



SANCO TRANS LIMITED

"Service And Trust - Part Of Our Tradition"

Annual Report 2015



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

**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 | |
| T Ananthanarayanan | |
| R Vijayaraghavan | |
| V Govind | |
| V Shankar | |
| R Raghavan | |

Registered Office

46, Moore Street,
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
Axis 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)

Company Secretary

B. Lakshmi Sowjanya

Listing of Equity Shares

Bombay Stock Exchange Limited,
Mumbai.

Annual General Meeting
19th August 2015, 10.15 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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DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present their 35th Annual Report of the Company, together with the Audited Financial Statements for the year ended March 31, 2015.

1. Financial highlights

(Rs. Lakhs)

| | For the year 2014-15 | For the year 2013-14 |
|---|-------------------------|-------------------------|
| Income from Operations | 7544.99 | 7421.94 |
| Other Income | 132.94 | 78.81 |
| Gross Income | 7677.93 | 7500.75 |
| Expenses | | |
| Operating expense | 4801.07 | 4563.52 |
| Employee benefit expense | 974.14 | 937.66 |
| Finance costs | 298.62 | 245.97 |
| Depreciation and amortisation | 358.25 | 292.02 |
| Other expenses | 1018.07 | 971.86 |
| Total Expenses | 7450.15 | 7011.03 |
| Profit before extraordinary item | 227.78 | 489.72 |
| Extraordinary item | -- | -- |
| Profit before tax | 227.78 | 489.72 |
| Tax expense | (7.89) | 73.45 |
| Profit after tax | 235.67 | 416.27 |

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.2.70 per Equity share of Rs. 10/- each (27%) for the financial year ended March 31, 2015. Payment of Dividend is subject to the approval of shareholders at the ensuing Annual General Meeting. An amount of Rs.1,50,00,000/- (Rupees One Crore Fifty 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 date.

5. Directors

Mrs. Devaki Santhanam, Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. V. Upendran has been re-appointed as Managing Director for a further period of 3 years w.e.f. April 01, 2015 by the Board of Directors at its meeting held on 25th March 2015, subject to the approval of shareholders.

The Board of Directors at its meeting held on 09th February, 2015 appointed Mr. R. Raghavan as an Additional Director and Independent Non-Executive Director of the Company with effect from 09th February, 2015, based on the recommendation of the Nomination and Remuneration Committee. We seek your confirmation for appointment of Mr. R. Raghavan as Independent Director for a term of five consecutive years commencing from August 19, 2015.



DIRECTORS' REPORT

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

6. Auditors

M/s. M. S. Krishnaswami & Rajan, Chartered Accountants, Chennai (FRN: 001554S), Statutory Auditors of the company, was appointed in the 34th Annual General Meeting of the Company held on 15.09.2014 for a term of three years from the conclusion of the said Annual General Meeting as per the provisions of Companies Act, 2013 subject to ratification by shareholders in the Annual General Meeting every year. The Board of Directors recommends the Shareholders for ratification of appointment of M/s. M. S. Krishnaswami & Rajan, Chartered Accountants as Statutory Auditors, to carry out the audit for the financial year 2015-2016.

The Company has received confirmation regarding their consent and eligibility for appointment as the Auditors of the Company. As required under clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The necessary resolution is being placed before the shareholders for approval.

Reply to point f (iii) of the Auditor's Report:

The delay in remittance to IEPF in the financial year 2014-15 is due to inadvertence. The company will ensure timely remittance in future.

7. Corporate Governance

As required by clause 49 of the Listing agreement entered into with the Stock exchanges, a detailed report on Corporate Governance is attached as 'Annexure B' to this Report.

The Company is in full compliance with the requirements and disclosures that have to be made in this regard. 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 Clause 49 of the Listing Agreement 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 134 of the Companies Act, 2013 is in accordance with AS 21.

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, 2015 is attached as 'Annexure F' to this Report.

11. Board Meetings held during the year

During the year, 8 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.



DIRECTORS' 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) of the Companies Act, 2013:

- a. in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b. for the financial year ended March 31, 2015, 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 of the Company for the year ended March 31, 2015.
- 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.
- 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

Loans given

Sanco Transport Limited (Wholly owned Subsidiary) – Rs. 600 Lakhs

Investments made

Sanco Transport Limited (Wholly owned Subsidiary) – Rs. 5 Lakhs

Sanco Clearance Limited (Wholly owned Subsidiary) – Rs. 5 Lakhs

Guarantees given

Nil

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 M/s. A.K. Jain & Associates, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2015. The Secretarial Audit Report (in Form MR-3) is attached as 'Annexure G' to this Report.

Reply to point no. 1 and 2 in Para 7 of the Secretarial Audit Report:



DIRECTORS' REPORT

- i. The Company has since appointed the Company Secretary.
- ii. The delay in remittance to IEPF in the financial year 2014-15 is due to inadvertence. The company will ensure timely remittance in future

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 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 3.13 of the Notes to the standalone 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 www.sancotrans.com.

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 consisting of following members:

1. Mr. S Sathyanarayanan - Chairman
2. Mr. U. Udayabhaskar Reddy - Member
3. Mr. S.R. Srinivasan - Member

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

18. Corporate Social Responsibility (CSR) initiatives

Pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company at its Board Meeting held on November 13th, 2014 approved a Policy on CSR. A report on CSR activities including particulars of committee members is attached as 'Annexure I' to this Report.

19. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 performance, the working of its Committees (Audit, Nomination & Remuneration and Stakeholders Relationship Committee) and the Independent Directors (without participation of the relevant Director). The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached to this Report

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 Clause 49 of the Listing Agreement, the Board of Directors had approved the Whistle Blower Policy and has posted in the website www.sancotrans.com. 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.



DIRECTORS' REPORT

21. Public Deposits

During the 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. The Company has repaid all the deposits and outstanding as on March 31, 2015 is NIL.

22. Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2015 and July 03, 2015 (date of the Report)

There were no material changes and commitments affecting the financial position of the company between the end of financial year (March 31, 2015) and the date of the Report (July 3, 2015).

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 and foreign exchange earnings and outgo

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

During the year your company earned foreign exchange to an extent of Rs. 15.24 Lakhs (2013-14 Rs. 29.11 Lakhs) and expended foreign currency to an extent of Rs. 15.06 Lakhs (2013-14 Rs. 28.12 Lakhs).

25. Particulars regarding employees and related disclosures

There are no employees whose details are required to be furnished in terms of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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) 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 Secretary and the same will be furnished without any fee and free of cost.

26. Industrial relations

Industrial relations remained cordial and harmonious throughout the year.

27. 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 03, 2015

V Upendran
Chairman & Managing Director
(DIN: 00557511)



ANNEXURE A TO DIRECTORS' 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) |
|--------------------------|-----------------------|------------------------------------|-----------------------------------|-------------------------|------------------------------------|---------------|-----------------------------------|
| 2006 | 2512.88 | 258.81 | 179.10 | 560.90 | 996.29 | 27 | 9.95 |
| 2007 | 3300.55 | 410.89 | 276.06 | 723.61 | 1224.34 | 27 | 15.34 |
| 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 |

B. Industry Progress and outlook:

The container freight rates have performed slightly better on trade routes in 2014 worldwide after experiencing a downward trend during previous years. According to Shanghai Containerized Freight Index data, spot freight rates on the Far East-Europe trade averaged 7% above 2013 levels, at \$1,172/TEU.

Further, certain initiatives viz. 'MAKE IN INDIA' and 'Ease of Doing Business' taken by the Government are expected to contribute in spurring up the manufacturing and service activity which will improve the overall increase of trade.

The volumes of EX-IM trade in our part of the country remained stable for past two years and we have been handling approximately 1.2 million boxes per year in such period.

Our share of business has been retained at 10% of the total volume of EX-IM trade in Chennai. Amongst thirty one players in the market, we are holding on in the top five performers' slot. We have bid for some new businesses which will contribute to our growth.



ANNEXURE A TO DIRECTORS' REPORT

C. Financial Review

The company's revenue from operations has increased by Rs.123 lakhs in the current year compared to FY 2013-14. However the profit from operations has declined by Rs. 262 lakhs mainly on account of increase in expenses viz operating equipment upkeep Rs.198 lakhs, warehouse rent Rs. 45 lakhs and increase in Human Resources Rs. 36 lakhs. In addition the company has adopted useful life prescribed in schedule II to the Companies Act, 2013 with regard to charging depreciation on its fixed assets resulting in higher depreciation of Rs. 52.40 lakhs and consequent lower profit for the year.

Finance costs increased by Rs. 53 lakhs on account of higher working capital levels and reckoning of interest on borrowings for construction of warehouse upto 31st December 2014 which has since been completed.

The company has incorporated two subsidiary companies Sanco Transport Limited and Sanco Clearance Limited on 20th March 2015 and published consolidated accounts as required by the Companies Act.

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. 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 before 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 7500 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.
- 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.



ANNEXURE A TO DIRECTORS' REPORT

- 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. Currently movements at Chennai port was hampered due to lack of road connectivity and certain infra structure facilities not taken up or stalled. Consequently the revenues of the company are 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 237. 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 DIRECTORS' 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. T Ananthanarayanan
2. Mr. R. Vijayaraghavan
3. Mr. V. Govind
4. Mr. V. Shankar
5. Mr. R. Raghavan



ANNEXURE B TO DIRECTORS' REPORT

ii) Non-Independent Director

- Mrs. S. Devaki

iii) Executive Directors

- Mr. V. Upendran - Chairman and Managing Director
- Mr. S. Sathyanarayanan - Deputy Managing Director
- Mr. U. Udayabhaskar Reddy - Whole Time Director
- 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 2014-15 | Whether attended last AGM held on Sept 15, 2014 | No. of Directorship in other Public Companies under Companies Act | | No. of Committee position in other Public Companies registered under Companies Act ¹ | |
|-----------------------------------|---|---|---|-------------|---|-------------|
| | | | As member | As chairman | As member | As chairman |
| Mr. V Upendran | 8 | Yes | 3 | Nil | Nil | Nil |
| Mr. S Sathyanarayanan | 8 | Yes | 2 | Nil | Nil | Nil |
| Mr. U Udayabhaskar Reddy | 8 | Yes | 2 | Nil | Nil | Nil |
| Mrs. S Devaki | 4 | Yes | Nil | Nil | Nil | Nil |
| Mr.T Ananthanarayanan | 6 | Yes | 2 | 1 | 5 | 2 |
| Mr. V Govind | 2 | No | 2 | Nil | Nil | Nil |
| Mr. R Vijayaraghavan | 8 | Yes | 8 | Nil | 7 | 4 |
| Mr. V Shankar | 8 | Yes | Nil | Nil | Nil | Nil |
| Mr. R Raghavan ² | 0 | No | Nil | Nil | Nil | Nil |
| Mr. S R Srinivasan | 8 | Yes | Nil | Nil | Nil | Nil |
| Mr. M.V.M. Alagappan ³ | 1 | No | Nil | Nil | Nil | Nil |

- Represents memberships in Audit committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Public Companies governed by the Companies Act, 2013.
- Appointed as an Additional Director (Independent) w.e.f February 9, 2015
- Ceased to be director w.e.f July 30, 2014 due to death



ANNEXURE B TO DIRECTORS' REPORT

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

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

| Particulars | Before 09.02.2015 | From 09.02.2015 |
|---|-------------------|-----------------|
| Board Meeting & Audit Committee meeting | Rs. 5,000/- | Rs. 10,000/- |
| Other Committee Meetings | Rs. 5,000/- | Rs. 5,000/- |

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 2014-15 and attendance details:

| Date of meeting | Total no. of Directors | No of Directors present |
|------------------|------------------------|-------------------------|
| May 30,2014 | 10 | 8 |
| June 23, 2014 | 10 | 7 |
| July 07, 2014 | 10 | 8 |
| August 11,2014 | 9 | 8 |
| October 16,2014 | 9 | 9 |
| November 13,2014 | 9 | 8 |
| February 09,2015 | 9 | 7 |
| March 25,2015 | 10 | 6 |

- The time gap between any two meetings did not exceed four months.
- The last Annual General Meeting was held on September 15, 2014.

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 Annexure-I to clause 49 of the Listing Agreement with Stock Exchange is provided to the Board at every meeting.



ANNEXURE B TO DIRECTORS' REPORT

c. 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.

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.

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

b) Terms of reference:

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 clause 49 of the listing agreement with stock exchange.



ANNEXURE B TO DIRECTORS' REPORT

c) Meetings and Attendance

Audit committee meetings held and its attendance during the year 2014-15:

| Date of meeting | No. of members present |
|------------------|------------------------|
| May 30,2014 | 2 |
| August 11,2014 | 2 |
| November 13,2014 | 2 |
| February 09,2015 | 2 |
| March 25, 2015 | 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. T. Ananthanarayanan as the Chairman and Mr. V. Shankar and Mr. R Vijayaraghavan as members.

Nomination & Remuneration committee was reconstituted during the year with the appointment of Mr. V Shankar as member in place of Dr. M. V. M. Alagappan.

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.

c) Meetings and Attendance

| Date of meeting | No. of members present |
|------------------|------------------------|
| February 09,2015 | 3 |

d) 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.



ANNEXURE B TO DIRECTORS' REPORT

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 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 effected 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 contractual employees as consultants on need basis.

8. Post Retirement Benefits:

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



ANNEXURE B TO DIRECTORS' REPORT

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.

e) The details of remuneration paid/payable to the Directors during 2014-15 are:

i) Non-executive Directors- Sitting Fees (excluding reimbursement of travel and other expenses incurred for the Company's business).

Rupees

| | | |
|---------------------------|---|---------|
| 1. Mr. T Ananthanarayanan | - | 50,000 |
| 2. Mrs. S Devaki | - | 35,000 |
| 3. Mr. V Govind | - | 25,000 |
| 4. Mr. V Shankar | - | 150,000 |
| 5. Mr. R Vijayaraghavan | - | 100,000 |
| 6. Mr. R. Raghavan | - | 10,000 |
| 7. Mr. M. V. M. Alagappan | - | 20,000 |

ii) Managing Director/Whole time Directors

| | Managing Director (Rs) | Deputy Managing Director (Rs) | Whole time Director (Rs) | Director Finance (Rs) |
|-------------|------------------------|-------------------------------|--------------------------|-----------------------|
| Salary | 36,00,000 | 35,10,000 | 18,60,000 | 21,00,000 |
| Perquisites | - | - | 43,994 | - |

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

5. Stakeholders Relationship Committee

- The Stakeholders Relationship Committee consists of Mr. V. Shankar, Independent Director as Chairman, Mr. U. Udayabhaskar Reddy, Whole-time Director and Mr. S. R. Srinivasan, Director as members.
- The name and designation of Compliance Officer: Mr. S. R. Srinivasan, Director - Finance & CFO
- The number of investor complaints received during the year is NIL
- The number of investor complaints not solved to the satisfaction of Shareholders is NIL
- The number of pending complaints as on 31.03.2015 is NIL



ANNEXURE B TO DIRECTORS' REPORT

6. General Body meetings

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

| Year | Location | Date & Time |
|-----------------------------|--|---------------------------------|
| 32 nd AGM - 2012 | Narada Gana Sabha Mini Hall, 314 TTK Road, Alwarpet, Chennai 600018 | July 30, 2012 10.15 a.m |
| 33 rd AGM - 2013 | M A Chidambaram conference Hall, The Southern India Chamber of Commerce and Industry, Esplanade, Chennai 600108. | August 12, 2013 10.15 a.m |
| 34 th AGM - 2014 | Narada Gana Sabha Mini Hall, 314 TTK Road, Alwarpet, Chennai 600018 | September 15, 2014 10.15 a.m |

- 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 2014-2015.
- 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.

7. Disclosures

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 2014-15.

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.

Pursuant to Clause 49 of the Listing Agreement, the Board of Directors had approved the Whistle Blower Policy and has posted in the website www.sancostrans.com. 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.

8. 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.sancostrans.com) also displays details/information of interest to various stakeholders.
- c) A Management discussion and Analysis Report is being presented as Annexure 'A' to the Directors' Report.



ANNEXURE B TO DIRECTORS' REPORT

9. General shareholder information

a. 35th Annual General Meeting

Day : Wednesday
 Date and Time : 19th August, 2015
 Venue : Narada Gana Sabha, Mini Hall,
 314 T.T.K Road, Alwarpet, Chennai 600018

b. Financial Calendar

Financial year 2015-16

| | |
|--------------------------------------|------------------------------|
| First quarter results | Second week of August 2015 |
| Second quarter results | Second week of November 2015 |
| Third quarter results | Second week of February 2016 |
| Audited Results for the year 2015-16 | Before end of May 2016 |

c. **Book Closure dates** : 13.08.2015 to 19.08.2015

d. **Dividend payment date** : Commencing on August 24, 2015 – to be completed within the statutory time limit

e. Listing/Stock Code of equity shares:

| | |
|------------------------------------|-------------------|
| Name of exchange | Stock code |
| Bombay Stock Exchange Limited(BSE) | 523116 |

f. Market Price data

| Month & Year | BOMBAY STOCK EXCHANGE | | | |
|--------------|-----------------------|--------|----------|----------|
| | Share Price (Rs) | | Sensex | |
| | Low | High | Low | High |
| April-14 | 180.40 | 212.00 | 22197.51 | 22939.31 |
| May-14 | 185.00 | 265.00 | 22277.04 | 25375.63 |
| June-14 | 201.50 | 265.00 | 24270.20 | 25725.12 |
| July-14 | 235.00 | 304.20 | 24892.00 | 26300.17 |
| August-14 | 240.00 | 295.95 | 25232.82 | 26674.38 |
| September-14 | 251.00 | 329.00 | 26220.49 | 27354.99 |
| October-14 | 251.70 | 309.95 | 25910.77 | 27894.32 |
| November-14 | 255.05 | 332.00 | 27739.56 | 28822.37 |
| December-14 | 260.00 | 325.00 | 26469.42 | 28809.64 |
| January-15 | 262.10 | 320.00 | 26776.12 | 29844.16 |
| February-15 | 233.20 | 315.00 | 28044.49 | 29560.32 |
| March -15 | 230.00 | 316.00 | 27248.45 | 30024.74 |



ANNEXURE B TO DIRECTORS' REPORT

g. 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.

h. Distribution of shareholding as on March 31, 2015:

| Range | Shareholders | | Shares | |
|------------------|--------------|--------|---------|--------|
| | Number | % | Number | % |
| 1 - 100 | 1650 | 68.86 | 97260 | 5.40 |
| 101 - 500 | 583 | 24.33 | 154341 | 8.57 |
| 501 -1000 | 79 | 3.30 | 62135 | 3.45 |
| 1001 -2000 | 43 | 1.79 | 65032 | 3.61 |
| 2001 -3000 | 20 | 0.83 | 48372 | 2.69 |
| 3001 -4000 | 3 | 0.13 | 10235 | 0.57 |
| 4001 -5000 | 3 | 0.13 | 12771 | 0.71 |
| 5001 -10000 | 5 | 0.21 | 34412 | 1.91 |
| 10001- And above | 10 | 0.42 | 1315442 | 73.08 |
| TOTAL | 2396 | 100.00 | 1800000 | 100.00 |

i. Shareholding pattern as on March 31, 2015:

| SI No | Category | No. of holders | No. of Shares | % |
|-------|--------------------------|----------------|---------------|--------|
| 1 | Promoters | 10 | 1296733 | 72.04 |
| 2 | Resident individuals | 2263 | 428531 | 23.80 |
| 3 | Bodies corporate | 47 | 36624 | 2.03 |
| 4 | Clearing members | 2 | 151 | 0.00 |
| 5 | Hindu undivided families | 55 | 31734 | 1.76 |
| 6 | Non Resident Indians | 19 | 6227 | 0.34 |
| | TOTAL | 2396 | 1800000 | 100.00 |

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

k. 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.

Telephone : 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,

New No.46, Moore Street, Chennai 600001.

Telephone : 044-66449000 Fax : 044-66449009

E Mail : shareholder@sancotrans.com



ANNEXURE C TO DIRECTORS' REPORT

Auditors' certificate on compliance with the conditions of Corporate Governance under Clause – 49 of the Listing Agreement

To the members of Sanco Trans Limited

1. We have examined the compliance with the conditions of Corporate Governance by **Sanco Trans Limited** (the Company) for the year ended March 31, 2015 as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M S Krishnaswami and Rajan,
Chartered Accountants,
Registration No. 001554S

Dated : July 03, 2015
Place : Chennai

M S Murali- Partner
Membership No.26453



ANNEXURE D TO DIRECTORS' 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 2014-15 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.

V. Upendran

Chairman & Managing Director

July 03, 2015
Chennai

S. R. Srinivasan

Director-Finance/Chief Financial Officer

Declaration on Compliance with Code of Conduct

Pursuant to Clause 1(D) of Clause 49 of the Listing Agreement, it is hereby affirmed that for the financial year ended March 31, 2015, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

July 03, 2015
Chennai

V. Upendran

Chairman & Managing Director



ANNEXURE E TO DIRECTORS' 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. |
| 5. Share capital | : Rs.500,000/- |
| 6. Reserves & surplus | : Rs. 11,756/- |
| 7. Total assets | : Rs. 60,750,534/- |
| 8. Total Liabilities | : Rs. 60,750,534/- |
| 9. Investments | : Nil |
| 10. Turnover | : Rs. 406,452/- |
| 11. Profit before taxation | : Rs. 11,756/- |
| 12. Provision for taxation | : Nil |
| 13. Profit after taxation | : Rs. 11,756/- |
| 14. Proposed Dividend | : Nil |
| 15. % of shareholding | : 100% |



ANNEXURE E TO DIRECTORS' 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/- |
| 6. Reserves & surplus | : (Rs. 63,391/-) |
| 7. Total asset | : Rs. 442,227/- |
| 8. Total Liabilities | : Rs. 442,227/- |
| 9. Investments | : Nil |
| 10. Turnover | : Nil |
| 11. Profit before taxation | : (Rs. 63,391/-) |
| 12. Provision for taxation | : Nil |
| 13. Profit after taxation | : (Rs. 63,391/-) |
| 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.

July 03, 2015
Chennai

V. Upendran
Chairman & Managing Director



ANNEXURE F TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

(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 | New No. 46, Old No. 90, Moore Street, 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 | 9967 | 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 DIRECTORS' 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 | % of Total Shares | |
| A. | SHAREHOLDING OF PROMOTER AND PROMOTER GROUP | | | | | | | | | |
| 1. | INDIAN | | | | | | | | | |
| a. | INDIVIDUALS/HINDU UNDIVIDED FAMILY | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| b. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | BODIES CORPORATE | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | ANY OTHER | | | | | | | | | |
| | DIRECTORS AND THEIR RELATIVES | 1292232 | 2000 | 1294232 | 71.9017 | 1294233 | 2500 | 1296733 | 72.0407 | 0.1389 |
| | SUB - TOTAL (A)(1) | 1292232 | 2000 | 1294232 | 71.9017 | 1294233 | 2500 | 1296733 | 72.0407 | 0.1389 |
| | SUB - TOTAL (A)(1) | 1292232 | 2000 | 1294232 | 71.9017 | 1294233 | 2500 | 1296733 | 72.0407 | 0.1389 |
| 2. | FOREIGN | | | | | | | | | |
| a. | INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| b. | BODIES CORPORATE | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | INSTITUTIONS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |



ANNEXURE F TO DIRECTORS' 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 | |
| e. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (A)(2) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2) | 1292232 | 2000 | 1294232 | 71.9017 | 1294233 | 2500 | 1296733 | 72.0407 | 0.1389 |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | |
| a. | MUTUAL FUNDS/UTI | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| b. | FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | VENTURE CAPITAL FUNDS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | INSURANCE COMPANIES | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| f. | FOREIGN INSTITUTIONAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| g. | FOREIGN VENTURE CAPITAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| h. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| i. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (B)(1) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| 2. | NON-INSTITUTIONS | | | | | | | | | |
| a. | BODIES CORPORATE | 20811 | 400 | 21211 | 1.1783 | 36224 | 400 | 36624 | 2.0346 | 0.8562 |
| b. | INDIVIDUALS - | | | | | | | | | |



ANNEXURE F TO DIRECTORS' 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 | |
| | I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH | 286945 | 159324 | 446269 | 24.7927 | 277706 | 150825 | 428531 | 23.8072 | -0.9854 |
| | III INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH | 10290 | 0 | 10290 | 0.5716 | 0 | 0 | 0 | 0.0000 | -0.5716 |
| c. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | ANY OTHER | | | | | | | | | |
| | CLEARING MEMBERS | 248 | 0 | 248 | 0.0137 | 151 | 0 | 151 | 0.0083 | -0.0083 |
| | HINDU UNDIVIDED FAMILIES | 14459 | 2 | 14461 | 0.8033 | 31732 | 2 | 31734 | 1.7630 | 0.9596 |
| | NON RESIDENT INDIANS | 13289 | 0 | 13289 | 0.7382 | 6227 | 0 | 6227 | 0.3459 | -0.3923 |
| | | 27996 | 2 | 27998 | 1.5554 | 38110 | 2 | 38112 | 2.1173 | 0.5618 |
| | SUB - TOTAL (B)(2) | 346042 | 159726 | 505768 | 28.0982 | 352040 | 151227 | 503267 | 27.9592 | -0.1389 |
| | TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2) | 346042 | 159726 | 505768 | 28.0982 | 352040 | 151227 | 503267 | 27.9592 | -0.1389 |
| | TOTAL (A)+(B) | 1638274 | 161726 | 1800000 | 100.0000 | 1646273 | 153727 | 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) | 1638274 | 161726 | 1800000 | 100.0000 | 1646273 | 153727 | 1800000 | 100.0000 | 0.0000 |



ANNEXURE F TO DIRECTORS' 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 | 496882 | 27.6045 | 0.0000 | 496883 | 27.6046 | 0.0000 | 0.0001 |
| 2 | DEVAKI S | 212750 | 11.8194 | 0.0000 | 212750 | 11.8194 | 0.0000 | 0.0000 |
| 3 | SATHYANARAYANAN S | 195100 | 10.8388 | 0.0000 | 197600 | 10.9776 | 0.0000 | 0.1388 |
| 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 | 37500 | 2.0833 | 0.0000 | 39500 | 2.1944 | 0.0000 | 0.1111 |
| 10 | M MEERA JT1 : SREELAKSHMI M | 2000 | 0.1111 | 0.0000 | 0 | 0.0000 | 0.0000 | -0.1111 |



ANNEXURE F TO DIRECTORS' 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-2014 | 496882 | 27.6045 | 496882 | 27.6045 |
| | Purchase 11-Jul-2014 | 1 | 0.0000 | 496883 | 27.6046 |
| | At the end of the Year 31-Mar-2015 | 496883 | 27.6046 | 496883 | 27.6046 |
| 2 | DEVAKI S | | | | |
| | At the beginning of the year 01-Apr-2014 | 212750 | 11.8194 | 212750 | 11.8194 |
| | At the end of the Year 31-Mar-2015 | 212750 | 11.8194 | 212750 | 11.8194 |
| 3 | SATHYANARAYANAN S | | | | |
| | At the beginning of the year 01-Apr-2014 | 195100 | 10.8388 | 195100 | 10.8388 |
| | Purchase 05-Sep-2014 | 2500 | 0.1388 | 197600 | 10.9776 |
| | At the end of the Year 31-Mar-2015 | 197600 | 10.9776 | 197600 | 10.9776 |
| 4 | SANCO ESTATES AND FARMS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 150100 | 8.3388 | 150100 | 8.3388 |
| | At the end of the Year 31-Mar-2015 | 150100 | 8.3388 | 150100 | 8.3388 |
| 5 | UPENDRAN V | | | | |
| | At the beginning of the year 01-Apr-2014 | 79900 | 4.4388 | 79900 | 4.4388 |
| | At the end of the Year 31-Mar-2015 | 79900 | 4.4388 | 79900 | 4.4388 |
| 6 | SATHYAVATHI P | | | | |
| | At the beginning of the year 01-Apr-2014 | 40000 | 2.2222 | 40000 | 2.2222 |
| | At the end of the Year 31-Mar-2015 | 40000 | 2.2222 | 40000 | 2.2222 |
| 7 | GAJALAKSHMI S | | | | |
| | At the beginning of the year 01-Apr-2014 | 40000 | 2.2222 | 40000 | 2.2222 |
| | At the end of the Year 31-Mar-2015 | 40000 | 2.2222 | 40000 | 2.2222 |



ANNEXURE F TO DIRECTORS' 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 |
| 8 | GUNAVATHI D | | | | |
| | At the beginning of the year 01-Apr-2014 | 40000 | 2.2222 | 40000 | 2.2222 |
| | At the end of the Year 31-Mar-2015 | 40000 | 2.2222 | 40000 | 2.2222 |
| 9 | MEERA M | | | | |
| | At the beginning of the year 01-Apr-2014 | 37500 | 2.0833 | 37500 | 2.0833 |
| | Demated 17-Oct-2014 | 2000 | 0.1111 | 39500 | 2.1944 |
| | At the end of the Year 31-Mar-2015 | 39500 | 2.1944 | 39500 | 2.1944 |
| 10 | M MEERA JT1 : SREELAKSHMI M | | | | |
| | At the beginning of the year 01-Apr-2014 | 2000 | 0.1111 | 2000 | 0.1111 |
| | Sale 12-Sep-2014 | -2000 | 0.1111 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |

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 | RAKESH KUMAR JAIN JT1 : MANJU JAIN | | | | |
| | At the beginning of the year 01-Apr-2014 | 10290 | 0.5716 | 10290 | 0.5716 |
| | Sale 30-May-2014 | -450 | 0.0250 | 9840 | 0.5466 |
| | Sale 13-Jun-2014 | -6735 | 0.3741 | 3105 | 0.1725 |
| | Sale 06-Mar-2015 | -1000 | 0.0555 | 2105 | 0.1169 |
| | At the end of the Year 31-Mar-2015 | 2105 | 0.1169 | 2105 | 0.1169 |



ANNEXURE F TO DIRECTORS' 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 |
| 2 | HITESH RAMJI JAVERI JT1 : RADHABAI RAMJI JAVERI JT2 : HARSHA HITESH JAVERI | | | | |
| | At the beginning of the year 01-Apr-2014 | 7315 | 0.4063 | 7315 | 0.4063 |
| | At the end of the Year 31-Mar-2015 | 7315 | 0.4063 | 7315 | 0.4063 |
| 3 | MANU MANSHARAMANI JT1 : KIRAN MANSHARAMANI | | | | |
| | At the beginning of the year 01-Apr-2014 | 6000 | 0.3333 | 6000 | 0.3333 |
| | Sale 13-Jun-2014 | -6000 | 0.3333 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| 4 | SUDHEER MAHAJAN JT1 : NAMRATA MAHAJAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 6264 | 0.3480 | 6264 | 0.3480 |
| | Sale 30-May-2014 | -2 | 0.0001 | 6262 | 0.3479 |
| | Sale 08-Aug-2014 | -498 | 0.0277 | 5764 | 0.3202 |
| | Purchase 08-Aug-2014 | 498 | 0.0277 | 6262 | 0.3479 |
| | Sale 09-Jan-2015 | -50 | 0.0028 | 6212 | 0.3451 |
| | At the end of the Year 31-Mar-2015 | 6212 | 0.3451 | 6212 | 0.3451 |
| 5 | HARSHA HITESH JAVERI JT1 : HITESH RAMJI JAVERI | | | | |
| | At the beginning of the year 01-Apr-2014 | 5700 | 0.3166 | 5700 | 0.3166 |
| | At the end of the Year 31-Mar-2015 | 5700 | 0.3166 | 5700 | 0.3166 |
| 6 | ANIL KUMAR GARG JT1 : KANAK GARG | | | | |
| | At the beginning of the year 01-Apr-2014 | 4200 | 0.2333 | 4200 | 0.2333 |
| | Purchase 16-May-2014 | 200 | 0.0111 | 4400 | 0.2444 |
| | Sale 21-Nov-2014 | -500 | 0.0277 | 3900 | 0.2166 |
| | Sale 28-Nov-2014 | -1300 | 0.0722 | 2600 | 0.1444 |
| | Sale 05-Dec-2014 | -600 | 0.0333 | 2000 | 0.1111 |
| | Sale 12-Dec-2014 | -1100 | 0.0611 | 900 | 0.0500 |
| | Sale 16-Jan-2015 | -200 | 0.0111 | 700 | 0.0388 |
| | Sale 06-Feb-2015 | -700 | 0.0388 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |



ANNEXURE F TO DIRECTORS' 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 |
| 7 | SUHASINI KRISHNANANDA NAYAK . JT1 : NAGAR KRISHNANANDA NAYAK . | | | | |
| | At the beginning of the year 01-Apr-2014 | 4000 | 0.2222 | 4000 | 0.2222 |
| | At the end of the Year 31-Mar-2015 | 4000 | 0.2222 | 4000 | 0.2222 |
| 8 | S N RAJAN JT1 : ANURADHA RAJAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 3996 | 0.2220 | 3996 | 0.2220 |
| | Sale 11-Jul-2014 | -231 | 0.0128 | 3765 | 0.2091 |
| | Sale 21-Nov-2014 | -2925 | 0.1625 | 840 | 0.0466 |
| | Purchase 28-Nov-2014 | 952 | 0.0528 | 1792 | 0.0995 |
| | Sale 05-Dec-2014 | -611 | 0.0339 | 1181 | 0.0656 |
| | Purchase 12-Dec-2014 | 582 | 0.0323 | 1763 | 0.0979 |
| | Purchase 13-Feb-2015 | 662 | 0.0367 | 2425 | 0.1347 |
| | Sale 06-Mar-2015 | -2425 | 0.1347 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| 9 | VENKATTU SRINIVASAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 3311 | 0.1839 | 3311 | 0.1839 |
| | Sale 11-Apr-2014 | -146 | 0.0081 | 3165 | 0.1758 |
| | Sale 11-Jul-2014 | -1000 | 0.0555 | 2165 | 0.1202 |
| | Sale 22-Aug-2014 | -1000 | 0.0555 | 1165 | 0.0647 |
| | Sale 06-Feb-2015 | -165 | 0.0091 | 1000 | 0.0555 |
| | At the end of the Year 31-Mar-2015 | 1000 | 0.0555 | 1000 | 0.0555 |
| 10 | SREY FINANCIAL SERVICE PVT. LTD | | | | |
| | At the beginning of the year 01-Apr-2014 | 3265 | 0.1813 | 3265 | 0.1813 |
| | Purchase 13-Jun-2014 | 6735 | 0.3741 | 10000 | 0.5555 |
| | At the end of the Year 31-Mar-2015 | 10000 | 0.5555 | 10000 | 0.5555 |



ANNEXURE F TO DIRECTORS' 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 |
| | NEW TOP 10 AS ON 31-Mar-2015 | | | | |
| 11 | RAJ KUMAR LOHIA | | | | |
| | At the beginning of the year 01-Apr-2014 | 2485 | 0.1380 | 2485 | 0.1380 |
| | Purchase 18-Apr-2014 | 181 | 0.0100 | 2666 | 0.1481 |
| | Purchase 25-Apr-2014 | 197 | 0.0109 | 2863 | 0.1590 |
| | Purchase 02-May-2014 | 27 | 0.0015 | 2890 | 0.1605 |
| | Purchase 23-May-2014 | 1157 | 0.0642 | 4047 | 0.2248 |
| | Purchase 30-May-2014 | 1000 | 0.0555 | 5047 | 0.2803 |
| | Purchase 13-Jun-2014 | 3770 | 0.2094 | 8817 | 0.4898 |
| | Purchase 11-Jul-2014 | 952 | 0.0528 | 9769 | 0.5427 |
| | Purchase 18-Jul-2014 | 2348 | 0.1304 | 12117 | 0.6731 |
| | Purchase 25-Jul-2014 | 1264 | 0.0702 | 13381 | 0.7433 |
| | Purchase 01-Aug-2014 | 725 | 0.0402 | 14106 | 0.7836 |
| | Purchase 08-Aug-2014 | 131 | 0.0072 | 14237 | 0.7909 |
| | Purchase 14-Aug-2014 | 530 | 0.0294 | 14767 | 0.8203 |
| | Purchase 22-Aug-2014 | 2562 | 0.1423 | 17329 | 0.9627 |
| | Purchase 29-Aug-2014 | 320 | 0.0177 | 17649 | 0.9805 |
| | Purchase 19-Sep-2014 | 300 | 0.0166 | 17949 | 0.9971 |
| | Purchase 30-Sep-2014 | 172 | 0.0095 | 18121 | 1.0067 |
| | Purchase 10-Oct-2014 | 500 | 0.0277 | 18621 | 1.0345 |
| | Purchase 31-Oct-2014 | 2588 | 0.1437 | 21209 | 1.1782 |
| | At the end of the Year 31-Mar-2015 | 21209 | 1.1782 | 21209 | 1.1782 |
| 12 | CAMEL FOODS PVT LTD. | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 30-May-2014 | 1132 | 0.0628 | 1132 | 0.0628 |
| | Purchase 06-Jun-2014 | 264 | 0.0146 | 1396 | 0.0775 |
| | Purchase 13-Jun-2014 | 977 | 0.0542 | 2373 | 0.1318 |
| | Sale 11-Jul-2014 | -373 | 0.0207 | 2000 | 0.1111 |
| | Purchase 25-Jul-2014 | 270 | 0.0150 | 2270 | 0.1261 |
| | Purchase 01-Aug-2014 | 558 | 0.0310 | 2828 | 0.1571 |
| | Purchase 08-Aug-2014 | 503 | 0.0279 | 3331 | 0.1850 |
| | Sale 22-Aug-2014 | -3228 | 0.1793 | 103 | 0.0057 |
| | Purchase 29-Aug-2014 | 140 | 0.0077 | 243 | 0.0135 |



ANNEXURE F TO DIRECTORS' 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 21-Nov-2014 | 5560 | 0.3088 | 5803 | 0.3223 |
| | Purchase 28-Nov-2014 | 125 | 0.0069 | 5928 | 0.3293 |
| | Purchase 05-Dec-2014 | 427 | 0.0237 | 6355 | 0.3530 |
| | Purchase 12-Dec-2014 | 579 | 0.0321 | 6934 | 0.3852 |
| | Purchase 02-Jan-2015 | 494 | 0.0274 | 7428 | 0.4126 |
| | Sale 06-Mar-2015 | -1428 | 0.0793 | 6000 | 0.3333 |
| | At the end of the Year 31-Mar-2015 | 6000 | 0.3333 | 6000 | 0.3333 |
| 13 | MANOJ DUA | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 22-Aug-2014 | 4067 | 0.2259 | 4067 | 0.2259 |
| | Purchase 21-Nov-2014 | 592 | 0.0328 | 4659 | 0.2588 |
| | At the end of the Year 31-Mar-2015 | 4659 | 0.2588 | 4659 | 0.2588 |
| 14 | RAJASTHAN GLOBAL SECURITIES LIMITED | | | | |
| | a. At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 11-Jul-2014 | 67 | 0.0037 | 67 | 0.0037 |
| | Purchase 18-Jul-2014 | 47 | 0.0026 | 114 | 0.0063 |
| | Purchase 08-Aug-2014 | 124 | 0.0068 | 238 | 0.0132 |
| | Sale 10-Oct-2014 | -238 | 0.0132 | 0 | 0.0000 |
| | Purchase 06-Feb-2015 | 296 | 0.0164 | 296 | 0.0164 |
| | Purchase 06-Mar-2015 | 3781 | 0.2100 | 4077 | 0.2265 |
| | At the end of the Year 31-Mar-2015 | 4077 | 0.2265 | 4077 | 0.2265 |
| | b. At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 12-Sep-2014 | 100 | 0.0055 | 100 | 0.0055 |
| | Purchase 10-Oct-2014 | 238 | 0.0132 | 338 | 0.0187 |
| | Sale 24-Oct-2014 | -22 | 0.0012 | 316 | 0.0175 |
| | Purchase 07-Nov-2014 | 1241 | 0.0689 | 1557 | 0.0865 |
| | Purchase 13-Feb-2015 | 63 | 0.0035 | 1620 | 0.0900 |
| | Purchase 13-Mar-2015 | 928 | 0.0515 | 2548 | 0.1415 |
| | Purchase 27-Mar-2015 | 44 | 0.0024 | 2592 | 0.1440 |
| | At the end of the Year 31-Mar-2015 | 2592 | 0.1440 | 2592 | 0.1440 |



ANNEXURE F TO DIRECTORS' 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 |
| 15 | RAJ KUMAR LOHIA | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 29-Aug-2014 | 232 | 0.0128 | 232 | 0.0128 |
| | Purchase 21-Nov-2014 | 590 | 0.0327 | 822 | 0.0456 |
| | Purchase 28-Nov-2014 | 442 | 0.0245 | 1264 | 0.0702 |
| | Purchase 12-Dec-2014 | 500 | 0.0277 | 1764 | 0.0980 |
| | Purchase 06-Feb-2015 | 665 | 0.0369 | 2429 | 0.1349 |
| | Purchase 06-Mar-2015 | 266 | 0.0147 | 2695 | 0.1497 |
| | Purchase 27-Mar-2015 | 1340 | 0.0744 | 4035 | 0.2241 |
| | At the end of the Year 31-Mar-2015 | 4035 | 0.2241 | 4035 | 0.2241 |

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

(Rs. In Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|-----------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2805.31 | - | 243.78 | 3049.09 |
| ii) Interest due but not paid | | - | - | - |
| iii) Interest accrued but not due | 11.71 | - | - | 11.71 |
| Total (i+ii+iii) | 2817.02 | - | 243.78 | 3060.80 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 682.32 | - | - | 682.32 |
| * Reduction | (514.13) | - | (243.78) | (757.91) |
| Net Change | 168.19 | - | (243.78) | (75.59) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2985.21 | - | - | 2985.21 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 13.29 | - | - | 13.29 |
| Total (i+ii+iii) | 2998.50 | - | - | 2998.50 |



ANNEXURE F TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

In Rupees

| S. N.o | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|--------|---|---|-----------------------------|-------------------------------|--------------|
| | | Mr. V. Upendran MD | Mr. S. Sathya Narayanan WTD | Mr. U. Udayabhaskar Reddy WTD | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 36,00,000 | 35,10,000 | 18,60,000 | 89,70,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | -- | -- | 43,994 | 43,994 |
| | (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 | 35,10,000 | 19,03,994 | 90,13,994 |
| | 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. N.o | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|--------|--|-------------------|-------------------------|-----------------------|---------------|--------------|
| | | Mr. V. Shankar | Mr. T. Ananthanarayanan | Mr. R. Vijayaraghavan | Mr. V. Govind | |
| 1 | Independent Directors | | | | | |
| | Fee for attending board committee meetings | 1,50,000 | 50,000 | 1,00,000 | 25,000 | 3,55,000 |
| | Commission | -- | -- | -- | -- | -- |
| | Others, please specify | -- | -- | -- | -- | -- |
| | Total (1) | 1,50,000 | 50,000 | 1,00,000 | 25,000 | 3,55,000 |



ANNEXURE F TO DIRECTORS' REPORT

| | | | |
|---|--|---|--------------|
| 2 | Other Non-Executive Directors | Mrs. S Devaki | Total Amount |
| | Fee for attending board committee meetings | 35,000 | 35,000 |
| | Commission | -- | -- |
| | Others, please specify | -- | -- |
| | Total (2) | 35,000 | 35,000 |
| | Total (B)=(1+2) | | 3,90,000 |
| | 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 | |
|----|---|-----------------------------|-----------|
| | | CFO Mr. S. R. Srinivasan | Total |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 21,00,000 | 21,00,000 |
| | (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 | 21,00,000 | 21,00,000 |

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 DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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"). 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, 2015 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, 2015 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, 1992;
 - 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 DIRECTORS' 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)
- VI. 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 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.

We have also examined the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable for the year 2014-15)
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., subject to the following:

1. The Company has not appointed a Company Secretary as required under the first proviso of sub-section 1 of Section 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. Form 1-INV for transfer of unpaid dividend account for the year 2006-07 which was due in November 2014 was filed in the month of May 2015.



ANNEXURE G TO DIRECTORS' 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 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 : 03.07.2015

For A.K Jain & Associates
Company Secretaries

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



ANNEXURE H TO DIRECTORS' 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:
Sanco Transport Limited - Wholly Owned Subsidiary
- (b) Nature of contracts/arrangements/transactions:
For taking on lease/hire vehicles
- (c) Duration of the contracts / arrangements / transactions : 10 years
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Rs. 60,000 per month per vehicle.
- (e) Date(s) of approval by the Board, if any:
25.03.2015
- (f) Amount paid as advances, if any:
Nil



ANNEXURE H TO DIRECTORS' REPORT

- ii. (a) Name of the related party and nature of relationship:
Sudharsan Logistics Private Limited
Associate Company - 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
5 years
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Rs. 9 crores per annum
- (e) Date(s) of approval by the Board, if any:
Approval obtained from Central Government vide Order dated 30.09.2013
- (f) Amount paid as advances, if any:
Nil

For and on behalf of the Board of Directors

Place : Chennai
Dated : July 03, 2015

V Upendran
Chairman & Managing Director
(DIN: 00557511)



ANNEXURE I TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibilities (CSR) Activities:

Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Policy of the company includes contribution and adoption of the projects in the areas defined in the Schedule VII of the Companies Act, 2013.

The Company's CSR Policy has been uploaded in the website of the company under the web-link www.sancotrans.com

Composition of the CSR Committee

1. Mr. S. Sathyanarayanan - Chairman
2. Mr. V. Upendran - Member
3. Mr. V. Govind - Member

Average net profit of the Company for the last three financial years

Average net profit: Rs. 943.28 Lakhs

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2014-15 is required to spend Rs. 18.87 Lakhs towards CSR.

Details of CSR spent during the financial year:

- a) Total amount spent for the financial year: Rs. 10 Lakhs
- b) Amount unspent: Rs. 8.87 Lakhs

Manner in which amount spent during the financial year is detailed below:

| S. No. | CSR Project or activity identified | Sector in which Project/Trust is covered | Locations | Amount Spent on the projects or programs | Cumulative Expenditure upto reporting period | Amount spent: Direct or through implementing agency |
|--------|--|--|---|--|--|---|
| 1. | Support complicated major eye surgeries performed on indigent patients | Promoting Healthcare | Chennai | 2,00,000/- | 2,00,000/- | Sankara Nethralaya "Medical Research Foundation" |
| 2. | Swach Bharat Kosh | Promotion of Sanitation | Remitted to Swach Bharat Kosh Fund in Delhi | 1,00,000/- | 1,00,000/- | Direct |



ANNEXURE I TO DIRECTORS' REPORT

| S. No. | CSR Project or activity identified | Sector in which Project/Trust is covered | Locations | Amount Spent on the projects or programs | Cumulative Expenditure upto reporting period | Amount spent: Direct or through implementing agency |
|--------|------------------------------------|--|---------------------------------------|--|--|---|
| 3. | Clean Ganga Fund | Protection of water | Remitted to Clean Ganga Fund in Delhi | 1,00,000/- | 1,00,000/- | Direct |
| 4. | Education | Promoting Education | Trichy | 4,00,000/- | 4,00,000/- | Srimad Andavan Arts & Science College |
| 5. | Education | Promoting Education | Trichy | 2,00,000/- | 2,00,000/- | Sri Ranganatha Paduka Vidyalaya Trust |

Reason for the amount unspent:

In the financial year ended 31st March 2015, the Company has spent 1.06% of the average net profit of the last three financial years.

As the Companies Act, 2013, has mandated all the Companies to repay the Deposits accepted from Public before 31st March 2015, our company had to repay all its fixed deposits to its depositors before the maturity period amounting Rs.2.45 crores and such deposits has been completely repaid before 31st March 2015 which led to limitation in the flow of funds. Due to that, our Company could not spend the remaining 0.94% of the average net profit of the last three financial years.

Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Place : Chennai
Dated : July 03, 2015

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, 2015, the Statement of Profit and Loss, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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.
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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial



INDEPENDENT AUDITOR'S REPORT

control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.



INDEPENDENT AUDITOR'S REPORT

- f. 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. A sum amounting to Rs. 1,78,213.00 required to be transferred to the Investor Education and Protection Fund on November 2, 2014 has been transferred by the Company to the said fund only on May 2, 2015.

For M.S. Krishnaswami& Rajan

Chartered Accountants
Registration No. 01554S

May 30, 2015
Chennai

M.S. Murali -Partner
Membership No. 26453



INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditors' Report

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **SANCO TRANS LIMITED** ("the Company") for the year ended March 31, 2015)

- 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. As explained to us, fixed assets have been physically verified by the management once during the year and no material discrepancies were noticed on such verification.
- ii. In respect of its inventories:
 - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and on the basis of our examination of the records, the Company has generally maintained proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. The Company has granted an unsecured loan aggregating Rs. 600 lakhs to its wholly owned subsidiary company Sanco Transport Limited, the principal amount and interest whereof is being regularly received, as agreed. There are no other secured or unsecured loans or advances to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. There are no overdue amounts more than Rupees one lakh, in respect of the above loan..
- iv. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets, for payment of expenses and for the sale of goods and services, and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system has been noticed.
- v. According to information and explanations given to us, the Company has not accepted any deposits, during the year. In respect of deposits accepted by the Company before the commencement of the Companies Act, 2013, the amount of such deposit and interest due thereon has been repaid in terms of provisions of Section 74(2) of the said Act. The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder, where applicable, with regard to deposits accepted and no order under the aforesaid sections has been passed by the Company Law Board or any other authority on the Company.



INDEPENDENT AUDITOR'S REPORT

- vi. 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.
- vii. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 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 is no amounts payable in respect of wealth tax, sales tax excise duty and cess which have not been deposited on account of any disputes. Details of dues(including interest, penalty etc) towards income tax, service tax and customs that have not been deposited on account of dispute 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 | 11,89,280 | CIT(A) |
| 2 | " | Tax Deducted at Source | Financial year 2007-08 | 74,964 | CIT(A) |
| 3 | " | Tax Deducted at Source | Financial year 2008 | 4,13,480 | CIT(A) |
| 4 | " | Tax Deducted at Source | Financial year 2009 | 1,09,000 | CIT(A) |
| 5 | " | Income tax | Assessment year 2004-05 | 30,190 | CIT(A) |
| 6 | " | Income tax | Assessment year 2006-07 | 88,670 | A.O |
| 7 | " | Income tax | Assessment year 2009-10 | 5,36,320 | CIT(A) |
| 8 | " | Income tax | Assessment year 2010-11 | 66,13,294 | CIT(A) |
| 9 | " | Income tax | Assessment year 2011-12 | 152,15,590 | CIT(A) |
| 10 | " | Income tax | Assessment year 2012-13 | 47,58,490 | CIT(A) |
| 11 | Central Excise Act 1944 | Service tax | 18.04.2006 to 31.03.2008 | 80,15,138 | CESTAT |
| 12 | Customs Act | Duty Drawback Claims | Financial Years 2008-09, 2009-10, 2010-11 | 18,32,000 | CESTAT |



INDEPENDENT AUDITOR'S REPORT

- (c) A sum amounting to Rs.1,78,213.00 required to be transferred to the Investor Education and Protection Fund as on November 2, 2014 has been transferred by the Company to the said fund only on May 2, 2015.
- viii. The Company does not have accumulated losses as at March 31, 2015 and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
- xi. Based on the audit procedures and on the information given by the management, we report that the term loans taken by the Company during the year have been applied for the purpose for which they were raised.
- xii. 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 has been noticed or reported during the year. We have been informed that (i) there has been shortage of materials in the containers handled by the company aggregating Rs. 10.01 lakhs in respect of which claims have been received from the customer and (ii) theft of imported materials aggregating Rs. 15.92 lakhs (net of recovery) had occurred during the year under audit, in the containers stored in the Company's premises. Insurance claims are in progress in respect of the above.

For M.S. Krishnaswami& Rajan

Chartered Accountants
Registration No. 01554S

May 30, 2015
Chennai

M.S. Murali -Partner
Membership No. 26453



Sanco Trans Limited

Balance Sheet as at March 31, 2015

| | Note No | As at March 31,2015 Rs in Lakhs | As at March 31,2014 Rs in Lakhs |
|--|---------|--|---|
| EQUITY AND LIABILITIES | | | |
| Shareholders'funds | | | |
| Share capital | 1.1 | 180.00 | 180.00 |
| Reserves and surplus | 1.2 | 9664.53 | 9504.71 |
| | | <u>9844.53</u> | <u>9684.71</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 1.3 | 1427.33 | 1784.26 |
| Deferred tax liabilities (Refer Note 3.13 to Financial Statements) | | 276.05 | 360.13 |
| Other Long - term liabilities | 1.4 | 61.83 | 86.25 |
| Long- term provisions | 1.5 | 47.86 | 47.86 |
| | | <u>1813.07</u> | <u>2278.50</u> |
| Current liabilities | | | |
| Short-term borrowings | 1.6 | 890.98 | 526.10 |
| Trade payables | | 492.75 | 456.10 |
| Other current liabilities | 1.7 | 1620.38 | 1692.19 |
| Short-term provisions | 1.8 | 118.49 | 127.48 |
| | | <u>3122.60</u> | <u>2801.87</u> |
| TOTAL ASSETS | | <u>14780.20</u> | <u>14765.08</u> |
| Non-current assets | | | |
| Fixed Assets | | | |
| Tangible assets | 1.9 | 8984.86 | 9295.87 |
| Intangible assets | | -- | 1.84 |
| Capital Work In Progress | | 2475.62 | 2174.77 |
| | | <u>11460.48</u> | <u>11472.48</u> |
| Non-Current investment | 1.10 | 10.00 | - |
| Long- term loans and advances | 1.11 | 1287.32 | 640.18 |
| Current Assets | | | |
| Inventories - Stores and spares | | 8.08 | 4.50 |
| Trade receivables | 1.12 | 1151.20 | 1303.27 |
| Cash and Cash equivalent | 1.13 | 610.08 | 954.83 |
| Short-term loans and advances | 1.14 | 99.53 | 308.32 |
| Other current assets | 1.15 | 153.51 | 81.50 |
| | | <u>2022.40</u> | <u>2652.42</u> |
| TOTAL | | <u>14780.20</u> | <u>14765.08</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 and Rajan Chartered Accountants | | V Upendran Chairman and Managing Director | S Sathyanarayanan Deputy Managing Director |
| M S Murali - Partner Chennai May 30,2015 | | | S R Srinivasan Director- Finance |



Sanco Trans Limited

Statement of Profit and Loss for the year ended March 31, 2015

| | Note No. | Year ended March 31,2015 Rs in Lakhs | Year ended March 31,2014 Rs in Lakhs |
|--|----------|--|--|
| Revenue | | | |
| Revenue from operations | 2.1 | 7544.99 | 7421.94 |
| Other income | 2.2 | 132.94 | 78.81 |
| Total Revenue | | 7677.93 | 7500.75 |
| Expenses | | | |
| Equipment and fleet hire | | 2142.42 | 2305.51 |
| Operating expenses | 2.3 | 2658.65 | 2258.01 |
| Employee benefits expense | 2.4 | 974.14 | 937.66 |
| Finance costs | 2.5 | 298.62 | 245.97 |
| Depreciation and amortization (Refer Note 1.9 to the Balance Sheet) | | 358.25 | 292.02 |
| Other expenses | 2.6 | 1018.07 | 971.86 |
| Total expenses | | 7450.15 | 7011.03 |
| Profit before Exceptional/Extraordinary items and tax | | 227.78 | 489.72 |
| Exceptional items | | -- | -- |
| Extraordinary items | | -- | -- |
| -Gain on acquisition of land by government | | -- | -- |
| Profit before tax | | 227.78 | 489.72 |
| Tax expense | 2.7 | (7.89) | 73.45 |
| Profit for the year after tax from continuing operations | | 235.67 | 416.27 |
| Profit/(Loss) from discontinuing operations | | -- | -- |
| Profit for the year | | 235.67 | 416.27 |
| Earnings per Equity Share- | | | |
| Basic and diluted(Refer Note 3.9) | | | |
| - before extraordinary item | Rs | 13.09 | 23.13 |
| - after extraordinary item | Rs | 13.09 | 23.13 |

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 to in our report of even date

For and on behalf of the Board

For M S Krishnaswami and Rajan
Chartered Accountants

V Upendran
Chairman and
Managing Director

S Sathyanarayanan
Deputy Managing
Director

M S Murali - Partner
Chennai
May 30,2015

S R Srinivasan
Director- Finance



Cash Flow Statement for the year ended March 31, 2015

| | 2014-15 (Rs. In lacs) | 2013-14 (Rs. In lacs) |
|--|--------------------------|--------------------------|
| Cash flows from operating activities | | |
| Net profit before tax | 227.78 | 489.72 |
| Adjustments for : | | |
| Depreciation/amortization/impairment not considered as cash outflow | 358.25 | 292.02 |
| Profit /Loss on disposal of Capital assets (net) considered under investment activities | (3.80) | (4.72) |
| Interest paid (net) considered under investing and financing activities | 240.52 | 167.08 |
| Deferred revenue expenditure | | |
| - amortised not considered as cash outflow | 5.59 | 5.59 |
| Operating Profit before working capital changes | 828.34 | 949.69 |
| Adjustments for changes in : | | |
| Trade payables | 36.65 | 103.10 |
| Long term provisions | -- | -- |
| Short term provisions | (11.00) | 5.50 |
| Other current liabilities | (12.45) | 59.46 |
| Long term liabilities | (24.42) | 71.60 |
| Inventories | (3.58) | 8.77 |
| Trade and other receivables | 152.07 | (90.67) |
| Long term advances | (506.99) | 2.47 |
| Short term advances | 208.79 | (195.46) |
| Current assets | (85.43) | 9.80 |
| | (246.36) | (25.43) |
| Direct taxes paid | (210.79) | (226.34) |
| Cash flow from operating activities | (1) 371.19 | 697.92 |
| Cash flows from investment activities | | |
| Payments for acquisition of fixed assets | | |
| Additions to fixed assets as per schedule | (96.66) | (332.84) |
| Adjustment for changes in Capital work in progress | (300.85) | (853.82) |
| | (397.51) | (1186.66) |
| Proceeds on disposal of/claims relating to capital assets, investments | 32.14 | 15.62 |
| Purchase of investments in subsidiaries | (10.00) | -- |
| Interest received | 60.34 | 62.03 |
| Cash outflow from investment activities | (2) (315.03) | (1109.01) |



Sanco Trans Limited

Cash Flow Statement for the year ended March 31, 2015 (Continued)

| | 2014-15 (Rs. In lacs) | 2013-14 (Rs. In lacs) |
|--|--------------------------|--------------------------|
| Cash flows from financing activities | | |
| Borrowings - Long term - Raised | 113.15 | 619.22 |
| - Repaid | (532.75) | (540.58) |
| - Short term - Raised | -- | 59.15 |
| - Repaid | (9.15) | (50.00) |
| Interest paid (excluded from operating activities as above) | (279.74) | (251.27) |
| Dividend and corporate dividend tax paid relating to previous year | (56.48) | (56.48) |
| Cash out flow from financing activities | (3) (764.97) | (219.96) |
| Net cash flow (1) - (2) - (3) | (708.81) | (631.05) |
| At beginning | | |
| Cash and bank balances | 940.13 | 1046.92 |
| | 940.13 | 1046.92 |
| Balance in cash credit & temporary overdraft | 528.66 | 4.40 |
| | (4) 411.47 | 1042.52 |
| At end | | |
| Cash and Bank balances | 593.64 | 940.13 |
| | 593.64 | 940.13 |
| Balance in cash credit & temporary overdraft | 890.98 | 528.66 |
| | (5) (297.34) | 411.47 |
| Movement: increase/(decrease) in cash and cash equivalents | (5-4) (708.81) | (631.05) |
| Notes to the Cash flow statement | | |
| Components of Cash and Bank balances | 610.08 | 954.83 |
| Less Ear marked balances relating to unclaimed dividend | 16.44 | 14.70 |
| | 593.64 | 940.13 |

This is the Cash flow statement referred to in our report of even date

For M S Krishnaswami and Rajan
Chartered Accountants

M S Murali - Partner
Chennai
May 30,2015

For and on behalf of the Board

V Upendran
Chairman and
Managing Director

S Sathyanarayanan
Deputy Managing
Director

S R Srinivasan
Director- Finance



Significant Accounting Policies

Statement on Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2015

(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")/ Companies Act, 1956 ("the 1956 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 - noncurrent 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 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.

(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.

(d) Depreciation /amortization/ impairment

Depreciation is calculated on fixed assets in a manner that amortises the cost of the assets after commissioning over the economic useful lives as prescribed in Schedule II to the Companies Act, 2013(except for Office Vehicle depreciated over 5 years) by equal annual installments. Depreciation



Significant Accounting Policies

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 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.

(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 (i) on executed work, at contracted rates, (ii) on other work yet to be completed, at estimated net realizable value, (iii) from warehousing operations, at estimated net realizable value (net of incentives, rebates, discounts etc), (iv) in respect of container freight station operations, at estimated net realizable value and (v) in respect of 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 revenue.



Significant Accounting Policies

(j) Employee benefits

Employee benefit expenses 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.

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 benefit plans and compensated absences:

Company's liability towards gratuity, 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. 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 are recognized only to the extent there is virtual certainty of realization in future. 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.



Notes to the Financial Statements

| | As at March 31,2015 Rs. in lakhs | As at March 31,2014 Rs. in lakhs |
|--|---|---|
| 1.1 Share Capital | | |
| Authorised | | |
| 70,00,000 (March 31, 2014: 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 31,2014:18,00,000) Equity shares of Rs.10 each fully paid-up 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 31,2015 | | As at March 31,2014 | |
|-------------------------------------|---------------------|------------------|---------------------|------------------|
| | No of shares held | % of shares held | No of shares held | % of shares held |
| Srimathi. Devaki S | 212750 | 11.82 | 212750 | 11.82 |
| Sri. Sathyanarayanan S | 197600 | 10.97 | 195100 | 10.84 |
| Sudharsan Logistics Private Ltd | 496883 | 27.60 | 496882 | 27.60 |
| Sanco Estates and Farms Private Ltd | 150100 | 8.34 | 150100 | 8.34 |

2) 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 | 4677.39 | 4686.09 |
| Less Transfer to Depreciation and amortisation (Refer note 3.7 (i)) | (8.70) | (8.70) |
| Balance as at the end of the year | (a) 4668.69 | 4677.39 |

(b) General reserve

| | | |
|--|--------------------|---------|
| Balance as at the beginning of the year | 4480.00 | 4180.00 |
| Add Transfer from Surplus in Statement of Profit and loss | 150.00 | 300.00 |
| Add Transfer from Revaluation Reserve [Refer note 3.7 (i) (a)] | 8.70 | -- |
| Balance as at the end of the year | (b) 4638.70 | 4480.00 |



Notes to the Financial Statements

| | As at March 31,2015 Rs. Lakhs | As at March 31,2014 Rs. Lakhs |
|---|--|--|
| (c) Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 347.32 | 287.53 |
| Add profit for the year after tax | 235.67 | 416.27 |
| Less Transfer to General reserve | 150.00 | 300.00 |
| Less Dividend proposed Rs. 2.70 (March 31,2014 Rs.2.70) per Equity share | 48.60 | 48.60 |
| Less Corporate tax on proposed dividend | 9.89 | 7.88 |
| Less Depreciation (net of deferred tax) on account of adoption of Schedule II to Companies Act, 2013 | 17.36 | -- |
| [Refer note 3.7 (iv)] | | |
| Balance as at the end of the year | 357.14 | 347.32 |
| Total of (a) to (c) | 9664.53 | 9504.71 |
| 1.3 Long-term borrowings | | |
| (a) Term loans from Banks - Secured | | |
| Loan for construction of warehouse | 394.22 | 558.24 |
| Loan for acquisition of Land and building | 994.72 | 1069.72 |
| Loan for acquisition of capital assets under deferred payment scheme | 38.39 | 156.30 |
| Total | 1427.33 | 1784.26 |
| (Security details Refer Note 3.1. Terms of the loans: Refer Note 3.15) | | |
| 1.4 Other Long-term Liabilities | | |
| a. Rental Advance | 61.83 | 86.25 |
| | 61.83 | 86.25 |
| 1.5 Long term provisions | | |
| For Property tax | 47.86 | 47.86 |
| | 47.86 | 47.86 |



Notes to the Financial Statements

| | As at March 31,2015 Rs. Lakhs | As at March 31,2014 Rs. Lakhs |
|---|--|--|
| 1.6 Short-term borrowings | | |
| (a) Loans repayable on demand – Secured | | |
| From Banks – cash credit facilities | 827.42 | 516.95 |
| - Temporary overdraft | 63.56 | -- |
| (Security details Refer Note: 3.1, Terms of the loans: Refer Note 3.15) | | |
| (b) Others | | |
| Unsecured: | | |
| Fixed Deposits from public | -- | 9.15 |
| Total | 890.98 | 526.10 |
| 1.7 Other Current Liabilities | | |
| (a) Current maturities of long term debt | | |
| - Secured | 666.90 | 494.95 |
| - Unsecured | -- | 234.63 |
| (b) Interest accrued and due on borrowings | 13.29 | 11.71 |
| (c) Due to related party | 49.09 | 2.18 |
| (d) Creditors for expenses | 585.05 | 537.15 |
| (e) Auction Money | 18.09 | 24.18 |
| (f) Advance from debtors | 109.14 | 164.91 |
| (g) Employee related | 51.30 | 50.98 |
| (h) Statutory dues | 22.97 | 28.87 |
| (i) Capital creditors | 41.79 | 111.31 |
| (j) Unclaimed dividend | 16.44 | 14.70 |
| (k) Due to Directors | 30.12 | 12.72 |
| (l) Other payables | 16.20 | 3.90 |
| | 1620.38 | 1692.19 |
| Note : a) Securities for the long term debt: Refer Note 3.1 to the financial statement | | |
| b) Details of terms of the current maturities of long term debt: Refer Note 3.15 to the financial statements | | |
| 1.8 Short-term provisions | | |
| (a) Provision for employee benefits | 60.00 | 71.00 |
| (b) Others | | |
| - Proposed Dividend | 48.60 | 48.60 |
| - Dividend Tax on proposed dividend | 9.89 | 7.88 |
| | 118.49 | 127.48 |



Notes to the Financial Statements

| | | As at March 31,2015 Rs. Lakhs | As at March 31,2014 Rs. Lakhs |
|---------------------------------------|----------|--|--|
| 1.9 Fixed assets | | | |
| (1) Tangible assets | | | |
| (a) Land | | | |
| Cost/Valuation | | | |
| At beginning and at end | (a) | 6,356.71 | <u>6,356.71</u> |
| (b) Building | | | |
| Cost/Valuation | | | |
| At beginning | | 1,367.44 | 1,148.29 |
| Additions | | 66.36 | 219.15 |
| Deductions | | (0.52) | -- |
| At end | b(i) | <u>1,433.28</u> | <u>1,367.44</u> |
| Depreciation | | | |
| At beginning | | 141.17 | 118.27 |
| For the year | | 30.74 | 22.90 |
| Sales | | (0.33) | |
| At end | b(ii) | <u>171.58</u> | <u>141.17</u> |
| Written down value | b (i-ii) | <u>1,261.70</u> | <u>1,226.27</u> |
| (c) Operating fleet/equipments | | | |
| Cost | | | |
| At beginning | | 2,515.63 | 2,562.15 |
| Additions | | -- | 52.77 |
| Sales | | (26.34) | (99.29) |
| At end | c (i) | <u>2,489.29</u> | <u>2,515.63</u> |
| Depreciation | | | |
| At beginning | | 994.01 | 837.13 |
| For the year | | 286.63 | 246.52 |
| Sales | | (15.31) | (89.64) |
| At end | c (ii) | <u>1,265.33</u> | <u>994.01</u> |
| Written down value | c (i-ii) | <u>1,223.96</u> | <u>1,521.62</u> |
| (d) Machinery | | | |
| Cost | | | |
| At beginning | | 64.90 | 64.26 |
| Additions | | -- | 0.64 |
| At end | d(i) | <u>64.90</u> | <u>64.90</u> |
| Depreciation | | | |
| At beginning | | 20.09 | 17.03 |
| For the year | | 3.84 | 3.06 |
| At end | d (ii) | <u>23.93</u> | <u>20.09</u> |
| Written down value | d (i-ii) | <u>40.97</u> | <u>44.81</u> |



Notes to the Financial Statement

| | As at March 31,2015 Rs. Lakhs | As at March 31,2014 Rs. Lakhs |
|------------------------------|--|--|
| 1.9 Fixed assets | | |
| (1) Tangible assets | | |
| (e) Office Vehicles | | |
| Cost | | |
| At beginning | 99.14 | 59.48 |
| Additions | 23.61 | 39.66 |
| Sales | (33.99) | -- |
| At end | e (i) 88.76 | 99.14 |
| Depreciation | | |
| At beginning | 28.96 | 14.49 |
| For the year sales | 17.10 | 14.47 |
| | (16.87) | -- |
| At end | e (ii) 29.19 | 28.96 |
| Written down value | e (i-ii) 59.57 | 70.18 |
| (f) Furniture | | |
| Cost | | |
| At beginning | 8.29 | 6.97 |
| Additions | 0.84 | 1.32 |
| At end | f(i) 9.13 | 8.29 |
| Depreciation | | |
| At beginning | 2.13 | 1.64 |
| For the year | 1.16 | 0.49 |
| At end | f (ii) 3.29 | 2.13 |
| Written down value | f (i-ii) 5.84 | 6.16 |
| (g) Office equipments | | |
| Cost | | |
| At beginning | 108.20 | 91.96 |
| Additions | 5.85 | 19.29 |
| Sales | --- | (3.05) |
| At end | g (i) 114.05 | 108.20 |
| Depreciation | | |
| At beginning | 38.07 | 30.14 |
| For the year sales | 39.87 | 9.74 |
| | -- | (1.81) |
| At end | g(ii) 77.94 | 38.07 |
| Written down value | g(i-ii) 36.11 | 70.12 |



Notes to the Financial Statements

| | | As at March 31,2015 Rs. Lakhs | As at March 31,2014 Rs. Lakhs |
|---|----------|--|--|
| 1.9 Fixed assets | | | |
| (2) Intangible assets- Software acquired | | | |
| Cost | | | |
| At beginning and at end | 2 (i) | 14.04 | 14.04 |
| Amortisation | | | |
| At beginning | | 12.20 | 8.66 |
| For the year | | 1.84 | 3.54 |
| At end | 2(ii) | 14.04 | 12.20 |
| Written down value | 2(i-ii) | --- | 1.84 |
| SUMMARY | | | |
| A Cost | | | |
| At beginning | | 10,534.35 | 10,303.85 |
| Additions | | 96.66 | 332.84 |
| | | 10,631.01 | 10,636.69 |
| Deletions / Sales | | (60.85) | (102.34) |
| At end | (i) | 10,570.16 | 10,534.35 |
| B Depreciation Reserve | | | |
| At beginning | | 1,236.64 | 1,027.37 |
| For the year | | 381.17 | 300.71 |
| At end | | 1,617.81 | 1,328.08 |
| Deletions / Sales | | (32.51) | (91.44) |
| At end | (ii) | 1,585.30 | 1,236.64 |
| C Written down value | (i)-(ii) | 8,984.86 | 9,297.71 |
| D. Capital work - in - progress | | 2,475.62 | 2,174.77 |
| E. Depreciation for the year as above | | 381.17 | 300.71 |
| Transfer from Revaluation Reserve | | -- | (8.69) |
| Adjustment to surplus in Note 1.2 (c) (Refer Note 3.7 (iv)) | | (22.92) | -- |
| Depreciation for the year as per Statement of profit and loss | | 358.25 | 292.02 |
| 1.10 Non- Current Investments | | | |
| Long term, Trade, Unquoted Equity Shares of Rs.10/- each in subsidiary Companies | | | |
| Sanco Transport Limited | | 5.00 | -- |
| Sanco Clearance Limited | | 5.00 | -- |
| | | 10.00 | -- |



Notes to the Financial Statements

| | As at March 31,2015 Rs. Lakhs | As at March 31,2014 Rs. Lakhs |
|---|--|--|
| 1.11 Long-Term Loans and Advances | | |
| Unsecured, considered good | | |
| (a) Security deposits | 48.23 | 104.19 |
| (b) Loan to subsidiary | | |
| Sanco Transport Limited | 600.00 | -- |
| (c) Advance payment of Income tax-net of provisions | 445.30 | 305.15 |
| (d) Other loans and advances | | |
| - Rent Advance | 163.59 | 194.23 |
| - Earnest money deposit | 6.02 | 10.18 |
| - Prepaid expenses | 3.45 | 9.13 |
| - Others | 20.73 | 17.30 |
| | 1287.32 | 640.18 |
| 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 | 25.86 | 65.09 |
| (b) Others | 1125.34 | 1238.18 |
| | 1151.20 | 1303.27 |
| 1.13 Cash and Cash Equivalents | | |
| (i) Cash and cash equivalents | | |
| (a) Balance with banks | | |
| - in current account | 49.98 | 339.26 |
| - in deposit account | 464.70 | 507.39 |
| (b) Cheques on hand | 6.23 | 17.66 |
| (c) Cash on hand | 4.80 | 4.54 |
| (ii) Earmarked bank balances unclaimed Dividend account | 16.44 | 14.71 |
| (iii) Balance with banks held as Margin money | 54.18 | 58.99 |
| (iv) Bank deposits with more than twelve months maturity | 13.75 | 12.28 |
| Balance with banks in deposit account in (i) (a) above includes deposit with maturity of less than twelve months. | 610.08 | 954.83 |



Notes to the Financial Statements

| | As at March 31,2015 Rs. Lakhs | As at March 31,2014 Rs. Lakhs |
|---|--|--|
| 1.14 Short-term loans and advances | | |
| Unsecured, considered good | | |
| (a) Capital Advances | 3.39 | 27.05 |
| (b) Prepaid expenses | 31.04 | 29.68 |
| (d) Advances to suppliers, contractors and others | 47.40 | 60.26 |
| (e) Employee advance | 4.81 | 2.69 |
| (f) Balance with customs, port trust etc; | 12.89 | 38.64 |
| (g) Trade advances | -- | 150.00 |
| | 99.53 | 308.32 |
| 1.15 Other Current assets | | |
| (a) Interest accrued and due on fixed deposits | 30.18 | 38.01 |
| (b) Loan raising expenses and premium on prepayment of borrowing | 5.99 | 11.58 |
| (c) Unbilled revenue | 117.34 | 31.91 |
| | 153.51 | 81.50 |



Notes to the Financial Statements

| | Year Ended March 31, 2015 Rs. Lakhs | Year Ended March 31, 2014 Rs. Lakhs |
|---|--|--|
| 2.1 Revenue from operations | | |
| (a) Handling earnings | 3827.63 | 3772.58 |
| (b) Equipment and fleet hire earnings | 2423.78 | 1910.04 |
| (c) Warehouse earnings | 898.16 | 1054.57 |
| (d) Agency and other earnings | 395.42 | 684.75 |
| | 7544.99 | 7421.94 |
| 2.2 Other Income | | |
| (a) Interest income | 52.51 | 73.29 |
| (b) Net gain/(loss) on disposal of fixed assets | 3.80 | 4.72 |
| (c) Net gain/(loss) on foreign currency transaction and translation | 0.27 | 0.80 |
| (d) Rent Received | 76.36 | -- |
| | 132.94 | 78.81 |
| 2.3 Operating expenses | | |
| (a) Handling expenses | 1281.88 | 1072.80 |
| (b) Container repairs | 328.69 | 336.37 |
| (c) Hired equipments upkeep | 47.83 | 49.09 |
| (d) Others | 57.74 | 55.30 |
| (e) Operating equipment upkeep | 942.52 | 744.45 |
| | 2658.66 | 2258.01 |
| 2.4 Employee benefits expense | | |
| (a) Salaries, wages and bonus | 679.46 | 647.85 |
| (b) Contribution to provident, gratuity and other funds | 60.14 | 80.39 |
| (c) Welfare expenses | 234.54 | 209.42 |
| | 974.14 | 937.66 |
| 2.5 Finance costs | | |
| (a) Interest expenses | 342.31 | 285.13 |
| (b) Other borrowing costs | | |
| - guarantee charges | 11.72 | 7.64 |
| - Amortisation of loan raising expenses | 4.28 | 4.28 |
| - Amortisation of premium on prepayment of borrowings | 1.31 | 1.31 |
| | 359.62 | 298.36 |
| Less; Borrowing cost Capitalised | 61.00 | 52.39 |
| | 298.62 | 245.97 |



Notes to the Financial Statements

| | Year Ended March 31, 2015 Rs. Lakhs | Year Ended March 31, 2014 Rs. Lakhs |
|--|--|--|
| 2.6 Other expenses | | |
| (a) Consumption of stores and tools | 8.70 | 7.39 |
| (b) Power and fuel | 46.88 | 38.96 |
| (c) Rent | | |
| - Warehouse | 496.99 | 451.88 |
| - Others | 43.27 | 42.30 |
| (d) Repairs to buildings | | |
| - Warehouse | 25.70 | 64.72 |
| - Others | 12.84 | 5.38 |
| (e) Repairs to machinery | 3.66 | 5.19 |
| (f) Fuel for office vehicles | 15.08 | 14.27 |
| (g) Insurance | | |
| - Warehouse | 2.21 | 2.01 |
| - Others | 0.61 | 2.85 |
| (h) Rates and taxes | | |
| - Warehouse | 3.62 | 5.47 |
| (i) Travel and conveyance | 88.20 | 88.07 |
| (j) Corporate Social Responsibility expenses | 10.00 | -- |
| (k) Directors' Sitting Fees | 3.90 | 2.85 |
| (l) Security Services | 71.62 | 62.92 |
| (j) Others | 184.79 | 177.60 |
| | 1018.07 | 971.86 |
| 2.7 Tax expense | | |
| (a) Current tax-Current year | 40.00 | 115.00 |
| - Prior year – (withdrawal)-net | 30.64 | 18.78 |
| (b) Deferred tax-Provision/(withdrawal) | (78.53) | (60.33) |
| | (7.89) | 73.45 |



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 for Rs.1,383 lakhs from a Bank for acquisition of immovable property(Note 1.3(a)(ii) 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 for Rs. 900 Lakhs(March 31, 2014 Rs. 810 Lakhs) (Note 1.3 (a) (i) and Note 1.7(a)) for construction of warehouse is secured by commercial property 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 1.12(a) to the Balance Sheet includes Rs.445.30 lakhs (March 31, 2014 Rs. 389.90 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.7.00 lakhs (March 31, 2014 Rs. 137.04 lakhs)
- 3.4 Contingent liabilities - Claims against the Company not acknowledged as debts:
- Taxes Rs. 348.15 lakhs (2013-14 Rs. 301.46 lakhs).
 - Bank guarantee Rs. 541.81 lakhs (2013-14 Rs 589.96 lakhs).
 - Others Rs. 32.22 lakhs (2013-14 Rs.13.00 lakhs).
- Outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.
- 3.5 Directors' remuneration - Managing Director, Deputy Managing Director, Director-Finance and Wholetime Director - Salary Rs.95.40 lakhs (2013-14 Rs. 94.60 lakhs), Allowances Rs.15.30 lakhs (2013-14 Rs. 15.10 lakhs), Contribution to Provident fund Rs. 11.45 lakhs (2013-14 Rs. 11.35 lakhs), Perquisites Rs.0.44 lakhs(2013-14 Rs. 1.81 lakhs). Total Rs.122.59 lakhs (2013-14 Rs. 122.24 lakhs).
- 3.6 (a) Warehouse earnings in Note 2.1 is net of incentives/ rebates/ trade discounts of Rs.913.55 lakhs (2013-14 Rs 1041.46 lakhs)
- (b) Tax deducted at source on (i) Revenue from operations Rs. 115.27 lakhs (2013-14 Rs 189.85 lakhs); (ii) Interest income Rs. 4.68 lakhs (2013-14 Rs 4.05 lakhs) .
- 3.7 (i) Depreciation for the year computed on revalued assets includes a charge of Rs 8.70 lakhs (2013-14 Rs 8.70 lakhs) being the excess over the depreciation computed under the method followed by the Company prior to revaluation. The same has been transferred from Revaluation reserve,
- (a) To the General Reserve for the current year in terms of the Application on Guide on the provisions of schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India,
 - (b) To the Statement of Profit and Loss for the earlier year.
- This change in the current year has the effect of a higher charge of depreciation of Rs. 8.70 lakhs and consequent lower profit for the year by the said amount.



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.

| | Useful life(Years) | |
|----------------|--------------------|---------|
| | 2014-15 | 2013-14 |
| Block of Asset | 2014-15 | 2013-14 |
| Office Vehicle | 5 | 5 |

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

| | Useful life (Years) | |
|-------------------|---------------------|---------|
| | 2014-15 | 2013-14 |
| Block of Asset | 2014-15 | 2013-14 |
| Computer Software | 3 | 3 |

- (iii) The Company has during the year changed its accounting policy to charge depreciation, in respect of assets sold/ disposed during the year, upto the date of such sale/ disposal. This change in accounting policy is in consonance with Note 2 to Schedule II to the Companies Act, 2013. There is no effect on the profit of the year due to the said change.

- (iv) The Company has during the year adopted the useful life prescribed in Schedule II to the Companies Act, 2013 with regard to charging / amortising depreciation on its Fixed assets. In terms of Note 7 to the said Schedule, the carrying amount of the fixed assets as at April 1, 2014:

- (a) is depreciated over the remaining useful life of the asset as per Schedule II and
 (b) where the remaining useful life of an asset is Nil, is recognized in the opening balance of retained earnings as at April 1, 2014. The amount so recognized aggregates to Rs. 17.36 lakhs.

The effect of change in useful life as above on the profit for the year, is a higher charge of depreciation of Rs. 52.40 lakhs and consequent lower profit for the year by the said amount.

3.8 Foreign exchange and foreign currency transactions and derivatives -

- (i) Imports – Rs. Nil (2013-14 Rs Nil);
 (ii) Other expenditure in foreign currency Rs.15.06 lakhs(2013-14 Rs. 28.12 lakhs);
 (iii) Other earnings in foreign exchange Rs.15.24 lakhs (2013-14 Rs. 29.11 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 \$ 10,780.56 equivalent Rs.6.71 lakhs (March 31, 2014 US \$ 2627 equivalent Rs 1.60 lakhs); Amount payable on account of services obtained US \$ 4,263 equivalent Rs.2.69 lakhs (March 31, 2014 US \$ 5435.71 equivalent Rs. 3.36 lakhs).



Notes to the Financial Statements

- 3.9 Computation of earnings per share: (i) Profit for the year after tax Rs. 235.67 lakhs(2013-14 Rs. 416.27 lakhs); (ii)Equity shares outstanding 18,00,000 (March 31,2014 - 18,00,000); (iii) Face value per Equity share Rs 10.00 (iv) Earnings per share – Basic and diluted (i)÷(ii) Rs. 13.09 (2013-14-Rs. 23.13)
- 3.10 Deferred tax - liabilities comprises tax effect of (i) timing differences relating to depreciation Rs.274.11 lakhs (March 31,2014 Rs. 357.50 lakhs); (ii) others Rs.1.94 lakhs (March 31,2014 Rs. 2.63 lakhs).
- 3.11 (i) The Company has complied with the revised Accounting Standard 15-Employee benefits. Accordingly provision of Rs.6.79 lakhs has been made for the incremental liability towards gratuity for the year ended March 31,2015 (2013-14 Rs. 30.14 lakhs).
- (ii) Deferred benefit plan- Gratuity: As per actuarial valuation on March 31, 2015. The disclosures furnished by Life Insurance Corporation of India in this regard are (a) Discounting rate 8%(March 31, 2014 - 8%); (b)Salary escalation rate 8% (March 31, 2014 - 8%); (c) Mortality rate as per LIC (1994-96) Mortality Table: (d) Attrition rate 1 - 3% (March 31, 2014 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.53.35 lakhs,(2013-14 Rs 50.24 lakhs), Contribution towards gratuity Rs.6.79 lakhs (2013-14 Rs 30.14 lakhs), Employees' welfare expenses include contribution to employees' state insurance plan Rs.9.98 lakhs (2013-14 -Rs 9.92 lakhs).
- (v) Note 2.6(j)-Others under other expenses include Fees to auditors for audit Rs. 4.00 Lakhs (2013-14 Rs. 3.93 Lakhs) which is an all inclusive fees covering statutory audit, tax audit and other certification work and Service tax thereon.
- 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 transactions
- (1) Key management personnel
- | | |
|---------------------------------|----------------------------|
| (i) Shri V Upendran | - Managing Director |
| (ii) Shri S Sathyanarayanan | - Deputy Managing Director |
| (iii) Shri U Udayabhaskar Reddy | - Wholetime Director |
| (iv) Shri S R Srinivasan | - Director-Finance |
- (2) Associate Company - Enterprise where significant influence is exercised on the company
- Sudharsan Logistics Private Limited
- (3) Fully Owned Subsidiaries
- Sanco Transport Ltd
 - Sanco Clearance Ltd



Notes to the Financial Statements

| | 2014-15 Rs.Lakhs | 2013-14 Rs.Lakhs |
|---|---------------------|---------------------|
| (4) Transactions with key management personnel | | |
| (i) Interest payments | 0.29 | 0.47 |
| (ii) Remuneration | 122.59 | 122.24 |
| (iii) Rent payment | 1.42 | 1.42 |
| (iv) Outstanding balances under Fixed deposit | -- | 4.75 |
| (v) Amounts due at the year end | 30.12 | 12.72 |
| (5) Transactions and Closing balance with Associate Company - Enterprise where significant influence is exercised on the company. | | |
| a. Tractor/Trailer hire charges paid | 378.43 | 724.66 |
| b. Lease rent paid | 26.88 | 26.04 |
| c. Agency Charges paid | 0.15 | -- |
| d. Dividend paid | 13.42 | 13.34 |
| e. Trade Advance | -- | 150.00 |
| f. Outstanding balance due | 54.09 | 7.18 |
| (6) Transactions and Closing balance with fully owned subsidiaries | | |
| a. Tractor/Trailer hire charges paid | 4.06 | -- |
| b. Interest Received | 0.31 | -- |
| c. Loan due by subsidiary | 600.00 | -- |
| d. Interest receivable | 0.27 | -- |
| e. Investments in subsidiaries | 10.00 | -- |

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.

3.15 Details of terms of Secured loans- Refer separate statement annexed.

3.16 Comparative figures relating to the previous year have been reclassified /regrouped/ amended wherever necessary.

For and on behalf of the Board

Chennai
May 30,2015

V Upendran
Chairman and
Managing Director

S Sathyanarayanan
Deputy Managing
Director

S R Srinivasan
Director
Finance



Notes to the Financial Statements

(Rs. In Laacs)

Details of terms of Secured Loans - Item 3.15

| LOAN A/C | LOAN AMOUNT (IN LACS) | | NO. OF INSTALMENTS | | INTEREST RATE RANGE | | INSTALMENT RANGE (IN LACS) | | LOAN CLOSURE DATE | |
|--------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 |
| LA 06 | ---- | 5.66 | ---- | 4 | ---- | 9.00% - 10% | ---- | 1.41 | ---- | 01.07.14 |
| LA 07 | ---- | 2.50 | ---- | 6 | ---- | 9.00% - 10% | ---- | 0.42 | ---- | 01.07.14 |
| LA 11 | 25.23 | 119.62 | 3 | 15 | 10% - 11% | 6.01-8.34 | 01.06.15 | 6.01-8.34 | 01.06.15 | 01.06.15 |
| LA 12 | 7.49 | 18.72 | 8 | 20 | 10% - 11% | 0.93 | 01.01.15 | 0.93 | 01.01.15 | 01.01.15 |
| LA 13 | 57.45 | 126.39 | 10 | 22 | 10% - 11% | 5.74 | 01.01.16 | 5.74 | 01.01.16 | 01.01.16 |
| LA 15 | 14.74 | 27.38 | 14 | 26 | 10.50% | 1.06 | 10.05.16 | 1.06 | 10.05.16 | 10.05.16 |
| LA 17 | 283.42 | 378.78 | 29 | 41 | 12.00% | 4.49-11.31 | 07.08.17 | 4.49-11.31 | 07.08.17 | 07.08.17 |
| LA 18 | 1069.72 | 1137.69 | 81 | 93 | 12.20% | 6.25-20.83 | Dec'21 | 4.17-20.83 | Dec'21 | Dec'21 |
| LA 19 | 11.89 | 19.31 | 17 | 29 | 11.25% | 0.65-0.75 | 05.08.16 | 0.56-0.75 | 05.08.16 | 05.08.16 |
| LA 20 | 5.37 | 8.34 | 19 | 31 | 11.25% | 0.26-0.31 | 05.10.16 | 0.22-0.34 | 05.10.16 | 05.10.16 |
| LA 21 | 3.86 | 5.65 | 22 | 34 | 11.25% | 0.16-0.19 | 07.01.17 | 0.14-0.19 | 07.01.17 | 07.01.17 |
| LA 22 | 21.61 | 29.71 | 32 | 44 | 10.50% | 0.67 | 20.11.17 | 0.67 | 20.11.17 | 20.11.17 |
| LA 23 | 8.65 | 11.89 | 32 | 44 | 10.50% | 0.27 | 20.11.17 | 0.27 | 20.11.17 | 20.11.17 |
| LA 24 | ---- | 21.74 | ---- | 07 | ---- | ---- | 15.10.14 | 3.09 | ---- | 15.10.14 |
| LA 25 | ---- | 5.83 | ---- | 07 | ---- | ---- | 15.10.14 | 0.83 | ---- | 15.10.14 |
| LA 26 | 351.53 | 360.00 | 29 | 40 | 12.00% | 10.51- 13.89 | 07.08.17 | 7.36-10.85 | 07.08.17 | 07.08.17 |
| LA 27 | 17.26 | ---- | 26 | ---- | 10.15% | 0.59-0.74 | 07.05.17 | ---- | 07.05.17 | ---- |
| LA 28 | 216.00 | ---- | ---- | ---- | 11.30% | ---- | ---- | ---- | ---- | ---- |
| TOTAL | 2094.23 | 2279.21 | | | | | | | | |



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of SANCO TRANS LIMITED ("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, 2015, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' 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



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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, 2015, and their consolidated profit 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. 607.86 lakhs as at March 31, 2015, total revenue (net) of Rs. Nil and net cash flows amounting to Rs. 8.60 lakhs for the year ended on that date, have been audited by us.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. 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 account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
11. 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 3.4 to the Consolidated Financial statements.
 - ii. The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. A sum amounting to Rs. 1,78,213.00 required to be transferred to the Investor Education and Protection Fund on November 2, 2014 has been transferred by the Company to the said Fund only on May 2, 2015.

For M.S. Krishnaswami& Rajan

Chartered Accountants
Registration No. 01554S

May 30, 2015
Chennai

M.S. Murali -Partner
Membership No. 26453



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of **SANCO TRANS LIMITED** ("the Holding Company") for the year ended March 31, 2015)

Our reporting on the Order includes two subsidiary companies incorporated in India, to which the Order is applicable, which have been audited by us and our report in respect of these entities to the extent has been considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Group:
 - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management of the respective entities once during the year and no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Group:
 - a) As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and nature of their businesses.
 - c) In our opinion and on the basis of our examination of the records, the entities have generally maintained proper records of their inventories. No material discrepancies were noticed on physical verification of stocks by the managements as compared to book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Group has not granted any loans secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii(b) of the Order are not applicable to the entities.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system in the Group, commensurate with the size of the respective entities and the nature of their business, for the purchase of inventories and fixed assets, for payment of expenses and for the sale of goods and services, and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- (v) According to the information and explanations given to us, the Group has not accepted any deposits, during the year. In respect of deposits accepted by the Holding Company before the commencement of the Companies Act, 2013, the amount of such deposit and interest due thereon has been repaid in terms of provisions of Section 74 (2) of the said Act. The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder, where applicable, with regard to deposits accepted and no order under the aforesaid sections has been passed by the Company Law Board or any other authority on the Company.
- (vi) 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 Holding Company and its subsidiary companies.
- (vii) According to the records of information and explanations given to us and the books of account examined by us, in respect of statutory dues of the Group:
- The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess to the extent applicable and other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, there is no amounts payable in respect of wealth tax, sales tax, excise duty and cess which have not been deposited on account of any disputes. Details of dues (including interest, penalty etc) towards income tax, service tax and customs that have not been deposited as at March 31, 2015 on account of disputes by the aforesaid entities are as stated below:

| Sl 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 | 11,89,280 | CIT(A) |
| 2 | " | Tax Deducted at Source | Financial year 2007-08 | 74,964 | CIT(A) |
| 3 | " | Tax Deducted at Source | Financial year 2008 | 4,13,480 | CIT(A) |
| 4 | " | Tax Deducted at Source | Financial year 2009 | 1,09,000 | CIT(A) |
| 5 | " | Income tax | Assessment year 2004-05 | 30,190 | CIT(A) |
| 6 | " | Income tax | Assessment year 2006-07 | 88,670 | A.O |
| 7 | " | Income tax | Assessment year 2009-10 | 5,36,320 | CIT(A) |
| 8 | " | Income tax | Assessment year 2010-11 | 66,13,294 | CIT(A) |
| 9 | " | Income tax | Assessment year 2011-12 | 152,15,590 | CIT(A) |



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Sl 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 |
|-------|-------------------------|----------------------|--|--------------------------------|------------------------------------|
| 10 | " | Income tax | Assessment year 2012-13 | 47,58,490 | CIT(A) |
| 11 | Central Excise Act 1944 | Service tax | 18.04.2006 to 31.03.2008 | 80,15,138 | CESTAT |
| 12 | Customs Act | Duty Drawback claims | Financial Years 2008-09,2009-10, 2010-11 | 18,32,000 | CESTAT |

- c) A sum amounting to Rs. 1,78,213.00 required to be transferred to the Investor Education and Protection Fund by the Holding Company as on November 2, 2014 has been transferred by the Company to the said fund only on May 2, 2015.
- (viii) The Group does not have accumulated losses on a consolidated basis as at March 31, 2015 and has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Group has not defaulted in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
- (x) According to the information and explanations given to us, the Group has not given any guarantees for loan taken by others outside of the Group, from banks or financial institutions and accordingly, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the respective entities.
- (xi) Based on the audit procedures and on the information and explanations given by the management, we report that the term loans taken by the Group during the year have been applied for the purpose for which they were raised.
- (xii) 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 Group's operations, no fraud by the Group has been noticed or reported during the year. We have been informed that (i) there has been shortage of materials in the containers handled by the Group aggregating Rs. 10.01 lakhs in respect of which claims have been received from the customer and (ii) theft of imported materials aggregating Rs. 15.92 lakhs (net of recovery) had occurred during the year under audit, in the containers stored in the Group's premises. Insurance claims are in progress in respect of the above.

For M.S. Krishnaswami & Rajan

Chartered Accountants
Registration No. 01554S

May 30, 2015
Chennai

M.S. Murali -Partner
Membership No. 26453



Sanco Trans Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31,2015

| | Note No | As At March 31, 2015 Rs in Lakhs |
|---|---------|--|
| EQUITY AND LIABILITIES | | |
| Shareholders' funds | | |
| Share capital | 1.1 | 180.00 |
| Reserves and surplus | 1.2 | 9664.00 |
| | | <u>9844.00</u> |
| Minority interest | | - |
| Non-current liabilities | | |
| Long-term borrowings | 1.3 | 1427.33 |
| Deferred tax liabilities (Refer Note 3.10 to Financial Statements) | | 276.05 |
| Other Long - term liabilities | 1.4 | 61.83 |
| Long- term provisions | 1.5 | 47.86 |
| | | <u>1813.07</u> |
| Current liabilities | | |
| Short-term borrowings | 1.6 | 890.98 |
| Trade payables | | 488.69 |
| Other current liabilities | 1.7 | 1622.54 |
| Short-term provisions | 1.8 | 118.49 |
| | | <u>3120.70</u> |
| TOTAL | | <u>14777.77</u> |
| ASSETS | | |
| Non-current assets | | |
| Fixed Assets | 1.9 | |
| Tangible assets | | 9,433.11 |
| Intangible assets | | -- |
| Capital Work In Progress | | 2475.62 |
| | | <u>11,908.73</u> |
| Long – term loans and advances | 1.10 | 838.32 |
| Current Assets | | |
| Inventories - Stores and spares | | 8.08 |
| Trade receivables | 1.11 | 1151.20 |
| Cash and cash equivalents | 1.12 | 618.68 |
| Short-term loans and advances | 1.13 | 99.53 |
| Other current assets | 1.14 | 153.23 |
| | | <u>2030.72</u> |
| TOTAL | | <u>14,777.77</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 M S Krishnaswami and Rajan
Chartered Accountants

M S Murali - Partner
Chennai
May 30,2015

V Upendran
Chairman and
Managing Director

For and on behalf of the Board

S Sathyanarayanan
Deputy Managing
Director

S R Srinivasan
Director- Finance



Sanco Trans Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2015

| | Note No. | Year ended March 31,2015 Rs in Lakhs |
|--|----------|--|
| Revenue | | |
| Revenue from operations | 2.1 | 7544.99 |
| Other income | 2.2 | 132.63 |
| Total Revenue | | 7677.62 |
| Expenses | | |
| Equipment and fleet hire | | 2142.42 |
| Operating expenses | 2.3 | 2654.69 |
| Employee benefits expense | 2.4 | 974.14 |
| Finance costs | 2.5 | 300.15 |
| Depreciation and amortization (Refer Note 1.9 to the Balance Sheet) | | 359.69 |
| Other expenses | 2.6 | 1019.28 |
| Total expenses | | 7450.37 |
| Profit before Exceptional/Extraordinary items and tax | | 227.25 |
| Exceptional items | | -- |
| Extraordinary items | | -- |
| | | -- |
| Profit before tax | | 227.25 |
| Tax expense | 2.7 | (7.89) |
| Profit for the year after tax from continuing operations | | 235.14 |
| Profit/(Loss) from discontinuing operations | | -- |
| Minority interest | | -- |
| Profit for the year | | 235.14 |
| Earnings per Equity Share | | |
| Basic and diluted (Refer Note 3.9) to the Financial Statements | | |
| - before extraordinary item | Rs | 13.06 |
| - after extraordinary item | Rs | 13.06 |

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 M S Krishnaswami and Rajan
Chartered Accountants

M S Murali - Partner
Chennai
May 30,2015

V Upendran
Chairman and
Managing Director

For and on behalf of the Board

S Sathyanarayanan
Deputy Managing
Director

S R Srinivasan
Director- Finance



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

| | 2014-15 (Rs. In lacs) |
|---|--|
| Cash flows from operating activities | |
| Net profit before tax | 227.25 |
| Adjustments for : | |
| Depreciation/amortization/impairment not considered as cash outflow | 359.69 |
| Profit /Loss on disposal of Capital assets (net) considered under investment activities | (3.80) |
| Interest paid (net) considered under investing and financing activities | 242.36 |
| Deferred revenue expenditure | |
| - amortised not considered as cash outflow | 5.59 |
| Operating profit before working capital changes | 831.09 |
| Adjustments for changes in : | |
| Trade payables | 32.59 |
| Long term provisions | -- |
| Short term provisions | (11.00) |
| Other current liabilities | (11.66) |
| Long term liabilities | (24.42) |
| Inventories | (3.58) |
| Trade and other receivables | 152.07 |
| Long term advances | (57.98) |
| Short term advances | 208.79 |
| Current assets | (85.43) |
| | 199.38 |
| Direct taxes paid | (210.79) |
| Cash flow from operating activities | (1) 819.68 |
| Cash flows from investment activities | |
| Payments for acquisition of fixed assets | |
| Additions to fixed assets as per schedule | (546.36) |
| Adjustment for changes in Capital work in progress | (300.85) |
| | (847.21) |
| Proceeds on disposal of/claims relating to capital assets, investments | 32.14 |
| Interest received | 60.32 |
| Cash outflow from investment activities | (2) (754.75) |



Sanco Trans Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

| | 2014-15 (Rs. In lacs) |
|--|--|
| Cash flows from financing activities | |
| Borrowings - Long term - Raised | 113.15 |
| - Repaid | (532.76) |
| - Short term - Raised | -- |
| - Repaid | (9.15) |
| Interest paid (excluded from operating activities as above) | (279.90) |
| Dividend and corporate dividend tax paid relating to previous year | (56.48) |
| Cash out flow from financing activities | (3) (765.14) |
| Net cash flow (1) + (2) + (3) | (700.21) |
| At beginning | |
| Cash and bank balances | 940.13 |
| | 940.13 |
| Balance in cash credit & temporary overdraft | 528.66 |
| | (4) 411.47 |
| At end | |
| Cash and Bank balances | 602.24 |
| | 602.24 |
| Balance in cash credit & temporary overdraft | 890.98 |
| | (5) (288.74) |
| Movement: increase/(decrease) in cash and cash equivalents | (5-4) (700.21) |
| Notes to the Cash flow statement | |
| Components of Cash and Bank balances | 618.68 |
| Less Ear marked balances relating to unclaimed dividend | 16.44 |
| | 602.24 |

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

For M S Krishnaswami and Rajan
Chartered Accountants

M S Murali - Partner
Chennai
May 30, 2015

V Upendran
Chairman and
Managing Director

For and on behalf of the Board

S Sathyanarayanan
Deputy Managing
Director

S R Srinivasan
Director- Finance



Consolidated Significant Accounting Policies

Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2015

(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")/ Companies Act, 1956 ("the 1956 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 - noncurrent 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 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.

(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.

(d) Depreciation /amortization/ impairment

Depreciation is calculated on fixed assets in a manner that amortises the cost of the assets after commissioning over the economic useful lives as prescribed in Schedule II to the Companies Act, 2013(except for Office Vehicle depreciated over 5 years) by equal annual installments. 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 impairment based on internal/external factors. An impairment loss will be recognized wherever the



Consolidated Significant Accounting Policies

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.

(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 (i) on executed work, at contracted rates, (ii) on other work yet to be completed, at estimated net realizable value, (iii) from warehousing operations, at estimated net realizable value (net of incentives, rebates, discounts etc), (iv) in respect of container freight station operations, at estimated net realizable value and (v) in respect of 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) from lease of vehicles and for services is recognized 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 revenue.

(j) **Employee benefits**

Employee benefit expenses 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:

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 benefit plans and compensated absences:

Company's liability towards gratuity, 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. 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 are recognized only to the extent there is virtual certainty of realization in future. 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.



Sanco Trans Limited

Notes to the Consolidated Financial Statements

1.1 Share Capital

Authorised

(70,00,000 equity shares of Rs. 10/- each)

Issued ,Subscribed and paid up

(18,00,000 equity shares of Rs. 10/- each)

Total

As at Mar'15

700.00

180.00

180.00

| S.No. | Name of the subsidiary company | Country of Incorporation | % of ownership interest |
|-------|--------------------------------|--------------------------|-------------------------|
| | | | 31-Mar-15 |
| 1 | Sanco Transport Limited | India | 100.00% |
| 2 | Sanco Clearance Limited | India | 100.00% |

1.2 Reserves and Surplus

(a) Revaluation reserve

Balance as at the beginning of the year

4677.39

Less Transfer to Depreciation and amortisation

(8.70)

(Refer note 3.7 (i))

Balance as at the end of the year

(a)

4668.69

(b) General reserve

Balance as at the beginning of the year

4480.00

Add Transfer from Surplus in Consolidated Statement of Profit and loss

150.00

Add Transfer from Revaluation Reserve

8.70

[Refer note 3.7 (i) (a)]

Balance as at the end of the year

(b)

4638.70

As at March
31,2015
Rs. Lakhs



Notes to the Consolidated Financial Statements

| | As at March 31,2015 Rs. Lakhs |
|---|--|
| (c) Surplus in Consolidated Statement of Profit and loss | |
| Balance as at the beginning of the year | 347.32 |
| Add profit for the year after tax | 235.14 |
| Less Transfer to General reserve | 150.00 |
| Less Dividend proposed Rs. 2.70 (March 31,2014 Rs.2.70) per Equity share | 48.60 |
| Less Corporate tax on proposed dividend | 9.89 |
| Less Depreciation (net of deferred tax) on account of adoption of Schedule II to Companies Act, 2013 [Refer note 3.7 (i) (a)] | 17.36 |
| Balance as at the end of the year(c) | 356.61 |
| Total of (a) to (c) | 9664.00 |
| 1.3 Long-term borrowings | |
| (a) Term loans from Banks - Secured | |
| Loan for construction of warehouse | 394.22 |
| Loan for acquisition of Land and building | 994.72 |
| Loan for acquisition of capital assets under deferred payment scheme | 38.39 |
| Total | 1427.33 |
| (Security details Refer Note 3.2. Terms of the loans: Refer Note 3.15) | |
| 1.4 Other Long-term Liabilities | |
| a. Rental Advance | 61.83 |
| | 61.83 |
| 1.5 Long term provisions | |
| For Property tax | 47.86 |
| | 47.86 |



Notes to the Consolidated Financial Statements

| | As at March 31,2015 Rs. Lakhs |
|---|--|
| 1.6 Short-term borrowings | |
| (a) Loans repayable on demand – Secured | |
| From Banks – cash credit facilities | 827.42 |
| - Temporary overdraft | 63.56 |
| (Security details Refer Note: 3.2, Terms of the loans: Refer Note 3.15) | |
| Total | 890.98 |
| 1.7 Other Current Liabilities | |
| (a) Current maturities of long term debt | |
| - Secured | 666.90 |
| - Unsecured | -- |
| (b) Interest accrued and due on borrowings | 14.66 |
| (c) Due to related party | 49.09 |
| (d) Creditors for expenses | 585.66 |
| (e) Auction Money | 18.09 |
| (f) Advance from debtors | 109.14 |
| (g) Employee related | 51.30 |
| (h) Statutory dues | 23.15 |
| (i) Capital creditors | 41.79 |
| (j) Unclaimed dividend | 16.44 |
| (k) Dues to Directors | 30.12 |
| (l) Other payables | 16.20 |
| | 1622.54 |
| Note : a) Securities for the long term debt: Refer Note 3.2 to the financial statement | |
| b) Details of terms of the current maturities of long term debt: Refer Note 3.15 to the financial statements | |
| 1.8 Short-term provisions | |
| (a) Provision for employee benefits | 60.00 |
| (b) Others | |
| - Proposed Dividend | 48.60 |
| - Dividend Tax on proposed dividend | 9.89 |
| | 118.49 |



Notes to the Consolidated Financial Statements

| | | As at March 31,2015 Rs. Lakhs |
|---------------------------------------|----------|--|
| 1.9 Fixed assets | | |
| (1) Tangible assets | | |
| (a) Land | | |
| Cost/Valuation | | |
| At beginning and at end | (a) | 6,356.71 |
| (b) Building | | |
| Cost/Valuation | | |
| At beginning | | 1,367.44 |
| Additions | | 66.36 |
| Deductions | | (0.52) |
| At end | b(i) | 1,433.28 |
| Depreciation | | |
| At beginning | | 141.17 |
| For the year | | 30.74 |
| Sales | | (0.33) |
| At end | b(ii) | 171.58 |
| Written down value | b (i-ii) | 1,261.70 |
| (c) Operating fleet/equipments | | |
| Cost | | |
| At beginning | | 2,515.63 |
| Additions | | 449.69 |
| Sales | | (26.34) |
| At end | c (i) | 2,938.98 |
| Depreciation | | |
| At beginning | | 994.01 |
| For the year | | 288.07 |
| Sales | | (15.31) |
| At end | c (ii) | 1,266.77 |
| Written down value | c (i-ii) | 1,672.21 |
| (d) Machinery | | |
| Cost | | |
| At beginning | | 64.90 |
| Additions | | -- |
| At end | d(i) | 64.90 |
| Depreciation | | |
| At beginning | | 20.09 |
| For the year | | 3.84 |
| At end | d (ii) | 23.93 |
| Written down value | d (i-ii) | 40.97 |



Notes to the Consolidated Financial Statements

| | | As at March 31,2015 Rs. Lakhs |
|---|----------|--|
| 1.9 Fixed assets | | |
| (1) Tangible assets | | |
| (e) Office Vehicles | | |
| Cost | | |
| At beginning | | 99.14 |
| Additions | | 23.61 |
| Sales | | (33.99) |
| At end | e (i) | 88.76 |
| Depreciation | | |
| At beginning | | 28.96 |
| For the year | | 17.10 |
| On sales | | (16.87) |
| At end | e (ii) | 29.19 |
| Written down value | e (i-ii) | 59.57 |
| (f) Furniture | | |
| Cost | | |
| At beginning | | 8.29 |
| Additions | | 0.84 |
| At end | f(i) | 9.13 |
| Depreciation | | |
| At beginning | | 2.13 |
| For the year | | 1.16 |
| At end | f (ii) | 3.29 |
| Written down value | f (i-ii) | 5.84 |
| (g) Office equipments | | |
| Cost | | |
| At beginning | | 108.20 |
| Additions | | 5.85 |
| Sales | | --- |
| At end | g (i) | 114.05 |
| Depreciation | | |
| At beginning | | 38.07 |
| For the year | | 39.87 |
| sales | | -- |
| At end | g(ii) | 77.94 |
| Written down value | g(i-ii) | 36.11 |
| (2) Intangible assets- Software acquired | | |
| Cost | | |
| At beginning and at end | 2 (i) | 14.04 |
| Amortisation | | |
| At beginning | | 12.20 |
| For the year | | 1.84 |
| At end | 2(ii) | 14.04 |
| Written down value | 2(i-ii) | --- |



Notes to the Consolidated Financial Statements

| | | As at March 31,2015 Rs. Lakhs |
|--|------------|--|
| 1.9 Fixed assets | | |
| SUMMARY | | |
| A Cost | | |
| At beginning | | 10,534.35 |
| Additions | | 546.35 |
| | | <u>11,080.70</u> |
| Deletions / Sales | | (60.85) |
| At end | (i) | <u>11,019.85</u> |
| B Depreciation Reserve | | |
| At beginning | | 1,236.64 |
| For the year | | 382.61 |
| At end | | <u>1,619.25</u> |
| Deletions / Sales | | (32.51) |
| At end | (ii) | <u>1,586.74</u> |
| C Written down value | (i) - (ii) | 9,433.11 |
| D. Capital work - in - progress | | <u>2,475.62</u> |
| E. Depreciation for the year as above | | 382.61 |
| Transfer from Revaluation Reserve | | |
| Adjustment to surplus in Note 1.2 (c) (Refer Note 3.7 (iv)) | | (22.92) |
| Depreciation for the year as per Consolidated Statement of profit and loss | | <u>359.69</u> |
| 1.10 Long-Term Loans and Advances | | |
| Unsecured, considered good | | |
| (a) Security deposits | | 48.23 |
| (b) Advance payment of Income tax-net of provisions | | 445.30 |
| (c) Trade Advance | | 150.00 |
| (d) Other loans and advances | | |
| - Rent Advance | | 163.59 |
| - Earnest money deposit | | 7.02 |
| - Prepaid expenses | | 3.45 |
| - Others | | 20.73 |
| | | <u>838.32</u> |



Notes to the Consolidated Financial Statements

| | As at March 31,2015 Rs. Lakhs |
|--|-------------------------------------|
| 1.11 Trade receivables | |
| Unsecured, considered good | |
| (a) Trade receivables outstanding for a period exceeding six months from the date they became due for payment | 25.86 |
| (b) Others | 1125.34 |
| | 1151.20 |
| 1.12 Cash and Cash Equivalents | |
| (i) Cash and cash equivalents | |
| (a) Balance with banks- in current account | 58.57 |
| - in deposit account | 464.70 |
| (b) Cheques on hand | 6.23 |
| (c) Cash on hand | 4.81 |
| (ii) Earmarked bank balances unclaimed Dividend account | 16.44 |
| (iii) Balance with banks held as Margin money | 54.18 |
| (iv) Bank deposits with more than twelve months maturity | 13.75 |
| Balance with banks in deposit account in (i) (a) above includes deposit with maturity of less than twelve months. | 618.68 |
| 1.13 Short-term loans and advances | |
| Unsecured, considered good | |
| (a) Capital Advances | 3.39 |
| (b) Prepaid expenses | 31.04 |
| (d) Advances to suppliers, contractors and others | 47.40 |
| (e) Employee advance | 4.81 |
| (f) Balance with customs, port trust etc; | 12.89 |
| | 99.53 |
| 1.14 Other Current assets | |
| (a) Interest accrued and due on fixed deposits | 29.90 |
| (b) Loan raising expenses and premium on prepayment of borrowing | 5.99 |
| (c) Unbilled revenue | 117.34 |
| | 153.23 |



Notes to the Consolidated Financial Statements

| | Year Ended 31, 2015 Rs. Lakhs |
|---|--|
| 2.1 Revenue from operations | |
| (a) Handling earnings | 3827.63 |
| (b) Equipment and fleet hire earnings | 2423.78 |
| (c) Warehouse earnings | 898.16 |
| (d) Agency and other earnings | 395.42 |
| | 7544.99 |
| 2.2 Other Income | |
| (a) Interest income | 52.20 |
| (b) Net gain/(loss) on disposal of fixed assets | 3.80 |
| (c) Net gain/(loss) on foreign currency transaction and translation | 0.27 |
| (d) Rent Received | 76.36 |
| | 132.63 |
| 2.3 Operating expenses | |
| (a) Handling expenses | 1281.88 |
| (b) Container repairs | 328.69 |
| (c) Hired equipments upkeep | 43.76 |
| (d) Others | 57.74 |
| (e) Operating equipment upkeep | 942.52 |
| | 2654.69 |
| 2.4 Employee benefits expense | |
| (a) Salaries, wages and bonus | 679.46 |
| (b) Contribution to provident, gratuity and other funds | 60.14 |
| (c) Welfare expenses | 234.54 |
| | 974.14 |
| 2.5 Finance costs | |
| (a) Interest expenses | 343.84 |
| (b) Other borrowing costs | |
| - guarantee charges | 11.72 |
| - Amortisation of loan raising expenses | 4.28 |
| - Amortisation of premium on prepayment of borrowings | 1.31 |
| | 361.15 |
| Less; Borrowing cost Capitalised | 61.00 |
| | 300.15 |



Notes to the Consolidated Financial Statements

| | Year Ended 31, 2015 Rs. Lakhs |
|--|--|
| 2.6 Other expenses | |
| (a) Consumption of stores and tools | 8.70 |
| (b) Power and fuel | 46.88 |
| (c) Rent | |
| - Warehouse | 496.99 |
| - Others | 43.27 |
| (d) Repairs to buildings | |
| - Warehouse | 25.70 |
| - Others | 12.84 |
| (e) Repairs to vehicles | 3.66 |
| (f) Fuel for vehicles | 15.08 |
| (g) Insurance | |
| - Warehouse | 2.21 |
| - Others | 0.61 |
| (h) Rates and taxes | |
| - Warehouse | 3.62 |
| - Others | 0.26 |
| (i) Travel and conveyance | 88.20 |
| (j) Corporate Social Responsibility expenses | 10.00 |
| (k) Directors' Sitting Fees | 3.90 |
| (l) Security Services | 71.62 |
| (j) Others | 185.74 |
| | <hr/> |
| | 1019.28 |
| 2.7 Tax expense | |
| (a) Current tax-Current year | 40.00 |
| - Prior year – (withdrawal)-net | 30.64 |
| (b) Deferred tax-Provision/(withdrawal) | (78.53) |
| | <hr/> |
| | (7.89) |



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:
- 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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.
 - 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-15 |
| 1 | Sanco Transport Limited | India | 100.00% |
| 2 | Sanco Clearance Limited | India | 100.00% |

- This being the year of Consolidation, comparative figures of previous year has not been included.
- (iii) Additional Information, as required under Schedule III to 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. Lakhs | As a % of Consolidated Profit or Loss | Amount Rs. Lakhs |
| | Parent Company | | | | |
| 1 | Sanco Trans Limited | 100.01 | 9844.53 | 100.23 | 235.67 |
| | Indian Subsidiaries | | | | |
| 2 | Sanco Transport Limited | 0.05 | 5.12 | 0.05 | 0.12 |
| 3 | Sanco Clearance Limited | 0.04 | 4.37 | (0.27) | (0.63) |
| | Sub Total | 100.10 | 9854.02 | 100.01 | 235.16 |
| | Less: Effect of Inter Company adjustments / eliminations | 0.10 | 10.02 | 0.01 | 0.02 |
| | Total | 100.00 | 9844.00 | 100.00 | 235.14 |

Note : Net Assets and share in Profit or Loss for Parent Company and Subsidiaries are as per the Standalone Financial Statements of the respective entities.

- 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 for Rs.1,383 lakhs from a Bank for acquisition of immovable property(Note 1.3(a)(ii) and Note 1.7(a)) is secured by the immovable property (comprising Land and Building situated at Chennai) and is guaranteed by three Directors



Notes to the Consolidated Financial Statements

- (iii) Loan Sanctioned for Rs. 900 Lakhs (Note 1.3 (a) (i) and Note 1.7(a)) for construction of warehouse is secured by commercial property 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.
- 3.3 Balance with banks in deposit accounts in Note 1.12(a) to the Consolidated Balance Sheet includes Rs.445.30 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 holding Company.
- 3.4 Capital Commitments and Contingent liabilities:
- (i) Capital expenditure commitments (net of advances) is Rs.7.00 lakhs
- (ii) Contingent liabilities - Claims against the Company not acknowledged as debts:
- a) Taxes Rs. 348.15 lakhs.
- b) Bank guarantee Rs. 541.81 lakhs.
- c) Others Rs 32.22 lakhs.
- 3.5 Directors' remuneration - Managing Director, Deputy Managing Director, Director-Finance and Wholetime Director - Salary Rs.95.40 lakhs, Allowances Rs.15.30 lakhs, Contribution to Provident fund Rs. 11.45 lakhs, Perquisites Rs.0.44 lakhs. Total Rs.122.59 lakhs.
- 3.6 (a) Warehouse earnings in Note 2.1 is net of incentives/ rebates/ trade discounts of Rs.913.55 lakhs
- (b) Tax deducted at source on (i) Revenue from operations Rs. 115.27 lakhs; (ii) Interest income Rs. 4.68 lakhs .
- 3.7 (i) Depreciation for the year computed on revalued assets includes a charge of Rs 8.70 lakhs being the excess over the depreciation computed under the method followed by the Group Company prior to revaluation. The same has been transferred from Revaluation reserve to the General Reserve for the current year in terms of the Application on Guide on the provisions of schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India, This change in the current year has the effect of a higher charge of depreciation of Rs. 8.70 lakhs and consequent lower profit for the year by the said amount.
- (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) | |
|----------------|--------------------|---------|
| | 2014-15 | 2013-14 |
| Office Vehicle | 5 | 5 |
- b) Useful life not prescribed in Schedule II to the Companies Act, 2013.
- | Block of Asset | Useful life (Years) | |
|-------------------|---------------------|---------|
| | 2014-15 | 2013-14 |
| Computer Software | 3 | 3 |
- (iii) The group has during the year adopted the useful life prescribed in Schedule II to the Companies Act, 2013 with regard to charging / amortising depreciation on its Fixed assets. In terms of Note 7 to the said Schedule, the carrying amount of the fixed assets as at April 1, 2014:



Notes to the Consolidated Financial Statements

- (a) is depreciated over the remaining useful life of the asset as per Schedule II and
- (b) where the remaining useful life of an asset is Nil, is recognized in the opening balance of retained earnings as at April 1, 2014. The amount so recognized aggregates to Rs. 17.36 lakhs.

The effect of change in useful life as above on the profit for the year, is a higher charge of depreciation of Rs. 52.40 lakhs and consequent lower profit for the year by the said amount.

3.8 Foreign exchange and foreign currency transactions and derivatives -

- (i) Imports – Rs. Nil ;
- (ii) Other expenditure in foreign currency Rs.15.06 lakhs;
- (iii) Other earnings in foreign exchange Rs.15.24 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 \$ 10,780.56 equivalent Rs.6.71 lakhs; Amount payable on account of services obtained US \$ 4,263 equivalent Rs.2.69 lakhs.

3.9 Computation of earnings per share:

- (i) Profit for the year after tax Rs. 235.14 lakhs;
- (ii) Equity shares outstanding 18,00,000 (March 31, 2014 - 18,00,000);
- (iii) Face value per Equity share Rs 10.00
- (iv) Earnings per share – Basic and diluted (i)÷(ii) Rs. 13.06

3.10 Deferred tax - liabilities comprises tax effect of (i) timing differences relating to depreciation Rs. 274.11 lakhs (March 31, 2014 Rs. 357.50 lakhs); (ii) others Rs.1.94 lakhs (March 31, 2014 Rs. 2.63 lakhs).

3.11 (i) The Group has complied with the revised Accounting Standard 15-Employee benefits. Accordingly provision of Rs.6.79 lakhs has been made for the incremental liability towards gratuity for the year ended March 31, 2015 (2013-14 Rs. 30.14 lakhs).

- (ii) Deferred benefit plan- Gratuity: As per actuarial valuation on March 31, 2015. The disclosures furnished by Life Insurance Corporation of India in this regard are (a) Discounting rate 8%(March 31, 2014 - 8%); (b)Salary escalation rate 8%; (c) Mortality rate as per LIC (1994-96) Mortality Table: (d) Attrition rate 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 group has recognized the following amounts in the Consolidated Statement of Profit and loss in Note 2.4 (b) - Contribution to provident fund Rs.53.35 lakhs, Contribution towards gratuity Rs.6.79 lakhs, Employees' welfare expenses include contribution to employees' state insurance plan Rs.9.98 lakhs.



Notes to the Consolidated Financial Statements

(v) Note 2.6(j)-Others under other expenses include Fees to auditors for audit Rs. 4.11 Lakhs which is an all inclusive fees covering statutory audit, tax audit and other certification work and Service tax thereon.

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

3.13 Related party transactions

(1) Key management personnel

- (i) Shri V Upendran - Managing Director
- (ii) Shri S Sathyanarayanan - Deputy Managing Director
- (iii) Shri U Udayabhaskar Reddy - Wholetime Director
- (iv) Shri S R Srinivasan - Director-Finance

(2) Associate Company - Enterprise where significant influence is exercised on the holding company
- Sudharsan Logistics Private Limited

(3) Fully Owned Subsidiaries

- Sanco Transport Ltd
- Sanco Clearance Ltd

(4) Transactions with key management personnel

Rs.Lakhs

- (i) Interest payments 0.29
- (ii) Remuneration 122.59
- (iii) Rent payment 1.42
- (iv) Outstanding balances under Fixed deposit --
- (v) Amounts due at the year end 30.12

(5) Transactions and Closing balance with Associate Company - Enterprise where significant influence is exercised on the holding company.

- a. Tractor/Trailer hire charges paid 378.43
- b. Lease rent paid 26.88
- c. Agency Charges paid 0.15
- d. Dividend paid 13.42
- e. Trade Advance --
- f. Outstanding balance due 54.09

3.14 The Group 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.

3.15 Details of terms of Secured loans- Refer separate statement annexed.

For and on behalf of the Board

Chennai
May 30,2015

V Upendran
Chairman and
Managing Director

S Sathyanarayanan
Deputy Managing
Director

S R Srinivasan
Director
Finance



Notes to the Consolidated Financial Statements

(Rs. In Laacs)

Details of terms of Secured Loans - Item 3.15

| LOAN A/C | LOAN AMOUNT (IN LAACS) | | NO. OF INSTALMENTS | | INTEREST RATE RANGE | | INSTALMENT RANGE (IN LAACS) | | LOAN CLOSURE DATE | |
|--------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 | As ON March 31,2015 | As ON March 31,2014 |
| LA 06 | ---- | 5.66 | ---- | 4 | ---- | 9.00% - 10% | ---- | 1.41 | ---- | 01.07.14 |
| LA 07 | ---- | 2.50 | ---- | 6 | ---- | 9.00% - 10% | ---- | 0.42 | ---- | 01.07.14 |
| LA 11 | 25.23 | 119.62 | 3 | 15 | 10% - 11% | 6.01-8.34 | 01.06.15 | 6.01-8.34 | 01.06.15 | 01.06.15 |
| LA 12 | 7.49 | 18.72 | 8 | 20 | 10% - 11% | 0.93 | 01.01.15 | 0.93 | 01.01.15 | 01.01.15 |
| LA 13 | 57.45 | 126.39 | 10 | 22 | 10% - 11% | 5.74 | 01.01.16 | 5.74 | 01.01.16 | 01.01.16 |
| LA 15 | 14.74 | 27.38 | 14 | 26 | 10.50% | 1.06 | 10.05.16 | 1.06 | 10.05.16 | 10.05.16 |
| LA 17 | 283.42 | 378.78 | 29 | 41 | 12.00% | 4.49-11.31 | 07.08.17 | 4.49-11.31 | 07.08.17 | 07.08.17 |
| LA 18 | 1069.72 | 1137.69 | 81 | 93 | 12.20% | 6.25-20.83 | Dec'21 | 4.17-20.83 | Dec'21 | Dec'21 |
| LA 19 | 11.89 | 19.31 | 17 | 29 | 11.25% | 0.65-0.75 | 05.08.16 | 0.56-0.75 | 05.08.16 | 05.08.16 |
| LA 20 | 5.37 | 8.34 | 19 | 31 | 11.25% | 0.26-0.31 | 05.10.16 | 0.22-0.34 | 05.10.16 | 05.10.16 |
| LA 21 | 3.86 | 5.65 | 22 | 34 | 11.25% | 0.16-0.19 | 07.01.17 | 0.14-0.19 | 07.01.17 | 07.01.17 |
| LA 22 | 21.61 | 29.71 | 32 | 44 | 10.50% | 0.67 | 20.11.17 | 0.67 | 20.11.17 | 20.11.17 |
| LA 23 | 8.65 | 11.89 | 32 | 44 | 10.50% | 0.27 | 20.11.17 | 0.27 | 20.11.17 | 20.11.17 |
| LA 24 | ---- | 21.74 | ---- | 07 | ---- | ---- | 15.10.14 | 3.09 | ---- | 15.10.14 |
| LA 25 | ---- | 5.83 | ---- | 07 | ---- | ---- | 15.10.14 | 0.83 | ---- | 15.10.14 |
| LA 26 | 351.53 | 360.00 | 29 | 40 | 12.00% | 10.51- 13.89 | 07.08.17 | 7.36-10.85 | 07.08.17 | 07.08.17 |
| LA 27 | 17.26 | ---- | 26 | ---- | 10.15% | 0.59-0.74 | 07.05.17 | ---- | 07.05.17 | ---- |
| LA 28 | 216.00 | ---- | ---- | ---- | 11.30% | ---- | ---- | ---- | ---- | ---- |
| TOTAL | 2094.23 | 2279.21 | | | | | | | | |

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