



Telephone : + 91- 44 - 6644 9000  
E-mail : mail@sancotrans.com  
Web : www.sancotrans.com  
GSTIN : 33AAACS7690F1ZB



## Sanco Trans Limited



CIN : L60220TN1979PLC007970  
S.T. TOWER, New Number : 24 & 25,  
Jehangir Street (2<sup>nd</sup> Line Beach Road),  
Chennai 600001, INDIA.

Date: 06.10.2022

To  
The Department of Corporate Relations,  
BSE Limited  
PJ Towers  
Dalal Street  
Mumbai – 400 001

Dear Sir/Madam,

Sub: Disclosure of material event or information under Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) – Outcome of Board meeting held on 05.10.2022

Ref: Notice of 42<sup>nd</sup> Annual General Meeting of the Company dated August 10, 2022 (Notice) – Item No. 05 – Approval of material related party transactions.

We wish to inform you the outcome of the Board Meeting held on 05.10.2022 in terms of subsisting Listing Regulations.

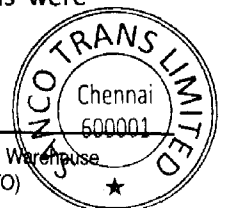
The Board of Directors was apprised of the voting results of various resolutions placed at the 42<sup>nd</sup> Annual General Meeting held on September 26, 2022.

With reference to the Item No. 05 of the Notice, the Company had entered into various commercial arrangements with M/s. Sudharsan Logistics Private Limited and was inter-alia rendering services relating to Container Freight Station (CFS) operations at Andarkuppam, near Chennai, Tamilnadu under the said arrangement. Sudharsan Logistics Private Limited had a License to operate CFS and therefore, the Company sought to expand its CFS operations by utilising this License. The revenue of the said CFS operated at Andarkuppam has contributed significantly (Rs. 19.25 Crores forming 16.21% of total revenue for financial year 2021-22) to the turnover of the Company. Further, the Company was also hiring commercial vehicles at comparable market rates under the said commercial arrangement/contract.

All these transactions with Sudharsan Logistics Private Limited were entered pursuant to the approval of the shareholders of the Company obtained on March 28, 2017 vide Postal Ballot Notice dated February 04, 2017 since Sudharsan Logistics Private Limited is a related party as defined under Companies Act, 2013 (the Act) & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the said transactions were considered material as per Regulation 23 of the Listing Regulations.

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In view of SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated November 9, 2021 and clarification issued by SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 08, 2022 which requires the omnibus approval for material related party transactions at every Annual General Meeting, the Company had placed all the transactions with Sudharsan Logistics Private Limited (SLPL) before the shareholders for their approval by way of Ordinary Resolution in the 42<sup>nd</sup> Annual General Meeting (AGM) held on September 26, 2022 vide Item No. 05 of the Notice. This approval was sought from the conclusion of the 42<sup>nd</sup> Annual General Meeting (AGM) till the next Annual General Meeting of the Company. It was explained that all the transactions/arrangement are in the ordinary course of business and at arm's length. Further, all the related parties including Promoter and Promoter group (holding 72.26% of total shareholding of the Company) abstained from voting on the said resolution in terms of Listing Regulations.

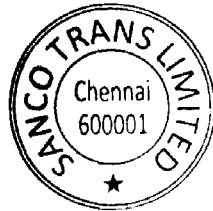
The said resolutions for approval of material related party transactions proposed under Item No. 05 of the Notice of 42<sup>nd</sup> AGM of the Company was not passed due to votes cast against the Resolution by a section of shareholders despite the transactions being at arm's length and beneficial to the Company. Consequently, the Company has cancelled all the existing commercial arrangements and transactions therein with Sudharsan Logistics Private Limited with effect from the conclusion of the 42<sup>nd</sup> AGM of the Company and the Company has stopped rendering services at CFS, Andarkuppam.

Due to this, the revenue/turnover of the Company is likely to be adversely impacted by about 10% for the financial year 2022-23 (considering the balance six months remaining) with attendant impact on Profitability. This impact is estimated based on the turnover for the financial year 2021-22. The Company is taking various measures to overcome this impact on the turnover and profitability.

This is for your kind information and records.

Thanking you,  
Sincerely,  
For Sanco Trans Limited

V Upendran  
Managing Director



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