
| Inventories | (1.86) | (3.09) |
| Trade and other receivables | (589.84) | (116.14) |
| Long term advances | 231.32 | 3.64 |
| Short term advances | (47.54) | (65.19) |
| Other current and non-current assets | 19.73 | (176.78) |
| | 856.63 | 912.90 |
| Direct taxes paid | (238.83) | (205.72) |
| Cash inflow from operating activities | (1) 617.80 | 707.18 |
| Cash flows from investment activities | | |
| Payments for acquisition of fixed assets | (26.29) | (753.10) |
| Proceeds on disposal of fixed assets | 22.72 | 2.00 |
| Movement in other Bank balances | (46.09) | (2.79) |
| Interest received | 79.02 | 53.67 |
| Cash inflow/(outflow) from investment activities | (2) 29.36 | (700.22) |



Sanco Trans Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| | 2016-17 (Rs. in lakhs) | 2015-16 (Rs. in lakhs) |
|--|---------------------------|---------------------------|
| Cash flows from financing activities | | |
| Borrowings - Long term - Raised | 73.00 | 637.00 |
| - Repaid | (490.14) | (433.00) |
| - Short term - Movement | 359.18 | 147.78 |
| Interest paid | (350.38) | (318.08) |
| Dividend and tax thereon | (39.00) | (58.49) |
| Cash outflow from financing activities | (3) (447.34) | (24.79) |
| Net cash inflow/(outflow) (1) + (2) + (3) | 199.82 | (17.83) |
| At beginning | | |
| Cash and cash equivalents | 68.16 | 85.99 |
| | (4) 68.16 | 85.99 |
| At end | | |
| Cash and cash equivalents Refer Note. 1.13(i) | 267.98 | 68.16 |
| | (5) 267.98 | 68.16 |
| Movement: increase/(decrease) in Cash and cash equivalents | (5-4) 199.82 | (17.83) |

Significant accounting policies and Notes to the Consolidated Financial Statements form an integral part of this Consolidated Cash Flow Statement.

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

For and on behalf of the Board

For **M.S. Krishnaswami & Rajan**
Chartered Accountants

M S Murali - Partner

Chennai
May 30, 2017

V Upendran
Chairman and
Managing Director
DIN: 00557511

S Sathyanarayanan
Deputy Managing
Director
DIN: 00446573

S R Srinivasan
Director- Finance
DIN: 03559408



Consolidated Significant Accounting Policies

Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2017

(a) Accounting convention

1. The Consolidated Financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts.
2. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

(b) Use of estimates

Preparation of consolidated financial statements involves making of estimates and assumptions in accordance with generally accepted accounting principles that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and revenue and expenses during the periods reported. The estimates are based as historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Due to inherent uncertainty involved in making estimates, actual results may differ from those estimates under different assumptions or conditions. Any revision to accounting estimate is recognized prospectively in the current and future periods in which the results are known or materialise.

(c) Fixed assets

Cost of assets with certain limits on economic life and cost is capitalised. Cost (less CENVAT, if any) will include inward freight, duties, taxes and other incidental expenses related to acquisition. Certain categories of fixed assets were revalued and are carried at the revalued amounts less accumulated depreciation and impairment loss, if any.

Fixed assets that are not yet ready for their intended use, are carried at costs, comprising direct cost, and other incidental / attributable expenses and reflected under Capital work in progress.

(d) Depreciation /amortisation/ impairment

Depreciation is calculated on fixed assets in a manner that amortises, by equal annual installments, the cost of the asset after commissioning, over its economic useful lives subject to Statutory requirements. Depreciation on additions to any asset or with respect to any asset sold/discarded/demolished, is charged to revenue proportionately from/ upto the date the asset is used.

The carrying amount of assets is reviewed at each balance sheet date for any indication of



Consolidated Significant Accounting Policies

impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Provision for impairment will be reviewed periodically and amended depending on changes in circumstances.

(e) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. Expenditure incurred on raising loans is amortised over the period of such borrowings. Premium paid on prepayment of borrowing is amortised over the unexpired period thereof or sixty months, whichever is less. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(f) Inventories

Stores and spares for the operating equipments are stated at lower of cost and estimated net realizable value, cost being ascertained on First In First Out basis. Obsolete, slow moving and defective items of inventories are adequately provided.

(g) Investments

Long term investments are stated at cost. However, provision for diminution is made to recognize a decline, if any, other than temporary, in the carrying value of the investment.

(h) Revenue recognition

Revenue is recognized in respect of (i) executed work, at contracted rates, (ii) other work yet to be completed, at estimated net realizable value, (iii) warehousing operations, at estimated net realizable value (net of incentives, rebates, discounts etc), (iv) container freight station operations, at estimated net realizable value and (v) goods lying in the Container Freight Station auctioned by the Customs department, at the bid money, net of related expenses on clearance of goods from the yard (vi) lease of vehicles and for services upon rendering of services and in terms of the contract with customers. Operating earnings are reckoned net of the relevant expenses and losses claimable from the constituents.

(i) Foreign currency transactions

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at year-end rates and the gains/ losses arising on settlement of transactions and translation of monetary items is recognized in the Consolidated Statement of Profit and Loss.

(j) Employee benefits

Employee benefits expense include salary, wages, compensated absences, medical benefits, and other perquisites. It also includes post-employment benefits such as provident fund, gratuity, pensionary benefits etc.

Short term employee benefit obligations are estimated and provided for.



Consolidated Significant Accounting Policies

Post-employment benefits and other long term employee benefits:

- Defined contribution plans:
Group's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Consolidated Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees
- Defined benefits plan and compensated absences:
Group's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period of occurrence.

Termination benefits

Expenditure on termination benefits is recognised in the Consolidated Statement of Profit and Loss in the period of incurrence.

(k) Taxation

Provision for income tax expense comprises of current tax and deferred tax. Provision for current tax is made with reference to taxable income for the current accounting year by applying the applicable tax rate in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws rate after considering credit for Minimum Alternate Tax (MAT) available. Deferred income tax charge reflects the impact of the current period timing differences between taxable income and accounting income subject to consideration of prudence. The deferred tax charge or credit is recognized using prevailing tax rates. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case laws to reassess realization/liabilities.

(l) Provisions and contingencies

Provision is recognized when (i) the Group has a present obligation as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation that may, but probably will not, require outflow of resources. Where there is possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

(j) Cash Flow Statement

Cash flow statements are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information including taxes paid relating to these activities.



Notes to the Consolidated Financial Statements

| 1.1 Share Capital | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|---|--|--|
| Authorised (70,00,000 equity shares of Rs. 10/- each with voting rights) | 700.000 | 700.00 |
| Issued ,Subscribed and paid up (18,00,000 equity shares of Rs. 10/- each each with voting rights) | 180.00 | 180.00 |
| Total | 180.00 | 180.00 |

| S.No. | Name of the subsidiary company | Country of Incorporation | % of ownership interest |
|-------|--------------------------------|--------------------------|-------------------------|
| | | | 31-Mar-17 |
| 1 | Sanco Transport Limited | India | 100.00% |
| 2 | Sanco Clearance Limited | India | 100.00% |

Rights, Preferences and Restrictions attached to shares

The holders of Equity shares are entitled to vote at the General Meeting and also to the dividend declared/paid in proportion to the Shares held by them. Apart from the above, their rights, preferences and restrictions are governed by the terms of their issue under the provisions of the Companies Act, 2013.

1.2 Reserves and Surplus

(a) Revaluation reserve

| | | |
|---|----------------|----------------|
| Balance as at the beginning of the year | 4660.00 | 4668.69 |
| Less: Transfer to General Reserve (Refer Note 3.7 (i)) | (8.69) | (8.69) |
| Balance as at the end of the year (a) | 4651.31 | 4660.00 |

(b) General reserve

| | | |
|---|----------------|----------------|
| Balance as at the beginning of the year | 4712.39 | 4638.70 |
| Add: Transfer from Surplus in Consolidated Statement of Profit and loss | 10.00 | 65.00 |
| Add: Transfer from Revaluation Reserve (Refer Note 3.7 (i)) | 8.69 | 8.69 |
| Balance as at the end of the year (b) | 4731.08 | 4712.39 |



Notes to the Consolidated Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|---|---|--|
| (c) Surplus/ (Deficit) in Consolidated Statement of Profit and loss | | |
| Balance as at the beginning of the year | 195.20 | 356.61 |
| Add: profit/ (loss) for the year after tax | (212.72) | (57.41) |
| Less: Transfer to General reserve | 10.00 | 65.00 |
| Less: Dividend Proposed Rs. 0.90 (March 31,2016 Rs. 1.80) per Equity Share | 16.20 | 32.40 |
| Less: Corporate tax on proposed dividend | 3.30 | 6.60 |
| Balance as at the end of the year | (c) (47.02) | 195.20 |
| Total of (a) to (c) | 9,335.37 | 9,567.59 |
| 1.3 Long-term borrowings | | |
| Term loans from Banks - Secured | | |
| (i) Loan for construction of warehouse | - | 122.94 |
| (ii) Loan for acquisition of Land and building | 800.97 | 913.47 |
| (iii) Loan for acquisition of capital assets under deferred payment scheme | 347.74 | 474.81 |
| Total | 1,148.71 | 1511.22 |
| (Security details Refer Note 3.2. Terms of the loans: Refer Note 3.15) | | |
| 1.4 Deferred Tax Liabilities (Net) | | |
| (a) Deferred tax liability arising due to | | |
| (i) Depreciation | 243.09 | 280.01 |
| (ii) Others | 1.27 | 1.65 |
| | 244.36 | 281.66 |
| (b) Deferred tax asset on account of Timing differences | | |
| | - | (19.84) |
| | 244.36 | 261.82 |
| 1.5 Other Long-term Liabilities | | |
| Rental Advance | 61.83 | 61.83 |
| | 61.83 | 61.83 |



Notes to the Consolidated Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|--|---|--|
| 1.6 Short-term borrowings | | |
| Loans repayable on demand – Secured | | |
| From Banks – cash credit facilities (Security details Refer Note: 3.2) | 1,397.94 | 1038.76 |
| Total | 1,397.94 | 1038.76 |
| 1.7 Other Current Liabilities | | |
| (a) Current maturities of long term debt | | |
| - Secured | 732.85 | 787.47 |
| (b) Interest accrued and due on borrowings | 0.75 | - |
| (c) Interest accrued but not due on borrowings | 22.09 | 18.29 |
| (d) Accrued expenses | 1,118.56 | 876.23 |
| (e) Advance from customers | 224.71 | 193.42 |
| (f) Employee related expenses | 49.54 | 48.64 |
| (g) Statutory dues | 29.26 | 45.04 |
| (h) Capital Creditors | 11.64 | 28.33 |
| (i) Unclaimed dividends | 13.70 | 14.71 |
| (j) Dues to directors | 49.46 | 31.83 |
| (k) Other payables | 13.98 | 33.76 |
| | 2,266.54 | 2,077.72 |
| Note: a) Security details for current maturities of long term debt: Refer Note. 3.2 to the Consolidated Financial statements | | |
| b) Details of terms of the current maturities of long term debt: Refer Note 3.15 to the Consolidated Financial statements | | |
| 1.8 Short-term provisions | | |
| (a) Provision for employee benefits | 58.06 | 60.00 |
| (b) Property tax | 102.18 | 88.92 |
| (c) Others | | |
| - Proposed Dividend | 16.20 | 32.40 |
| - Tax on proposed dividend | 3.30 | 6.60 |
| | 179.74 | 187.92 |



Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

2016-17 Rs. In Lakhs

Note 1.9 (a) Tangible Assets

| Description | Gross block | | | Accumulated depreciation | | | Net block | |
|---|-----------------------------|--------------|---------------|------------------------------|-----------------------------|--|------------------------|------------------------------|
| | Balance as at 1 April, 2016 | Additions | Disposals | Balance as at 31 March, 2017 | Balance as at 1 April, 2016 | Depreciation / amortisation expense for the year | Disposals/ Adjustments | Balance as at 31 March, 2017 |
| (a) Land | | | | | | | | |
| Freehold | 6,356.71 | - | - | 6,356.71 | - | - | - | 6,356.71 |
| (b) Buildings - Own use | 3,641.32 | 1.15 | - | 3,642.47 | 254.73 | 210.81 | - | 3,176.93 |
| (c) Operating fleet/ equipments - Owned | 3,481.76 | - | 193.09 | 3,288.67 | 1,626.86 | 411.97 | 152.49 | 1,402.33 |
| (d) Machinery - Owned | 64.90 | - | - | 64.90 | 27.48 | 3.55 | - | 33.87 |
| (e) Office Vehicles - Owned | 88.76 | - | 0.41 | 88.35 | 46.10 | 16.68 | 0.41 | 25.98 |
| (f) Furniture - Owned | 11.14 | 0.23 | - | 11.37 | 4.54 | 1.40 | - | 5.43 |
| (g) Office equipment - Owned | 155.81 | 15.79 | - | 171.60 | 97.10 | 23.70 | - | 50.80 |
| Total | 13,800.40 | 17.17 | 193.50 | 13,624.07 | 2,056.81 | 668.11 | 152.90 | 11,052.05 |

Note 1.9 (b) Intangible Assets

| | | | | | | | | | |
|--------------------------|------------------|--------------|---------------|------------------|-----------------|---------------|---------------|-----------------|------------------|
| Software acquired | 16.29 | 6.31 | - | 22.60 | 14.34 | 2.03 | - | 16.37 | 6.23 |
| Total | 16.29 | 6.31 | - | 22.60 | 14.34 | 2.03 | - | 16.37 | 6.23 |
| Grand Total (a+b) | 13,816.69 | 23.48 | 193.50 | 13,646.67 | 2,071.15 | 670.14 | 152.90 | 2,588.39 | 11,058.28 |



Notes to the Consolidated Financial Statements

2015-16 Rs. In Lakhs

Note 1.9 (a) Tangible Assets

| Description | Gross block | | | Accumulated depreciation | | | Net block | |
|---|-----------------------------|-----------------|--------------|------------------------------|--|------------------------|------------------------------|------------------------------|
| | Balance as at 1 April, 2015 | Additions | Disposals | Balance as at 31 March, 2016 | Depreciation / amortisation expense for the year | Disposals/ Adjustments | Balance as at 31 March, 2016 | Balance as at 31 March, 2016 |
| (a) Land | | | | | | | | |
| Freehold | 6,356.71 | - | - | 6,356.71 | - | - | - | 6,356.71 |
| (b) Buildings - Own use | 1,433.28 | 2,208.04 | - | 3,641.32 | 83.15 | - | 254.73 | 3,386.59 |
| (c) Operating fleet/ equipments - Owned | 2,938.98 | 560.75 | 17.97 | 3,481.76 | 377.34 | 17.25 | 1,626.86 | 1,854.90 |
| (d) Machinery - Owned | 64.90 | - | - | 64.90 | 3.55 | - | 27.48 | 37.42 |
| (e) Office Vehicles - Owned | 88.76 | - | - | 88.76 | 16.91 | - | 46.10 | 42.66 |
| (f) Furniture - Owned | 9.13 | 2.01 | - | 11.14 | 1.25 | - | 4.54 | 6.60 |
| (g) Office equipment - Owned | 114.05 | 41.76 | - | 155.81 | 19.16 | - | 97.10 | 58.71 |
| Total | 11,005.81 | 2,812.56 | 17.97 | 13,800.40 | 501.36 | 17.25 | 2,056.81 | 11,743.59 |

Note 1.9 (b) Intangible Assets

| | | | | | | | | |
|--------------------------|------------------|-----------------|--------------|------------------|---------------|--------------|-----------------|------------------|
| Software acquired | 14.04 | 2.25 | - | 16.29 | 0.30 | - | 14.34 | 1.95 |
| Total | 14.04 | 2.25 | - | 16.29 | 0.30 | - | 14.34 | 1.95 |
| Grand Total (a+b) | 11,019.85 | 2,814.81 | 17.97 | 13,816.69 | 501.66 | 17.25 | 2,071.15 | 11,745.54 |



Notes to the Consolidated Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|---|--|--|
| 1.10 Long-Term Loans and Advances | | |
| Unsecured, considered good | | |
| (a) Security Deposits | 11.76 | 22.75 |
| (b) Advance payment of income tax- net of provisions | 865.97 | 627.14 |
| (c) Trade Advance - Related Party | - | 150.00 |
| (d) Capital Advances | - | 37.16 |
| (e) Other Advances | | |
| - Rent advance | 125.53 | 161.71 |
| - Earnest money deposit | 18.41 | 9.22 |
| - Prepaid expenses | 12.10 | 23.97 |
| - Others | 25.59 | 21.73 |
| | 1,059.36 | 1,053.68 |
| 1.11 Other non-current assets | | |
| Unsecured, considered good | | |
| - Interest accrued on fixed deposits maturing after 12 months | 8.77 | 3.56 |
| | 8.77 | 3.56 |
| 1.12 Trade receivables | | |
| Unsecured, considered good | | |
| (a) Trade receivables outstanding for a period exceeding six months from the date they became due for payment | 19.99 | 34.63 |
| (b) Others | 1,837.19 | 1,232.71 |
| | 1,857.18 | 1267.34 |
| Others include dues from Related Party for Rs. 631.87 Lakhs (2015-16 Rs. 133.48 Lakhs) | | |
| 1.13 Cash and Bank balances | | |
| (i) Cash and cash equivalents | | |
| (a) Balance with banks - in current account | 227.70 | 36.84 |
| (b) Cheques on hand | 27.39 | 10.69 |
| (c) Cash on hand | 0.29 | 5.92 |
| | 255.38 | 53.45 |



Notes to the Consolidated Financial Statements

| | As at March 31,2017 Rs. in Lakhs | As at March 31,2016 Rs. in Lakhs |
|--|---|--|
| (ii) Earmarked bank balances - unclaimed Dividend account | 13.70 | 14.71 |
| (iii) Balance with banks held as Margin money | 72.17 | 62.86 |
| (iv) Bank deposits maturing between 3 to 12 months | 380.23 | 433.10 |
| (v) Bank deposits maturing beyond 12 months | 125.83 | 38.28 |
| | 847.31 | 602.40 |
| 1.14 Short-term loans and advances | | |
| Unsecured, considered good | | |
| (a) Prepaid expenses | 39.65 | 15.04 |
| (b) Advances to suppliers, contractors and others | 123.79 | 103.98 |
| (c) Employee advances | 5.74 | 5.62 |
| (d) Balance with customs, port trust etc; | 3.79 | 2.92 |
| (e) Earnest money deposit | 1.00 | - |
| (f) Balance with govt. authorities | 1.13 | - |
| | 175.10 | 127.56 |
| 1.15 Other Current assets | | |
| (a) Interest accrued and due on fixed deposits maturing within 12 months | 18.63 | 22.40 |
| (b) Unamortised loan raising expenses | 4.11 | 4.97 |
| (c) Unbilled revenue | 278.05 | 294.11 |
| | 300.79 | 321.48 |



Notes to the Consolidated Financial Statements

| | Year Ended 31, 2017 Rs. in Lakhs | Year Ended 31, 2016 Rs. in Lakhs |
|--|--|--|
| 2.1 Revenue from operations | | |
| (a) Handling earnings | 4,062.96 | 3,895.65 |
| (b) Equipment and fleet hire earnings | 3,841.29 | 3,159.66 |
| (c) Warehouse earnings | 793.01 | 899.94 |
| (d) Agency and other earnings | 294.24 | 263.96 |
| | 8,991.50 | 8,219.21 |
| 2.2 Other Income | | |
| (a) Interest income | 96.62 | 49.73 |
| (b) Profit on sale of fixed assets(net) | - | 1.29 |
| (c) Net gain on foreign currency transaction and translation | 0.76 | 0.29 |
| (d) Other income | 2.06 | - |
| (e) Rent Received | 80.46 | 76.49 |
| | 179.90 | 127.80 |
| 2.3 Operating expenses | | |
| (a) Handling expenses | 1,471.64 | 1,351.80 |
| (b) Container repairs | 290.92 | 291.87 |
| (c) Hired equipments upkeep | 73.83 | 52.54 |
| (d) Others | 67.99 | 46.33 |
| (e) Operating equipment upkeep | 1,309.16 | 1,256.83 |
| | 3,213.54 | 2,999.37 |
| 2.4 Employee benefits expense | | |
| (a) Salaries, wages and bonus | 755.85 | 723.09 |
| (b) Contribution to provident, gratuity and other funds | 54.79 | 45.26 |
| (c) Staff welfare expenses | 244.03 | 212.74 |
| | 1,054.67 | 981.09 |
| 2.5 Finance costs | | |
| (a) Interest expense | 354.93 | 321.71 |
| (b) Other borrowing costs | | |
| - Guarantee charges | 11.94 | 5.09 |
| - Amortisation of loan raising expenses | 0.86 | 1.01 |
| | 367.73 | 327.81 |



Notes to the Consolidated Financial Statements

| | Year Ended 31, 2017 Rs. in Lakhs | Year Ended 31, 2016 Rs. in Lakhs |
|--|---|--|
| 2.6 Other expenses | | |
| (a) Consumption of stores and tools | 10.60 | 34.56 |
| (b) Power and fuel | 64.20 | 52.18 |
| (c) Rent | | |
| - Warehouse | 491.39 | 533.16 |
| - Others | 46.87 | 45.80 |
| (d) Repairs to buildings | | |
| - Warehouse | 25.45 | 40.44 |
| - Others | 13.40 | 15.28 |
| (e) Repairs to vehicles | 7.43 | 2.30 |
| (f) Fuel for Office Vehicles | 12.63 | 15.18 |
| (g) Insurance | | |
| - Office Vehicles | 1.56 | 1.82 |
| - Others | 9.61 | 7.23 |
| (h) Rates and taxes | 29.37 | 7.94 |
| (i) Travel and conveyance | 123.90 | 89.51 |
| (j) Corporate Social Responsibility expenses | - | 13.75 |
| (k) Directors' Sitting Fees | 4.85 | 4.90 |
| (l) Security Services | 98.79 | 71.52 |
| (m) Loss on sale of fixed assets | 17.91 | - |
| (n) Others | 208.66 | 189.40 |
| | 1,166.62 | 1,124.97 |
| 2.7 Tax expense | | |
| (a) Current tax - Current year | 10.15 | 24.34 |
| - Prior year (withdrawal) - net | - | (0.48) |
| (b) Deferred tax-Provision/(withdrawal) | (17.45) | (14.23) |
| | (7.30) | 9.63 |



Notes to the Consolidated Financial Statements

3.1 Basis of Consolidation:

- (i) The Consolidated Financial Statements relate to Sanco Trans Limited (the Holding Company) and its subsidiaries. The Holding company and its subsidiaries together constitute the 'Group'.
- (ii) Principles of Consolidation:
 - a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements", specified under Section 133 of the Companies Act, 2013.
 - b) The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
 - c) The following subsidiary companies are considered in the Consolidated Financial Statements.

| S. No. | Name of the subsidiary company | Country of Incorporation | % of ownership interest |
|--------|--------------------------------|--------------------------|-------------------------|
| | | | 31-Mar-17 |
| 1 | Sanco Transport Limited | India | 100.00% |
| 2 | Sanco Clearance Limited | India | 100.00% |

- (iii) Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries:

| Sl. No. | Name of the entity | Net Assets | | Share in Profit or Loss | |
|---------|--|-----------------------------------|---------------------|---------------------------------------|---------------------|
| | | As a % of Consolidated Net Assets | Amount Rs. in Lakhs | As a % of Consolidated Profit or Loss | Amount Rs. in Lakhs |
| | Parent Company | | | | |
| 1 | Sanco Trans Limited | 102.42 | 9,765.42 | (15.29) | 32.54 |
| | Indian Subsidiaries | | | | |
| 2 | Sanco Transport Limited | (4.18) | (398.22) | 112.89 | (240.14) |
| 3 | Sanco Clearance Limited | (0.02) | (2.30) | 2.40 | (5.12) |
| | Sub Total | 98.22 | 9,364.90 | 100.00 | (212.72) |
| | Less: Effect of Inter Company adjustments / eliminations | 1.78 | 169.96 | - | - |
| | Total | 100.00 | 9,534.86 | 100.00 | (212.72) |



Notes to the Consolidated Financial Statements

- 3.2 (i) Loan for acquisition of capital assets under deferred payment scheme is secured by hypothecation of related capital assets and guaranteed by Deputy Managing Director;
- (ii) Loan Sanctioned of Rs.1,383 lakhs from a Bank for acquisition of immovable property(Note 1.3 and Note 1.7(a)) is secured by the immovable property (comprising Land and Building situated at Chennai) and is guaranteed by three Directors;
- (iii) Loan Sanctioned of Rs. 900 Lakhs (March 31, 2016 Rs. 900 Lakhs) (Note 1.3 and Note 1.7(a)) for construction of warehouse is secured by Land belonging to an enterprise which has a significant influence on the Group and is further secured by personal guarantee of three Directors; an
- (iv) Cash credit facility is secured by first charge on the book debts, land and structures thereon at Container Freight Station and guaranteed by three Directors.
- 3.3 Balance with banks in deposit accounts in Note 1.13(iv and v) to the Balance Sheet includes Rs. 486.59 lakhs (March 31, 2016 Rs. 413.25 lakhs) in respect of which the relative deposit receipts have been pledged with banks as security for the guarantee facilities extended by them to the Company.
- 3.4 Capital expenditure commitments (net of advances) Rs. Nil (March 31, 2016 Rs. Nil)
- 3.5 Contingent liabilities - Claims against the Company not acknowledged as debts:
- Taxes Rs. 93.99 lakhs (2016 Rs. 161.63 lakhs).
 - Bank guarantee Rs. 683.89 (2016 Rs. 556.60 lakhs).
 - Others Rs. 53.93 Lakhs (2016 Rs.35.88 lakhs).
- Outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.
- 3.6 (a) Warehouse earnings in Note 2.1 is net of incentives/ rebates/ trade discounts of Rs. 796.76 lakhs (2015-16 Rs. 1,017.72 lakhs)
- (b) Tax deducted at source on (i) Revenue from operations Rs. 71.53 lakhs (2015-16 Rs 161.61 lakhs); (ii) Interest income Rs. 6.23 lakhs (2015-16 Rs 19.19 lakhs).
- 3.7 (i) Depreciation for the year computed on revalued assets in excess of the depreciation computed under the method followed by the Company prior to revaluation is transferred from Revaluation Reserve, to the General Reserve in terms of the Application Guide on the provisions of schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India.



Notes to the Consolidated Financial Statements

(ii) Useful life of Tangible and Intangible Assets:

(a) Useful life lower than that derived from the rates specified in Schedule II to the Companies Act, 2013.

| Block of Asset | Useful life(Years) | |
|----------------|--------------------|---------|
| | 2016-17 | 2015-16 |
| Office Vehicle | 5 | 5 |

(b) Useful life not prescribed in Schedule II to the Companies Act, 2013.

| Block of Asset | Useful life (Years) | |
|-------------------|---------------------|---------|
| | 2016-17 | 2015-16 |
| Computer Software | 3 | 3 |

3.8 Corporate Social Responsibility (CSR) Obligation:

The Provisions of corporate social responsibility are not applicable to the Company for current financial year. The amount spent on CSR in the financial year 2015-16 was Rs.13.75 Lakhs.

3.9 Foreign exchange and foreign currency transactions and derivatives - (i) Imports – Rs. 9.28 lakhs (2015-16 Rs Nil); (ii) Other expenditure in foreign currency Rs. 2.45 lakhs (2015-16 Rs. 7.65 lakhs); (iii) Other earnings in foreign exchange Rs. 31.85 lakhs (2015-16 Rs. 28.14 lakhs); (iv) There was no remittance in foreign currencies on account of dividend to non-resident shareholders; (v) Derivatives – Company has not so far used derivative financial instruments such as forward contracts, currency swap to hedge currency exposures, present and anticipated. However, currency exposure not hedged by derivative instruments are as under:

Amount receivable on account of services rendered, advances, etc. US \$8,673.15 equivalent Rs.5.52 lakhs (March 31, 2016 US \$5,860.87 equivalent Rs 3.89 lakhs); Amount payable on account of services obtained US \$3,827.66 equivalent Rs.2.48 lakhs (March 31,2016 US \$ 2,339.58 equivalent Rs. 1.57 lakhs).

3.10. Earnings per share:

| Description | 2016-17 Rs. in lakhs | 2015-16 Rs. in lakhs |
|--|-------------------------|-------------------------|
| Profit/(loss) after tax as per Consolidated Statement of Profit and Loss | (212.72) | (57.41) |
| Weighted average number of equity shares outstanding | 18.00 | 18.00 |
| Basic and Diluted earnings per share (Face value Rs. 10 each) | (11.82) | (3.19) |



Notes to the Consolidated Financial Statements

- 3.11 (i) The Group has complied with the revised Accounting Standard 15-Employee benefits. Accordingly provision of Rs. 2.36 Lakhs has been made for the incremental liability towards gratuity for the year ended March 31,2017 (2015-16 Rs. Nil).
- (ii) Defined benefit plan - Gratuity: As per actuarial valuation on March 31, 2017. The disclosures furnished by Life Insurance Corporation of India in this regard are (a) Discounting rate: 8%(March 31, 2016 - 8%); (b) Salary escalation rate: 5%-7%(March 31, 2016 - 5%); (c) Mortality rate: as per LIC (1994-96) Mortality Table; (d) Attrition rate: 1% - 3% (March 31, 2016 1% - 3%); Method of valuation: Projected unit credit method.
- (iii) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year for the returns over the entire life of the related obligation.
- (iv) During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in Note 2.4 (b) - Contribution to provident fund Rs.51.27 lakhs, (2015-16 Rs. 51.22 lakhs), Contribution towards gratuity Rs. 3.52 lakhs (2015-16 Rs. (5.96 lakhs)), Employees' welfare expenses includes contribution to employees' state insurance plan Rs. 9.64 lakhs (2015-16 - Rs. 9.42 lakhs).
- (v) Deferred benefits plan - Gratuity: As per actuarial valuation on March 31, 2017. The disclosures required in the said Accounting Standard regarding computation of the said benefits plan have not been furnished since the said information is not considered as material.
- (vi) Note 2.6(n)-Others under other expenses include Fees to auditors for statutory audit Rs. 2.68 lakhs; for tax audit Rs. 1.68 lakhs; for taxation matters Rs. 1.00 lakhs and for certification and other services Rs. 1.00 lakh. The fees for the earlier year was Rs. 6.00 lakhs which was an all inclusive fees covering statutory audit, tax audit and other certification work.
- 3.12 Segment information - The Company's primary segment is identified as business segment based on nature of services, risks, returns and the internal business reporting system. The Company is primarily engaged in a single business segment viz., logistics.
- 3.13 Related party Disclosure:
- (i) List of Related Parties
- (a) Key management personnel (KMP)
- | | | |
|----------------------------|---|--|
| Shri. V Upendran | - | Managing Director |
| Shri. S Sathyanarayanan | - | Deputy Managing Director |
| Shri. U Udayabhaskar Reddy | - | Whole time Director |
| Shri. S R Srinivasan | - | Director - Finance* |
| Smt. Lakshmi Sowjanya | - | Company Secretary* (Upto December 31,2016) |
- * KMP as per Section 2(76) of Companies Act, 2013.



Notes to the Consolidated Financial Statements

(b) Enterprise where significant influence is exercised on the Company

- Sudharsan Logistics Private Limited (SLPL)

(ii) Related Party Transactions and Closing balance

| | 2016-17 Rs. in lakhs | 2015-16 Rs. in lakhs |
|--|-------------------------|-------------------------|
| (a) Key Management Personnel | | |
| Remuneration | 125.73 | 122.15 |
| Rent Payment | 1.42 | 1.42 |
| Amounts payable at year end | 49.46 | 31.83 |
| (b) Enterprise where significant influence is exercised on the Company | | |
| Tractor/Trailer hire charges paid | 154.18 | 24.13 |
| Tractor/Trailer hire charges earned | 442.76 | 348.13 |
| Lease rent paid | 29.93 | 28.99 |
| Operating and maintenance charges earned | 674.90 | 66.97 |
| Trade advance repaid | 150.00 | - |
| Trade payables payment | 3.89 | - |
| Dividend paid | 8.94 | 13.42 |
| Balances at the end of the year- | | |
| (a) Trade Advance | - | 150.00 |
| (b) Trade Receivables | 631.87 | 133.48 |
| (c) Other Receivables | 293.37 | - |
| (d) Trade Payables | - | 3.89 |
| (e) Rent advance outstanding | 6.00 | 6.00 |

3.14 The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished



Notes to the Consolidated Financial Statements

Rs. in lakhs

3.15 Details of terms of Secured Loans

| LOAN A/C | LOAN AMOUNT | | NO. OF INSTALMENTS | | INTEREST RATE RANGE | | INSTALMENT RANGE | | LOAN CLOSURE DATE | |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 | As on March 31,2017 | As on March 31,2016 |
| LA 17 | 54.88 | 175.96 | 5 | 17 | 12.00% | 12.00% | 9.55-11.20 | 9.55-11.20 | 07.08.17 | 07.08.17 |
| LA 18 | 913.47 | 994.72 | 57 | 69 | 11.65% | 10.00% | 8.33-20.83 | 6.25-20.83 | 15.12.21 | 15.12.21 |
| LA 19 | - | 3.68 | - | 5 | 11.25% | - | - | 0.72-0.75 | 05.08.16 | 05.08.16 |
| LA 20 | - | 2.08 | - | 7 | 11.25% | - | - | 0.29-0.30 | 05.10.16 | 05.10.16 |
| LA 21 | - | 1.85 | - | 10 | 11.25% | - | - | 0.18-0.19 | 07.01.17 | 07.01.17 |
| LA 22 | 5.40 | 13.51 | 8 | 20 | 10.50% | 10.50% | 0.67 | 0.67 | 20.11.17 | 20.11.17 |
| LA 23 | 2.16 | 5.40 | 8 | 20 | 10.50% | 10.50% | 0.27 | 0.27 | 20.11.17 | 20.11.17 |
| LA 26 | 68.07 | 218.25 | 5 | 17 | 12.00% | 12.00% | 13.34-13.89 | 11.84-13.89 | 07.08.17 | 07.08.17 |
| LA 27 | 1.47 | 9.76 | 2 | 14 | 10.15% | 10.15% | 0.73-0.74 | 0.66-0.74 | 07.05.17 | 07.05.17 |
| LA 28 | 216.00 | 216.00 | - | - | 11.30% | 11.30% | - | - | - | - |
| LA 29 | 54.94 | 96.65 | 14 | 26 | 11.25% | 11.25% | 3.70-4.17 | 3.03-4.17 | 20.05.18 | 20.05.18 |
| LA 30 | 280.27 | 370.76 | 31 | 43 | 10.04% | 10.04% | 7.96-10.22 | 7.02-10.22 | 15.10.19 | 15.10.19 |
| LA 31 | 76.65 | 114.15 | 21 | 33 | 11.26% | 11.26% | 3.32-5.16 | 2.93-4.01 | 20.12.18 | 20.12.18 |
| LA 32 | 29.34 | 41.30 | 25 | 37 | 10.46% | 10.46% | 2.80-3.44 | 0.31-0.43 | 15.04.19 | 15.04.19 |
| LA 33 | 24.57 | 34.62 | 25 | 37 | 10.46% | 10.46% | 2.32-2.88 | 0.27-0.36 | 15.04.19 | 15.04.19 |
| LA 34 | 81.34 | - | 25 | - | 11.25% | - | 2.75-3.63 | - | 20.04.19 | - |
| LA 35 | 73.00 | - | 35 | - | 10.01% | - | 0.84-2.16 | - | 20.02.20 | - |
| TOTAL | 1881.56 | 2298.69 | | | | | | | | |



Notes to the Consolidated Financial Statements

- 3.16 The Company has taken land and buildings under operating lease for which lease rent of Rs.518.42 lakhs paid has been included in Other expenses note no.2.6

Rs. in lakhs

| Particulars | Minimum Future Lease rentals | | |
|--------------|------------------------------|---|------------------------|
| | Due within 1 year | Due later 1 year and not later than 5 years | Due later than 5 years |
| Lease rental | 454.87 | 914.66 | - |

- 3.17 The Company has purchased vehicles or hire purchase loan, Details of Repayments are as follows

Rs. in lakhs

| Particulars | Minimum Future Lease rentals | | |
|--------------------------|------------------------------|---|------------------------|
| | Due within 1 year | Due later 1 year and not later than 5 years | Due later than 5 years |
| (i) Principal Repayments | 703.02 | 1,737.01 | - |
| (ii) Interest Repayments | 51.58 | 62.07 | - |

- 3.18 The following are details of specified bank notes and other denomination notes during 08.11.2016 to 30.12.2016

Rs. in lakhs

| Particulars | SBNs | Other denomination notes | Total |
|---------------------------------------|-------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | 18.00 | 4.12 | 22.12 |
| Add : Permitted receipts | - | 23.35 | 23.35 |
| Less : Permitted payments | - | 20.57 | 20.57 |
| Less : Amount deposited in Banks | 18.00 | - | 18.00 |
| Closing cash in hand as on 30.12.2016 | - | 6.90 | 6.90 |

- 3.19 Figures relating to the previous year have been reclassified /regrouped, wherever necessary.

For and on behalf of the Board

Chennai
May 30,2017

V Upendran
Chairman and Managing Director
DIN: 00557511

S Sathyanarayanan
Deputy Managing Director
DIN: 00446573

S R Srinivasan
Director Finance
DIN: 03559408

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