



Annual Report 2011

SANCO TRANS LIMITED



NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty first Annual General Meeting of Sanco Trans Limited will be held at Narada Gana Sabha, Mini Hall, 314 T T K Road, Alwarpet, Chennai 600018 on Wednesday , the 20th July, 2011 at 11.00 a.m to transact the following business.

Ordinary business

1. To consider and adopt the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the reports of the directors and auditors thereon.
2. To declare a dividend on the equity share capital of the company.
3. To appoint a director in the place of Dr M V M Alagappan who retires by rotation and is eligible for reappointment.
4. To appoint a director in the place of Smt S Devaki who retires by rotation and is eligible for reappointment.
5. To appoint auditors and fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as ordinary resolution:

“Resolved that Sri V Shankar, who was appointed by the Board of Directors as an additional director of the Company with effect from February 9,2011, and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of section 260 of the Companies Act, 1956 (‘the Act’) and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a director of the Company whose period of office is subject to retirement by rotation”.

7. To consider and, if thought fit, to pass, with or without modification , the following resolutions as Special resolutions:

“Resolved that Sri S R Srinivasan, who was appointed by the Board of Directors as an additional director of the Company with effect from May 28,2011, and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of section 260 of the Companies Act, 1956 (‘the Act’) and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a director of the Company whose period of office is subject to retirement by rotation”.

“Resolved further that the appointment of Sri S R Srinivasan as Director-Finance for a period of five year commencing from June 01,2011, upon the terms and conditions mentioned in the Explanatory Statement annexed hereto, pursuant to the provisions of Section 198,269,309,310,311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, be and is hereby confirmed, ratified and approved.”

“Resolved further that, pursuant to Section 198 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to Sri S R Srinivasan in the event in any financial year during his tenure as Director-Finance, the Company has no profits or the profits are inadequate.”

Registered Office:
46 Moore Street,
Chennai 600 001.

For and on behalf of the Board of Directors
V. Upendran
Chairman & Managing Director



NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Date : 28th May 2011.

Notes

1. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of members of the Company will be closed **from 14th July 2011 to 20th July 2011** (both days inclusive). The book closure would also determine the entitlement to dividend, if any, declared at the Annual General Meeting.
4. The Company has appointed M/s. Cameo Corporate Services Limited, Subramanian Building, No.1 Club Road, Chennai 600 002, Telephone No.2846 0390 (6 Lines) as Registrar and Share Transfer Agent. Shareholders are requested to send all requests for transfer of shares, dematerialisation of shares, change in address, etc. to the company's Registrar and Transfer Agent.

Explanatory Statement pursuant to items 6 and 7 of the Notice to the Thirty first Annual General Meeting of Sanco Trans Limited.

Item 6

Sri V Shankar aged 63 years is a B Com graduate from Madras University and is a qualified Chartered Accountant and Company Secretary. Post qualification he has undergone stints for over three decades in Corporate Finance, Management, Secretarial and Corporate Fund raising activities. At present he is an independent Corporate consultant rendering a gamut of services in areas of Finance, in Secretarial matters, in mergers and acquisitions and other allied areas. The Board of Directors recommends his appointment as Director subject to retirement by rotation. Apart from Shi V Shankar no other Director is interested in his appointment.

Item 7

Sri S R Srinivasan, aged 58 years is a Commerce graduate and a Chartered Accountant having more than 33 years work experience in the Finance and Accounts of multinational companies in India. The Board of Directors considering his rich experience in Finance and Accounts at their meeting held on 28th May 2011 appointed Sri S R Srinivasan as a Director of the Company and at the same meeting appointed Sri S R Srinivasan as a Wholetime Director of the company with the designation Director-Finance for a period of five years with effect from June 01,2011(subject to the approval of the members of the Company in General meeting) on the terms and conditions set out below.

The remuneration committee of the Board of Directors has approved, by its resolution, the terms of the remuneration payable to Sri S R Srinivasan as detailed herein and the same is in accordance with and within the ceiling of maximum remuneration permitted under the Companies Act, 1956.

1.Period

Five years with effect from June 01,2011.

2.Duties

Subject to the superintendence, control and direction of the Board, Sri S R Srinivasan shall have the



overall responsibility of managing the Finance and Accounts of the Company.

3. Minimum monthly remuneration

Rs.1,20,000/- with such annual increments / increases as may be decided by the Remuneration Committee from time to time.

4. Perquisites

(i) Company's contribution to provident fund and superannuation fund to the extent they are singly or put together are not taxable under the Income-tax Act; (ii) Gratuity at the rate of half a month's salary for each completed year of service; (iii) Leave with full pay as per the rules of the Company with encashment of un-availed leave being allowed; (iv) Free furnished residential accommodation with gas, electricity, water and furnishings. In case no such accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling of thirty percent of the salary; (v) Reimbursement of medical expenses incurred in India for self and family including hospitalisation, nursing home and surgical charges; (vi) Reimbursement of actual travelling expenses for proceeding on leave from Chennai to any place in India and return therefrom once a year in respect of himself and family; (vii) Personal accident insurance policy in accordance with the scheme applicable to senior employees; (viii) Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the remuneration committee from time to time; (ix) Free use of the company's car for company's work as well as for personal purpose along with driver; (x) Telephone, telefax and other communication facilities at company's cost; (xi) Subject to any statutory ceiling/s, the appointee may be given any bonus or other allowances, perquisites, benefits and facilities as the remuneration committee/board of directors from time to time may decide.

5. Valuation of perquisites

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

6. Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the appointee shall, subject to the approval of the central government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule XIII to the Companies Act, 1956, from time to time.

7. Computation of ceiling

The following shall not be included in the computation of perquisites for the purpose of the ceiling of the remuneration viz. contribution to provident fund and superannuation fund referred to in para 4(i) above, gratuity payable as per para 4(ii) above and encashment of leave at the end of the tenure as per para 4(iii) above.

8. Other terms

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

A Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Sri S R Srinivasan as a Director in respect of item 7 of the Notice.



The Directors commend his appointment.

The proposed remuneration of Sri S R Srinivasan as Director-Finance is subject to the approval of the shareholders by way of special resolution at the ensuing 31st Annual General Meeting of the Company.

The Board of Directors considers that the appointment of Sri S R Srinivasan as Director-Finance for the period proposed on the above stated terms and conditions, which is in accordance with the provisions of Schedule XIII to the Companies Act 1956, is in the best interest of the Company, and therefore, commends this resolution for adoption by the members.

The contents of the resolution along with the Explanatory Statement shall be deemed to be an abstract of the terms and conditions of appointment of Director-Finance under Section 302 of the Companies Act, 1956 and the memorandum of interest in that behalf.

None of the Directors of the Company, other than Sri S R Srinivasan, is interested or concerned in this resolution.



CORPORATE INFORMATION

Board of Directors

Sri V. Upendran	-	Chairman & Managing Director
Sri S. Sathyanarayanan	-	Deputy Managing Director
Sri U. Udayabhaskar Reddy	-	Wholetime Director
Srimathi S. Devaki		
Dr. M.V.M. Alagappan		
Sri T. Ananthanarayanan		
Sri T R Rajaraman	-	upto February 09,2011
Sri R Vijayaraghavan		
Sri V Govind		
Sri V Shankar	-	from February 09,2011
Sri S R Srinivasan	-	from May 28,2011

Bankers

I D B I Bank
H D F C Bank
Bank of India

Auditors

M/s M.S.Krishnaswami and Rajan
Chennai

Website

www.sancotrans.com

Registrars & Share Transfer Agents

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

Listing of Equity Shares

Madras Stock Exchange Limited, Chennai 600001
The Bombay Stock Exchange Limited, Mumbai 400001

Investor Email ID

shareholder@sancotrans.com

Registered Office

46, Moore Street,
Chennai - 600 001.
Tel.: 91-44-66449000
Fax: 91-44-66449009

Branch Offices

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

Annual General Meeting

20th Day July 2011
at 11 a.m. at Narada Gana Sabha
Mini Hall, 314, TTK Road, Alwarpet
Chennai – 600 018.

Shareholders attending the AGM are requested to bring with them the enclosed ATTENDANCE SLIP



Directors' Report

Dear Members,

Your Directors are pleased to present the Annual Report of the Company, together with the audited accounts, for the year ended March 31, 2011.

1. Financial Highlights

	1 st April 2010 To 31 st March 2011	1 st April 2009 To 31 st March 2010
	(Rs. Lakhs)	
Income from operations	6273.45	5051.55
Other Income	11.91	1.95
Gross Income	6285.36	5053.50
Profit before finance costs and depreciation	1100.48	1160.26
Finance costs – net	134.56	97.16
Profit before depreciation/amortisation/impairment	965.92	1063.10
Depreciation/amortisation/impairment	213.67	127.49
Profit before exceptional item	752.25	935.61
Exceptional item	—	—
Profit before tax	752.25	935.61
Tax-provision/(withdrawal)-net	(76.20)	324.71
Profit after tax	828.45	610.90
Profit brought forward from previous year	145.90	131.67
Balance available for appropriation	974.35	742.57
Appropriations-proposed		
Transfer to General reserve	720.00	540.00
Proposed dividend	48.60	48.60
Corporate tax on proposed dividend	7.88	8.07
Balance retained in Profit and loss account	197.87	145.90

2. Dividend

The Directors recommend for consideration of the Members a dividend of Rs2.70 per equity share(27%) of the nominal value of Rs 10 each for the year ended 31st March 2011 as against Rs 2.70 per equity share (27%) paid last year.

3. Management Discussion and Analysis

A. About the Company

Sanco Trans Limited(STL) was established in the year 1979 with a paid up share capital of Rs 5 lakhs by late Sri K Santhanam Reddiar as a Private Limited Company which took over his proprietary business carried on in that name and was converted into a Public Limited Company in the year 1986. STL issued bonus shares in the year 1987 in the proportion of five new equity shares for every one equity share held thereby increasing the paid up share capital to Rs 30 lakhs. STL issued 15,00,000 equity shares of Rs 10 each to the Public at par in the year 1987 and the said issue was fully subscribed. The net worth, net fixed assets, the Profit before and after tax, dividend % and earnings per share for the last ten years are given below to indicate STL's progress over the said years.



Directors' Report (continued)

3. Management Discussion and Analysis (Continued)

A. About the Company (Continued)

<u>Year ended</u> <u>31st March</u>	<u>Net worth</u> (Rs. Lakhs)	<u>Fixed Assets</u> <u>-net</u> (Rs. Lakhs)	<u>Profit</u> <u>before tax</u> (Rs. Lakhs)	<u>Profit</u> <u>after tax</u> (Rs. Lakhs)	<u>Dividend</u> %	<u>Earnings</u> <u>per share</u> <u>Rupees</u>
2002	409.62	854.05	18.15	12.18	7.50	0.68
2003	421.99	855.18	33.73	13.73	Nil	0.76
2004	414.00	828.55	10.91	20.61	Nil	1.14
2005	424.86	891.54	99.94	67.11	15	3.73
2006	560.90	996.29	258.81	179.10	27	9.95
2007	723.61	1224.34	410.89	276.06	27	15.34
2008	1051.87	2451.93	735.57	467.23	31.50	25.96
2009	6761.59	7828.18	1654.99	1060.58	45	58.92
2010	7396.77	7930.92	935.61	610.90	27	33.94
2011	8202.73	7905.22	752.25	828.45	27	46.03

The net assets of the company were revalued as on March 31, 2009 and the surplus on the said revaluation of Rs 4859.84 lakhs was credited to Revaluation Reserve.

B. Industry Progress

In the year 2010-11, the Indian economy witnessed a reasonably good growth. Demand across various key and user segments has been robust.

Through the investments and implementation of various strategic interventions, the organization has leveraged its brand as a dependable service provider to achieve the desired growth momentum. The year also saw high inflation which put cost pressures on the industry and the company. The Company, has through a series of internal measures of operational efficiencies, tried to minimize the impact. However, especially in the service industry, passing on the cost impact continues to be a challenge. This has had an impact on the bottom line growth for the company.

Despite the long term positive growth prospects in the Indian Economy, there have been signs of tightening of interest rates, increasing inflation, political uncertainties and rising commodity and oil prices. These along with the frequent changes in regulations, cost pressures and market uncertainties have made the business environment very challenging for the year and years ahead. While STL has taken various measures to meet the challenges, it maintains a cautious view about the near future both in terms of top-line and bottom-line growth.

C. Financials

Gross operating income for the year aggregated to Rs 6273.45 lakhs reflecting a growth of 24% over the previous year. The said income was driven by robust growth in Handling operations in particular in the areas of Import Container operations, Container repairing and weighment charges. However, the said increase in revenue was nearly offset by increase in equipment and fleet hire charges incurred, rental paid for the new Container yard, increased cost of fuel and repairs and replacements in respect of additional vehicles and equipments deployed during the year. Depreciation for the year is higher on account of additions to cost of assets and impairment to an equipment on account of a fire accident during the year.



Directors' Report (continued)

3. Management Discussion and Analysis(Continued)

D. Expansion proposal

Your Company is planning to increase the warehousing facilities by constructing additional multistoried warehouses of capacity 1,20,000 Sq.ft. with a capital outlay of Rs 1200 lakhs. This will improve its capability to meet anticipated increase in the volumes of business in the said operations and also result in reduced operating cost. Your Directors are confident that the increased storage facility created by virtue of the above will enable the Company to achieve better working results in the years ahead.

E. 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.

4. Fixed Deposits

During the year the Company received additional deposits to an extent of Rs 76.92 lakhs and repaid deposits amounting to Rs 3.78 lakhs as and when they matured. There were no unclaimed deposits to be transferred to the credit of Investor Education and Protection fund(IEPF) as required under Section 205C of the Companies Act, 1956.

5. Unclaimed Dividends

There are no unclaimed dividends to be transferred to the credit of IEPF as on March 31,2011.

6. Directors

Dr M V M Alagappan and Srimathi S Devaki will be retiring by rotation and being eligible, offer themselves for reappointment. Sri T R Rajaraman resigned from the Board on health reasons on 9th February 2011. Sri V Shankar was co-opted as an additional Director on 9th February 2011 and he will hold office upto the ensuing Annual General Meeting. Sri S R Srinivasan was co-opted as additional Director on 28th May 2011 and he will hold office upto the ensuing Annual General Meeting.

7. Corporate Governance

As required by the existing clause 49 of the Listing agreements entered into with the Stock Exchanges a detailed report on Corporate Governance is given as part of the Annual 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 to the Report on Corporate Governance.

**Directors' Report (continued)****8. Particulars regarding employees**

There are no particulars to be furnished as required under section 217(2A) of the Companies Act 1956 and the Companies (Particulars of Employees) Rules, 1975.

9. Directors' responsibility statement

As stipulated in section 217 (2AA) of the Companies Act, 1956, the directors hereby confirm that – (i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (ii) the accounting policies have been selected and applied the same consistently and made judgments and estimates that are reasonably prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the said year; (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and (iv) the annual accounts have been prepared on a going concern basis.

10. Conservation of energy, technology absorption and foreign exchange earnings and outgo

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

During the year your company earned foreign exchange to an extent of Rs 9.04 lakhs(2010-Rs 23.48 lakhs) and expended foreign currency to an extent of Rs. 37.37 lakhs(2010-Rs 24.34 lakhs).

11. Auditors and their report

Sarvasri M S Krishnaswami & Rajan, Chartered Accountants retire as auditors of the Company at the conclusion of the ensuing annual general meeting of the Company and have confirmed their eligibility and willingness to accept the office of auditors, if appointed. With reference to the remarks of the auditors regarding internal audit system we have to state that the areas not covered by the said system will not have a material impact considering the volume of the transactions involved in the said areas and that the said areas are being reviewed by them in the current year.

12. Industrial relations

Industrial relations remained cordial and harmonious throughout the year.

13. Acknowledgements

Your Company continued to receive co-operation and unstinted support from its constituents, suppliers, bankers, employees at all levels and others associated with the Company. The directors wish to place on record their appreciation for the same and your company will continue in its endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other.

For and on behalf of the Board of Directors

Place: Chennai

Dated: May 28, 2011

V Upendran

Chairman & Managing Director



Directors' Report (continued)

Annexure 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 abovestated philosophy, Sanco Trans Limited, as a freight facilitator is committed -

- to provide comprehensive & fully integrated service thru extensive network, deploying modern equipment, engaging efficient professionals to cater 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

a. Composition: The Board of Directors of the Company, headed by Chairman, consisted of the following Directors as on March 31,2011, categorized as indicated:

- i) Independent Directors
 - Sri T Ananthanarayanan
 - Sri V Govind
 - Dr M V M Alagappan
 - Sri R Vijayaraghavan
 - Sri V Shankar
 - ii) Non independent
 - Smt S Devaki
 - iii) Executive Directors
 - Sri V Upendran-Chairman and Managing Director
 - Sri S Sathyanarayanan-Deputy Managing Director
 - Sri U Udayabhaskar Reddy-Wholetime Director
- None of the Independent Directors are related to each other.



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

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 2010-11	Whether attended last AGM held on July 23, 2010	No. of Directorship in other Public Companies under Companies Act		No. of Committee position in other Public Companies registered under Companies Act(*)	
			As member	As chairman	As member	As chairman
Sri V Upendran	5	Yes	1	Nil	Nil	Nil
Sri S Sathyanarayanan	5	Yes	Nil	Nil	Nil	Nil
Sri U Udayabhaskar Reddy	5	Yes	Nil	Nil	Nil	Nil
Smt S Devaki	5	Yes	Nil	Nil	Nil	Nil
Dr M V M Alagappan	5	Yes	Nil	Nil	Nil	Nil
Sri T Ananthanarayanan	4	Yes	6	2	3	3
Sri V Govind	3	No	2	Nil	Nil	Nil
Sri T R Rajaraman	Nil	No	Nil	Nil	Nil	Nil
Sri R Vijayaraghavan	4	No	1	Nil	1	Nil
Shri V Shankar	1	No	Nil	Nil	Nil	Nil

* Represents memberships in Audit committee and Shareholders/Investors Grievance Committee of Public Companies governed by the Companies Act, 1956.

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 of Rs 5,000/- for attending to each of the Board/Committee meeting(s).

The Directors' holding of shares of the Company is furnished below:

Name of the Director	No of equity shares
Sri V Upendran	79,900
Smt S Devaki	2,12,750
Sri S Sathyanarayanan	1,91,200

There are no shares or convertible instruments held by any other Director(s).

Board meetings held during the year 2010-11

Date of meeting	Total no. of Directors	No of Directors Present
May 29,2010	9	8
July 23,2010	9	7
August 13,2010	9	8
November 8,2010	9	7
February 9,2011	9	7



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

- The time gap between any two meetings did not exceed four months.
- The last Annual General Meeting was held on July 23, 2010.

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 Exchanges is provided to the Board at every meeting.

3. Audit Committee

a. Constitution

The Audit Committee was initially constituted on August 13, 2010. The terms of reference have been reviewed from time to time and the Committee has been mandated to comply with the requirements of clause 49 of the Listing Agreement with Stock Exchanges and also to conform to the provisions of Section 292A of the Companies Act, 1956.

b. Composition, Names of Members and Chairman

The Audit Committee consists of independent Directors. Mr R Vijayaraghavan as Chairman, Dr M V M Alagappan, Member and Sri V Govind, Member.

All the members of the Audit Committee have the expertise in finance and in general management. Sri R Vijayaraghavan is Partner of a renowned firm of Advocates, specialised in Taxation matters and Corporate law. Dr M V M Alagappan is well versed in general management. Sri V Govind is Managing Director of Lotus group of companies.

c. Meetings and Attendance

Audit committee meetings held during the year 2010-11 and attendance details.

Date of meeting	No. of members present
August 13, 2010	3
November 8, 2010	3
February 9, 2011	2

- Sri S Sathyanarayanan, Deputy Managing Director attended all the meetings of the committee as CEO.
- The Statutory Auditors of the Company and the Internal Auditors were invited to attend the Audit Committee meetings.
- The Audit Committee discusses with the Statutory Auditors on the "Limited Review" of the quarterly / half-yearly accounts, the audit plan for the year, if necessary, matters relating to compliance with Accounting Standards, the Auditors' observations arising from the annual audit of the Company's accounts and other related matters. The Committee also reviews at every meeting significant observations arising from the Reports of the Internal Auditor and the adequacy of the follow up action taken by the management.



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

4. Remuneration Committee

- a. The remuneration committee consists of the following independent Directors Viz., Sri T Ananthanarayanan, as the Chairman and Dr M V M Alagappan and Sri R Vijayaraghavan.

The committee is mandated with the following: Determination and approval of the annual increments to the Managing Director and to the other whole time Directors.

The above are based on the overall performance of the Company and on the Committee's assessment of the personal contribution and achievements of the Managing Director/Wholetime Directors, and are within the overall limits approved by the Shareholders.

- b. The Committee Meeting was held on May 29,2010 wherein all the members were present.

- c. The details of remuneration paid/payable to the Directors 2010-11 are:

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

	<u>Rupees</u>
Dr M V M Alagappan	85,000
Sri T Ananthanarayanan	20,000
Smt S Devaki	70,000
Sri V Govind	25,000
Sri V Shankar	5,000
Sri R Vijayaraghavan	30,000

- ii) Managing Director/Whole time Directors

	Managing Director (Rs)	Deputy Managing Director (Rs)	Wholetime Director (Rs)
Salary	30,00,000	21,00,000	14,00,000
Allowances	6,00,000	6,30,000	4,20,000
Contribution to PF	3,60,000	2,52,000	1,68,000
Perquisites	17,423	—	61,361

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

5. General Body meetings

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

<u>Year</u>	<u>Location</u>	<u>Date & Time</u>
28 th AGM-2008	Hotel Newwoodlands,Dr Radhakrishnan salai Mylapore, Chennai 600004.	September 24,2008 11.00 a.m
29 th AGM-2009	Hotel Newwoodlands,Dr Radharkrishnan salai Mylapore, Chennai 600004.	September 07,2009 12.00 hours
30 th AGM-2010	Narada Gana Sabha Mini Hall,314 TTK Road, Alwarpet, Chennai 600018.	July 23,2010 10.00 a.m



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

Details of EGMs held in the last three years: NIL.

- b) All the special resolutions placed before the shareholders at the above meetings were approved. There were no resolutions requiring approval through Postal ballot. No special resolution is proposed to be conducted through Postal ballot.

6. Disclosures

There have been no materially significant related party transactions with the Company Promoters, Directors, 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 2010-11.

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. The Company had no subsidiary company as on March 31,2011.

7. Means of communication

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

8. General shareholder information

a) 31st Annual General Meeting

Day : Wednesday
Date and Time : 20th July 2011 at 11.00 a.m
Venue : Narada Gana Sabha, MINI HALL,
314 T T K Road, Alwarpet, Chennai 600018.

b) Financial Calendar

FINANCIAL YEAR 2011-12

First quarter results	Fourth week of July 2011
Second quarter results	Second week of November 2011
Third quarter results	Second week of February 2012
Audited Results for the year 2011-12	Before end of May 2012

- c) **Book Closure dates** : 14th July 2011 to 20th July 2011

- d) **Dividend payment date** : The payment of dividend, upon declaration by the share holders at the annual general meeting, will be made on or after 23 July 2011.



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

e) Listing/Stock Code of equity shares

NAME OF EXCHANGE	STOCK CODE
Madras Stock Exchange Limited(MSE)	—
Bombay Stock Exchange Limited(BSE)	523116

f) Market Price data

Month & Year	BOMBAY STOCK EXCHANGE			
	SharePrice (Rs)		Sensex	
	High	Low	High	Low
April-10	471.95	215.10	18048	17277
May-10	459.95	307.15	17537	15960
June-10	349.90	286.30	17920	16318
July-10	360.00	291.00	18238	17396
August-10	334.00	255.00	18475	17820
September-10	385.00	280.00	20268	18027
October-10	343.90	296.00	20855	19769
November-10	340.00	277.60	21109	18955
December-10	337.10	229.95	20552	19075
January-11	319.00	243.00	20665	18038
February-11	279.70	179.00	18691	17296
March -11	215.00	192.10	19575	17792

g) Registrar and Transfer Agents

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

h) Distribution of shareholding as on March 31,2011

Range	Shareholders		Shares	
	Number	%	Number	%
1 - 100	1596	68.1468	109398	6.0776
101 - 500	607	25.9180	162004	9.0002
501 -1000	73	3.1169	59293	3.2940
1001 -2000	31	1.3236	49293	2.7385
2001 -3000	14	0.5977	34902	1.9390
3001 -4000	4	0.1707	13640	0.7577
4001 -5000	3	0.1280	13231	0.7350
5001 -10000	4	0.1707	24017	1.3342
10001- And above	10	0.4269	1334222	74.1234
TOTAL	2342	100.00	1800000	100.00



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

i) Shareholding pattern as on March 31,2011

SI No	Category	No. of holders	No. of Shares	%
A	Promoters			
1	Directors and relatives	10	1287450	71.53
B	Others			
1	Resident individuals	2196	418010	23.22
2	Bodies corporate	74	81844	4.55
3	Clearing members	6	2056	0.11
4	Hindu undivided families	41	8833	0.49
5	Non Resident Indians	15	1807	0.10
	TOTAL	2342	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 Agent(R&TA) 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 Road, Chennai 600002.

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:

Sri V Upendran,

Managing Director & Compliance Officer,

Sanco Trans Limited,

New No.46, Moore Street,

Chennai 600001.

Telephone : 044-66449000

Fax : 044-66449009

E Mail : shareholder@sancotrans.com



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

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 31,2011 as stipulated in clause 49 of the Listing Agreement 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. 01554S

M K Rajan- Partner
Membership No.4059

Dated:May 28,2011.
Chennai



Directors' Report (continued)

Annexure to Directors' Report-report on Corporate Governance - Continued

ANNEXURE TO DIRECTORS' REPORT

Certification by Managing Director and Chief Executive Officer

We, V Upendran, Managing Director and S Sathyanarayanan, Chief Executive Officer and Deputy Managing Director of Sanco Trans Limited, certify that:

1. We have reviewed the financial statements for the year 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 appraised 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.

May 28, 2011

V Upendran

S Sathyanarayanan

Chennai

Chairman & Managing Director

Chief Executive 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, 2011, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

May 28, 2011

Chennai

V Upendran

Chairman & Managing Director



Auditors' report to the members

We have audited the attached Balance Sheet of **SANCO TRANS LIMITED** as at March 31, 2011 and the relative Profit and loss account and Cash flow statement for the year ended that date signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the notes to the Accounts, give the information required by the Companies Act, 1956 (the Act) in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India,

- (i) in the case of the Balance sheet, of the state of the Company 's affairs as at March 31, 2011,
- (ii) in the case of the Profit and loss account, of its profit for the year ended that date and
- (iii) in the case of the Cash flow statement, of the cash flows for the year ended that date.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of the books.

The balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and, in our opinion, they comply in all material respects with the accounting standards referred to in Section 211 (3C) of the Act.

On the basis of the written representations received from the directors and taken on record by the Board of the Directors, we report that none of the Directors is disqualified from being appointed as a director in terms of Section 274(1)(g) of the Act as on March 31, 2011.

As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management and no material discrepancies have been noticed on such verification. During the year, in our opinion, substantial part of fixed assets has not been disposed off by the Company.
- The inventory of the company has been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the



Auditors' report to the members (continued)

nature of its business. In our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.

- The company has not taken unsecured loans from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
- The company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the Act.
- The repayment of the principal amount and payment of interest in respect of the loans mentioned above, wherever stipulated, are regular and there are no overdue amounts in excess of one lakh in respect of the said loans.
- In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. We have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in internal control systems.
- In our opinion, the particulars of contracts or arrangements, referred to in section 301 of the Act have been entered in the register required to be maintained under the said section; further, in our opinion, there are no such transactions exceeding rupees five lakhs each which have been made at prices, which are not reasonable having regard to the prevailing market prices for such goods, materials or services at the relevant time.
- In our opinion, the company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58-A and 58 AA of the Act or any other relevant provisions of the Act and the rules framed thereunder, where applicable, with regard to deposits accepted from the public and no order under the aforesaid sections has been passed by the Company Law Board or any other authority on the Company.
- *The Company has an internal audit system that covers major portion of the company's activities. We are informed that the portion not covered by the said system will not have a material impact considering the volume of the transactions involved and that the said areas are being reviewed internally.*
- Maintenance of cost records has not been prescribed by the Central Government under section 209 (1)(d) of the Act in regard to any of the operations of the Company.
- In our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and any other statutory dues have been regularly deposited by the Company during the year with the appropriate authorities.
- As at March 31, 2011 according to the records of the Company, there were no disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax, excise duty or cess which have not been deposited except for Rs.30,190 towards income tax which is pending in appeal before the Commissioner of Income tax (Appeals), Chennai and in respect of which stay for payment of tax has been granted and Rs. 38,78,604 towards service tax which is pending in appeal before the Customs, Excise and Service Tax Appellate Tribunal and in respect of which stay for payment of tax has been applied for.



Auditors' report to the members (continued)

- The company has neither accumulated losses as at March 31, 2011 nor has it incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- The company has not defaulted in repayment of dues to a financial institution or bank.
- The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the company.
- The company is not dealing or trading in shares, securities, debentures and other investments.
- The company has not given any guarantees for loans taken by others from banks or financial institutions.
- In our opinion, the term loan taken by the Company has been applied for the purpose for which the same was raised.
- On an overall examination of the financial statements of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- No debentures were issued by the Company during the year.
- The company has not raised any money by public issue during the year.
- No fraud on or by the Company has been noticed or reported during the year.

For M S Krishnaswami & Rajan
Chartered Accountants
Firm's Registration No. 01554S

Place : Chennai
Date : May 28 , 2011

M K Rajan - Partner
Membership No.4059



Compliance certificate

CIN: L 60220 TN 1979 PLC 007970

To,

The Members,

M/s. SANCO TRANS LIMITED

We have examined the registers, records, books and papers of **M/s. SANCO TRANS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ending 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and wherever required entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Chennai, within the time prescribed / with late fees, as applicable, under the Act and the rules made there under.
3. The Company being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of directors met Five times on 29.05.2010, 23.07.2010, 13.08.2010, 08.11.2010 and 09.02.2011 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 17.07.2010 to 23.07.2010 and notice by advertisement in news papers were published on 12.07.2010.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 23.07.2010 after giving notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. According to information and explanations given to us, the Company has complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, Members or Central Government, as the case may be.
12. The duly constituted Committee of Directors has approved the issue of duplicate Share Certificates.
13. The Company has:
 - (i) not made any allotment of securities during the financial year under review. The Company has delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.



Name of the Company : M/s. SANCO TRANS LIMITED

CIN: L 60220 TN 1979 PLC 007970

- (ii) deposited the amount of dividend proposed to be declared in a separate Bank Account on 20.07.2010.
 - (iii) posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company.
 - (iv) transferred the amounts in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v) Generally, complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Additional Director / Director has been duly made. There was no appointment of alternate directors and directors to fill casual vacancies made during the year under review.
 15. The Company has passed Special Resolution in its Annual General Meeting held on 23.07.2010 for re-appointment of Mr. S Sathyanarayanan as Deputy Managing director of the Company for a period of three years effective from 01.04.2010 and filed the relevant forms with the Registrar of Companies, Chennai.
 16. The Company has not appointed any sole -selling agents during the financial year.
 17. The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
 18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not issued any Preference shares / debentures, hence the question of redeeming any Preference shares / debentures does not arise.
 22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has complied with provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted amounting to Rs.152.26 Lakhs as on 31.03.2010 and the Company has filed the copy of the Advertisement / Statement in lieu of Advertisement / necessary particulars as required with the Registrar of Companies, Chennai on 04.08.2010.
 24. The amount borrowed by the Company from directors, members, Public, financial institutions, banks and others during the financial year ending 31.03.2011 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting held on 28.09.2006.



Name of the Company : M/s. SANCO TRANS LIMITED

CIN: L 60220 TN 1979 PLC 007970

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under review.
31. There was/were no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. According to information and explanations given to us, the Company has not constituted its own Provident Fund Trust for its employees, therefore provisions of Section 418 of the Act is not applicable to the Company. However, the Company is regular in depositing both employee's and employer's contribution to Provident Fund with prescribed authorities.

For BALU SRIDHAR & CO.
Company secretaries

Place : CHENNAI
Date : 28.05.2011

BALU SRIDHAR
Proprietor
C.P.No.3550



Name of the Company : M/s. SANCO TRANS LIMITED

CIN: L 60220 TN 1979 PLC 007970

Annexure A

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Share Transfer
3. Register of Charges u/s 143
4. Register of Directors u/s 303
5. Register of Directors Share Holding u/s 307
6. Register of Contracts in which Directors are interested u/s 301.
7. Minutes of the meeting of the Board of Directors / Committee(s) along with Attendance Register.
8. Minutes of the meeting of Share Holders.
9. Register of Deposits.
10. Register of Investments.

Annexure B

Forms and Returns as filed by the Company, during the financial year ending on 31st March, 2011 with the Registrar of Companies, Chennai:

1. e Form 1 INV – Statement of amount credited to investor education and protection fund filed on 08.05.2010 (SRN A84690957)
2. e Form No.32 for appointment / changes among directors w.e.f. 29.05.2010, filed u/s 303(2) on 09.06.2010. (SRN A86700911)
3. e Form 62 – Return of deposit for the financial year 01.04.2009 to 31.03.2010 filed on 11.06.2010 (SRN A86900800)
4. e Form 17 for Registration of Satisfaction of charge Dt. 26.06.2010 in favour of INDIAN OVERSEAS BANK, CHENNAI filed u/s 138/600 on 12.07.2010. (SRN A88836556).
5. e Form 17 for Registration of Satisfaction of charge Dt. 26.06.2010 in favour of INDIAN OVERSEAS BANK, CHENNAI filed u/s 138/600 on 12.07.2010. (SRN A88836960).
6. e Form 17 for Registration of Satisfaction of charge Dt. 26.06.2010 in favour of INDIAN OVERSEAS BANK, CHENNAI filed u/s 138/600 on 12.07.2010. (SRN A88837570).
7. e Form 17 for Registration of Satisfaction of charge Dt. 26.06.2010 in favour of INDIAN OVERSEAS BANK, CHENNAI filed u/s 138/600 on 12.07.2010. (SRN A88838024).
8. e Form 17 for Registration of Satisfaction of charge Dt. 26.06.2010 in favour of INDIAN OVERSEAS BANK, CHENNAI filed u/s 138/600 on 12.07.2010. (SRN A88838677).
9. e Form 17 for Registration of Satisfaction of charge Dt. 26.06.2010 in favour of INDIAN OVERSEAS BANK, CHENNAI filed u/s 138/600 on 12.07.2010. (SRN A88839220).
10. e Form 17 for Registration of Satisfaction of charge Dt. 08.07.2010 in favour of ICICI Bank Limited, Baroda, Gujarat filed u/s 138 / 600 on 06.08.2010 (SRN A90796210).
11. e Form 62 – Text of advertising inviting fixed deposit filed on 06.08.2010 (SRN A90611799)



Name of the Company : M/s. SANCO TRANS LIMITED

CIN: L 60220 TN 1979 PLC 007970

12. e Form 23 – for Registration of Resolution(s) passed in the Annual General Meeting of the members of the Company held on 23.07.2010, filed u/s 192 on 12.08.2010 (SRN A91248740).
13. e Form No. 25C for appointment of whole time director w.e.f. 01.04.2010, filed u/s 269 (2) with additional fees on 12.08.2010. (SRN A91250530).
14. e Form 66 - Compliance Certificate for the year ending 31.03.2010 filed u/s 383A on 12.08.2010. (SRN: P49503832).
15. e Form 23AC & 23ACA - Profit & Loss a/c and Balance Sheet for the year ending 31.03.2010 filed u/s 220 on 26.08.2010. (SRN: P50248137).
16. e Form 8 for Registration of Creation of charge Dt. 31.07.2010 in favour of HDFC BANK LIMITED, HDFC BANK HOUSE, SENAPATI BAPAT MARG, LOWER PAREL W, MUMBAI 400013, filed u/s 125/127/135 with additional fees on 02.09.2010. (SRN: A93130128).
17. e Form 20B - Annual Return - Schedule V made up to 23.07.2010 filed u/s 159 on 08.09.2010. (SRN: P52022233).
18. e Form No.32 for appointment / changes among directors w.e.f. 23.07.2010, filed u/s 303(2) with additional fees on 08.09.2010. (SRN A93586717).
19. e Form 8 for Registration of Creation of charge Dt. 28.09.2010 in favour of HDFC BANK LIMITED, HDFC BANK HOUSE, SENAPATI BAPAT MARG, LOWER PAREL W, MUMBAI 400013, filed u/s 125/127/135 on 26.10.2010. (SRN: A96756879).
20. e Form 8 for Registration of Creation of charge Dt. 29.12.2010 in favour of HDFC BANK LIMITED, HDFC BANK HOUSE, SENAPATI BAPAT MARG, LOWER PAREL W, MUMBAI 400013, filed u/s 125/127/135 on 05.02.2011. (SRN: B04866760).
21. e Form No.32 for appointment / changes among directors w.e.f 09.02.2011, filed u/s 303(2) on 03.03.2011. (SRN B06892152)
22. e Form 8 for Registration of Creation of charge Dt. 22.02.2011 in favour of HDFC BANK LIMITED, HDFC BANK HOUSE, SENAPATI BAPAT MARG, LOWER PAREL W, MUMBAI 400013, filed u/s 125/127/135 on 12.03.2011. (SRN: B07657323).
23. e Form 8 for Registration of Creation of charge Dt. 22.02.2011 in favour of HDFC BANK LIMITED, HDFC BANK HOUSE, SENAPATI BAPAT MARG, LOWER PAREL W, MUMBAI 400013, filed u/s 125/127/135 on 25.03.2011. (SRN: B08636961).
24. e Form 8 for Registration of Creation of charge Dt. 04.03.2011 in favour of HDFC BANK LIMITED, HDFC BANK HOUSE, SENAPATI BAPAT MARG, LOWER PAREL W, MUMBAI 400013, filed u/s 125/127/135 on 25.03.2011. (SRN: B08637076).
25. e Form 8 for Registration of modification of charge Dt. 07.03.2011 in favour of IDBI BANK LIMITED, 115, ANNA SALAI, P.B. NO.805, SAIDAPET, CHENNAI, Tamil Nadu - 600015 filed u/s 125/127/135 on 30.03.2011. (SRN: B09018656).

* * * * *



Balance sheet as at March 31, 2011

	Schedules	Rs. Lakhs	March 31, 2011 Rs.Lakhs	March 31, 2010 Rs.Lakhs
Sources of funds				
Shareholders' funds				
Capital	1.1	180.00		180.00
Reserves and surplus	1.2	8070.33	8250.33	7337.04
				7517.04
Loan funds				
Secured loans	1.3	988.06		1283.06
Unsecured loans	1.4	265.25	1253.31	192.32
			294.49	1475.38
Deferred tax liability-net			9798.13	346.42
				9338.84
Application of funds				
Fixed assets				
Gross block	1.5	8779.71		8701.46
Less Depreciation to-date		936.94		789.95
Net block		7842.77		7911.51
Capital work-in-progress		62.45	7905.22	19.41
			24.19	7930.92
Investments				24.19
Current assets, loans and advances				
Inventories - Stores and spares		6.14		4.32
Sundry debtors	1.7	1305.21		982.48
Cash and bank balances	1.8	831.68		1005.28
Other current assets	1.9	157.97		157.38
Loans and advances	1.10	434.08		188.99
		2735.08		2338.45
Less Current liabilities and provisions				
Liabilities	1.11	857.48		967.96
Provisions	1.12	56.48		107.03
		913.96		1074.99
Net current assets			1821.12	1263.46
Miscellaneous expenditure				
Deferred revenue expenditure	1.13		47.60	120.27
			9798.13	9338.84
Significant accounting policies and Notes to the accounts				
	3			
This is the Balance sheet referred to in our report of even date				
For M S Krishnaswami & Rajan		For and on behalf of the Board		
Chartered Accountants				
Firm's Registration No. 01554S				
M K Rajan - Partner		V Upendran	S Sathyanarayanan	
		Chairman and Managing Director	Deputy Managing Director	
Place : Chennai				
Date : May 28, 2011				



Profit and loss account for the year ended March 31,2011

	Schedules	2010-11 Rs.Lakhs	2009-10 Rs.Lakhs
Income			
Operating income	2.1	6273.45	5051.55
Profit on disposal of capital assets		11.91	1.95
		<u>6285.36</u>	<u>5053.50</u>
Expenditure			
Equipment and Fleet hire charges incurred		2004.76	1453.19
Handling charges incurred	2.2	2216.27	1613.86
Employee benefits	2.3	676.50	604.72
Other expenses	2.4	287.35	221.47
		<u>5184.88</u>	<u>3893.24</u>
Profit before finance costs and depreciation			
Finance costs-net	2.5	1100.48	1160.26
		<u>134.56</u>	<u>97.16</u>
Profit before depreciation		965.92	1063.10
Depreciation / amortisation / impairment	2.6	213.67	127.49
Profit before tax		<u>752.25</u>	<u>935.61</u>
Provision for taxation			
Current tax - current year		112.07	295.70
- prior year - provision / (withdrawal)		(136.34)	10.84
Deferred tax-provision / (withdrawal)		(51.93)	18.17
Profit after tax		<u>828.45</u>	<u>610.90</u>
Balance profit brought forward from the previous year		145.90	131.67
Profit available for appropriation		<u>974.35</u>	<u>742.57</u>
Appropriations			
General reserve		720.00	540.00
Proposed dividend		48.60	48.60
Corporate tax on proposed dividend		7.88	8.07
Balance profit carried to Balance sheet		197.87	145.90
		<u>974.35</u>	<u>742.57</u>
Basic and diluted earnings per share	in Rs.	46.03	33.94
Face value per Equity share Rs.10			
Significant accounting policies and Notes to the accounts			
	3		
This is the Balance sheet referred to in our report of even date			
For M S Krishnaswami & Rajan Chartered Accountants Firm's Registration No. 01554S		For and on behalf of the Board	
M K Rajan - Partner Place : Chennai Date : May 28, 2011		V Upendran Chairman and Managing Director S Sathyanarayanan Deputy Managing Director	



Cash flow statement for the year ended March 31, 2011

	2010-11 Rs.Lakhs	2009-10 Rs.Lakhs
Cash flows from operating activities		
Net profit before tax	752.25	935.61
Adjustments for:		
Depreciation /amortisation / impairment not considered as cash outflow	213.67	127.49
Loss on disposal of capital assets (net) considered under investment activities	3.56	1.21
Interest paid(net) considered under financing activities	134.56	97.16
Deferred revenue expenditure		
- amortised not considered as cash outflow	114.47	190.48
- incurred considered as cash outflow	(41.80)	(84.54)
Operating Profit before working capital changes	1176.71	1267.41
Adjustments for changes in:		
Inventories	(1.82)	29.44
Trade and other receivables (including the changes in Bank Deposits with maturity of more than six months)	(466.80)	(111.11)
Trade and other payables	(110.48)	(56.26)
	597.61	1129.48
Direct taxes paid	(196.62)	(387.90)
Cash flow from operating activities (1)	400.99	741.58
Cash flows from investment activities		
Payments for acquisition of fixed assets		
Additions to fixed assets as per schedule 1.5	(310.21)	(343.39)
Adjustment for changes in Capital work in progress	(2.06)	96.49
	(312.27)	(246.90)
Proceeds on disposal of claims relating to capital assets	112.04	6.76
Cash flow from investment activities (2)	(200.23)	(240.14)
Cash flows from financing activities		
Borrowings		
Long term - Raised	167.03	806.28
Repaid	(429.88)	(987.09)
Short term - Raised	79.71	65.54
Repaid	(6.78)	(66.97)
Interest paid (excluded from operating activities as above)	(134.56)	(97.16)
Adjustment for changes in interest accrued on loans	--	(4.60)
Dividend and corporate dividend tax paid relating to previous year	(56.67)	(94.76)
Cash outflow from financing activities (3)	(381.15)	(378.76)
Net Cash flow	(1) - (2) - (3)	122.68



Cash flow statement for the year ended March 31, 2011(Contd.)

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Represented by movement in cash and cash equivalents		
At beginning		
Cash and bank balances - As per Schedule 1.8	1005.28	817.74
Less Bank deposits with maturity of more than six months considered under Trade receivables	<u>550.80</u>	<u>492.47</u>
	454.48	325.27
Balance in Cash credit as per Schedule 1. 3	<u>(72.53)</u>	<u>(66.00)</u>
(4)	<u>381.95</u>	<u>259.27</u>
At end		
Cash and bank balances - As per Schedule 1.8	831.68	1005.28
Less Bank deposits with maturity of more than six months considered under Trade receivables	<u>589.74</u>	<u>550.80</u>
	241.94	454.48
Balance in cash credit as per Schedule 1.3	<u>(40.38)</u>	<u>(72.53)</u>
(5)	<u>201.56</u>	<u>381.95</u>
Movement, increase / (Decrease), in cash and cash equivalents (5) - (4)	<u>(180.39)</u>	<u>122.68</u>

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

For **M S Krishnaswami & Rajan**
Chartered Accountants
Firm's Registration No. 01554S

For and on behalf of the Board

M K Rajan - Partner

V Upendran
Chairman and Managing Director

S Sathyanarayanan
Deputy Managing Director

Place : Chennai
Date : May 28, 2011



Schedules to the Balance sheet

	March 31,2011 Rs.Lakhs	March 31,2010 Rs.Lakhs
1.1 Capital		
Authorised		
70,00,000 Equity shares of Rs.10 each	<u>700.00</u>	<u>700.00</u>
Issued and subscribed and paid-up		
18,00,000 Equity shares of Rs.10 each	<u>180.00</u>	<u>180.00</u>
1.2 Reserves and surplus		
Revaluation reserve	4842.45	4851.14
General reserve	3030.01	2340.00
Surplus – Balance in Profit and loss account	<u>197.87</u>	<u>145.90</u>
	<u>8070.33</u>	<u>7337.04</u>
1.3 Secured loans		
Loans and advances from banks		
- Term loan	947.68	1210.53
- Cash credit	<u>40.38</u>	<u>72.53</u>
	<u>988.06</u>	<u>1283.06</u>
1.4 Unsecured loans		
Fixed deposits		
- from Directors	0.75	4.20
- from others	224.65	148.06
Short term loans and advances		
From other than banks	<u>39.85</u>	<u>40.06</u>
	<u>265.25</u>	<u>192.32</u>
1.5 Fixed assets		
Land		
Cost/Valuation at beginning	5251.41	5203.73
Additions during the year	—	47.68
Cost/Valuation at end	<u>5251.41</u>	<u>5251.41</u>
Buildings		
Cost/Valuation at beginning	1096.82	1086.97
Additions during the year	12.95	9.85
Deductions during the year	3.99	—
Cost/Valuation at end	<u>1105.78</u>	<u>1096.82</u>
Depreciation to-date	<u>76.99</u>	<u>57.56</u>
	<u>1028.79</u>	<u>1039.26</u>



Schedules to the Balance sheet - Continued

	March 31, 2011 Rs.Lakhs	March 31, 2010 Rs.Lakhs
1.5 Fixed Assets-Continued		
Operating Fleet/Equipments		
Cost at beginning	2238.16	1976.89
Additions during the year	228.62	268.40
Deductions during the year	218.10	7.13
Cost at end	2248.68	2238.16
Depreciation to-date	819.56	701.19
	1429.12	1536.97
Machinery		
Cost at beginning	30.38	25.20
Additions during the year	4.87	5.18
Cost at end	35.25	30.38
Depreciation to-date	12.50	10.90
	22.75	19.48
Office Vehicles		
Cost at beginning	41.90	48.81
Additions during the year	36.30	4.31
Deductions during the year	8.60	11.22
Cost at end	69.60	41.90
Depreciation to-date	10.97	9.38
	58.63	32.52
Furniture/Office Equipments		
Cost at beginning	41.48	33.51
Additions during the year	20.98	7.97
Deductions during the year	1.27	—
Cost at end	61.19	41.48
Depreciation/impairment to-date	14.81	9.61
	46.38	31.87
Intangible assets (Software) – Acquired		
Cost at beginning	1.31	1.31
Additions during the year	6.49	—
Cost at end	7.80	1.31
Amortisation to-date	2.11	1.31
	5.69	—
Total	7842.77	7911.51



Schedules to the Balance sheet - Continued

	March 31, 2011 Rs.Lakhs	March 31, 2010 Rs.Lakhs
1.5 Fixed Assets-Continued		
Summary of Fixed assets		
Cost/valuation at beginning	8701.46	8376.42
Additions during the year	310.21	343.39
Deductions during the year	231.96	18.35
Cost/valuation at end	8779.71	8701.46
Depreciation /amortisation/ impairment to-date	936.94	789.95
Written down value	7842.77	7911.51
1.6 Investments		
12,09,600 Equity shares in Indfos Industries Limited -Long term-unquoted	24.19	24.19
1.7 Sundry debtors		
(Unsecured, considered good)		
Over six months old	117.47	81.02
Other debts	1187.74	901.46
	1305.21	982.48
1.8 Cash and bank balances		
Cash on hand	6.82	4.19
Balance with scheduled banks		
In current accounts	46.99	87.19
In deposit accounts	756.62	857.05
Cheques on hand	21.25	56.85
	831.68	1005.28
1.9 Other current assets		
(Unsecured, considered good)		
Security, earnest money and other deposits	124.77	118.46
Interest accrued on bank deposits and others	16.46	24.50
Prepaid expenses	16.74	14.42
	157.97	157.38



Schedules to the Balance sheet - Continued

	March 31, 2011 Rs.Lakhs	March 31, 2010 Rs.Lakhs
1.10 Loans and advances		
(Unsecured, considered good)		
Advances to suppliers, contractors, constituents and others	107.66	45.28
Loans and advances to employees	7.32	13.95
Advance for leasehold warehouses/office premises	175.67	128.21
Balance with customs, port trust, etc	2.88	1.55
Advance payments towards current taxes(net of provisions)	140.55	—
	434.08	188.99
1.11 Liabilities		
Trade creditors and accrued charges		
Due to Micro Enterprises and small enterprise [(Refer Schedule 3 (ii) (22)]	—	—
Due to others	654.90	784.86
Advances and deposits for services	111.97	98.44
Other liabilities	90.61	84.66
	857.48	967.96
1.12 Provisions		
Proposed dividend	48.60	48.60
Corporate tax on proposed dividend	7.88	8.07
Provision for taxation- net of advance payments	—	50.36
	56.48	107.03
1.13 Deferred revenue expenditure		
Structures and expenses on leasehold land	28.45	96.33
Loan raising expenses	13.90	17.38
Premium on prepayment of borrowings	5.25	6.56
Expenditure to the extent not written off or adjusted	47.60	120.27



Schedules to the Profit and loss account

	2010-11 Rs. Lakhs	2009-10 Rs.Lakhs
2.1 Operating Income		
Handling charges earned	3209.02	2284.12
Equipment and fleet hire charges earned	1689.85	1453.37
Agency and other charges earned	349.29	248.44
Warehousing charges earned	1025.29	1065.62
	<u>6273.45</u>	<u>5051.55</u>
2.2 Handling charges incurred		
Expenses relating to Port, Customs and other operations	972.18	635.85
Stores and tools consumed	10.26	1.37
Labour charges to outside agencies	0.19	19.06
Expenses of Container yard and warehouses		
Rent	370.84	231.60
Rates and taxes	26.91	27.30
Repairs to buildings	190.21	223.84
Repairs to machinery	4.11	0.78
Power and fuel	25.82	22.54
Insurance	17.82	23.97
Security charges	26.83	35.45
Operating equipments upkeep		
Annual maintenance service charges	28.06	26.30
Fuel	269.93	202.05
Repairs and replacements	240.95	134.33
Rates and taxes	11.24	8.75
Insurance	20.92	20.67
	<u>2216.27</u>	<u>1613.86</u>
2.3 Employee benefits		
Salaries, wages and bonus	517.38	470.43
Contribution to provident and other funds	37.95	32.80
Employees' welfare expenses	121.17	101.49
	<u>676.50</u>	<u>604.72</u>
2.4 Other expenses		
Power and fuel	4.19	3.87
Rent	35.00	31.72
Rates and taxes	2.93	1.45
Insurance	6.22	3.31
Repairs to office premises	4.40	6.72
Computer maintenance	8.84	4.83
Repairs to other assets	15.00	3.58
Carried over	<u>76.58</u>	<u>55.48</u>


Schedules to the Profit and loss account

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
2.4 Other expenses - Continued		
Brought Forward	76.58	55.48
Travel and conveyance	62.91	50.13
Office vehicles upkeep and running expenses		
Fuel	11.23	9.60
Repairs and replacements	1.67	2.71
Rates and taxes	4.89	0.36
Insurance	1.82	0.91
Advertisement	4.69	5.01
Entertainment	4.56	4.82
Printing and stationery	23.59	16.45
Communication expenses	31.66	22.20
Legal expenses	5.60	15.07
Fees to auditors - For audit	2.25	1.80
Information technology expenses	3.49	4.65
Loss on sale of fixed assets	15.47	3.16
Miscellaneous expenses	36.94	29.12
	<u>287.35</u>	<u>221.47</u>
2.5 Finance costs-net		
Interest paid		
On fixed loans	142.92	99.30
On advances and other accounts	27.96	69.88
	<u>170.88</u>	<u>169.18</u>
Interest received		
On deposits with banks and other accounts	41.99	79.08
	<u>128.89</u>	<u>90.10</u>
	net	
Guarantee and finance charges paid	5.67	7.06
	<u>134.56</u>	<u>97.16</u>
2.6 Depreciation / amortisation / impairment		
Buildings	19.43	18.47
Operating fleet and equipments	190.74	108.55
Machinery	1.61	1.32
Office vehicles	3.93	3.28
Furniture and office equipments	5.85	4.13
Intangible assets-Acquired	0.80	0.44
	<u>222.36</u>	<u>136.19</u>
Less Transfer from Revaluation reserve [Refer Schedule 3 (ii) (15)]	8.69	8.70
	<u>213.67</u>	<u>127.49</u>



Schedule to the Balance sheet and Profit and loss account

Schedule to the Balance sheet and Profit and loss account

3. Significant accounting policies and Notes to the accounts

(i) Significant accounting policies

Convention

Financial statements are prepared to comply in all material respects with applicable mandatory accounting standards in India and the relevant presentational requirements of the Companies Act, 1956.

Basis of accounting

Financial statements are prepared in accordance with the historical cost convention on the concept of going concern, except for the revaluation of the net assets made as on March 31, 2009 and as per accrual basis of accounting.

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.

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 borrowing costs incurred on qualifying assets and other incidental expenses related to acquisition.

Depreciation /amortisation/ impairment

Depreciation is calculated on fixed assets in a manner that amortises the cost of the assets after commissioning over the economic useful lives based on the rates specified in Schedule XIV to the Companies Act, 1956 by equal annual instalments except for service equipments which is depreciated at twenty percent. Depreciation on additions is charged to revenue proportionately from the month the assets are used. No depreciation is reckoned in the year of disposal.

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised 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.

Inventories

Stores and spares for the operating equipments are stated at lower of cost and estimated net realisable value, cost being ascertained on first in, first out basis. Obsolete, slow moving and defective items of inventories are adequately provided.



Schedules to the Balance sheet and Profit and loss account (Continued)

3. Significant accounting policies and Notes to the accounts (Continued)

(i) Significant accounting policies (Continued)

Investments

Long term investments are stated at cost less provision for diminution, other than temporary, if any.

Revenue recognition

Revenue is recognised (i) on executed work, at contracted rates, (ii) on other work yet to be completed, at estimated net realisable value, (iii) from warehousing operations, at estimated net realisable value, (iv) in respect of container freight station operations, at estimated net realisable 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.

Amortisation of deferred revenue expenditure

Cost of structures and other expenses on leasehold land are amortised over the estimated period the benefit from such expenditure is expected to enure. Expenditure incurred on raising loans is amortised over the period of the borrowings. Premium paid on prepayment of any borrowings is amortised over the un-expired period thereof or sixty months, whichever is less. Compensation paid under voluntary separation plan is amortised over thirty six months or the period up to March 31,2011 whichever is less.

Employee benefits

Charge in respect of employee benefits is recognized as under (i) Short term employee benefits-Provision for the obligations made on estimated basis; (ii) Past employment benefits and other long term employee benefits – (1) Deferred contribution plans-Company's contribution to provident fund, employees state insurance and other funds are provided on determination of the liability under the relevant schemes and charged to revenue; (2) Gratuity and other retirement benefits-Provision made on the basis of actuarial determination of the Company's liability towards the said benefits at each balance sheet date using the projected unit credit method; actuarial gains and losses are recognized in the revenue.

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 recognised using prevailing tax rates. Deferred tax assets are recognised 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 realisation/liabilities.

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.



Schedules to the Balance sheet and Profit and loss account (Continued)

3. Significant accounting policies and Notes to the accounts (Continued)

(i) Significant accounting policies (Continued)

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 revenue arising on settlement of transactions and translation of monetary items is recognized in the revenue.

(ii) Notes to the accounts

- (1) Issued and subscribed capital include 2,50,000 Equity shares allotted as fully paid-up by way of bonus shares by capitalisation of part of General reserve.
- (2) Movement in reserves –(i) Revaluation reserve- Surplus arising on the revaluation of the net assets Rs Nil (March 31,2010 Rs Nil); Transfer to Depreciation in Schedule 2.6 (refer Note 15 below) Rs 8.69 lakhs(March 31,2010 Rs 8.70 lakhs); (ii) General reserve - Transfer from Profit and loss account Rs. 720.00 lakhs (March 31,2010 Rs.540.00 lakhs); Adjustment on account of provision for taxation and other balances:Charge(-)/Credit(+) - Rs.29.99 (-) (March 31,2010, Rs. Nil).
- (3) Nature of security for secured loans – (i) Term loan and cash credit facility from banks are secured by a first charge on the entire fixed assets (excluding assets under hire purchase) and current assets, present and future. (ii) Loans under deferred instalment terms are secured by hypothecation of equipments acquired under the scheme; (iii) Term loan and cash credit facilities are guaranteed by three directors. The loans stated at (ii) above are guaranteed by the Managing Director / Deputy Managing Director.
- (4) Unsecured loans include Rs. 52.38 lakhs (March 31,2010 Rs.20.11 lakhs) repayable within twelve months from the end of the year.
- (5) The net assets of the company were revalued as on March 31,2009 by an external valuer on the basis of (i) estimated prevailing market value for similarly located assets in the case of land and buildings, (ii) estimated depreciated replacement cost in the case of other fixed assets, (iii) estimated realizable value or cost whichever is lower in the case of inventories and (iv) estimated values which are likely to be realized /discharged in the case of other assets and liabilities. Depreciation in the case of fixed assets for the purpose of the said revaluation has been computed upto March 31,2009.The resulting net surplus on such revaluation aggregating Rs 4859.84 lakhs has been credited to Revaluation reserve.
- (6) There is no diminution, other than temporary in the value of the investments.
- (7) Balance with banks in deposit accounts in Schedule 1.8 include Rs. 96.28 lakhs (March 31,2010 Rs.187.49 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.
- (8) There are no amounts remaining to be credited to the Investor Education and Protection Fund.
- (9) Capital expenditure commitments (net of advances) Rs. Nil (March 31,2010-Rs 41.26 lakhs).



Schedules to the Balance sheet and Profit and loss account

3. Significant accounting policies and Notes to the accounts

(ii) Significant accounting policies (Continued)

- (10) Contingent liabilities - Claims against the Company not acknowledged as debts Rs. 46.89 lakhs (2009-10 Rs.26.35 lakhs).
- (11) Directors' remuneration - (i) Managing Director, Deputy Managing Director, Director-Finance and Wholetime Director - Salary Rs. 65.00 lakhs (2009-10 Rs.61.66 lakhs), Allowances Rs.16.50lakhs (2009-10 Rs.18.50 lakhs), Contribution to Provident fund Rs.7.80 lakhs (2009-10 Rs.7.40 lakhs), Perquisites Rs. 0.78 lakh (2009-10 Rs.0.32 lakh). Total Rs. 90.08 lakhs(2009-10 Rs. 87.88 lakhs); (ii) Sitting fees to directors Rs2.35 lakhs (2009-10 Rs.1.80 lakhs).
- (12) Repairs to container yard and warehouses in Schedule 2.2 include Rs. 108.91 lakhs (2009-10 Rs.188.82 lakhs) being amortised expenses on leasehold land.
- (13) Employee benifits include Rs. Nil (2009-10 Rs.0.93 lakh) being amortisation of compensation under voluntary separation plan.
- (14) Tax deducted at source on interest income is Rs. 5.20 lakhs (2009-10 Rs.5.39 lakhs) .
- (15) Depreciation for the year computed on revalued assets includes a charge of Rs 8.69 lakhs (2009-10 Rs 8.70 lakhs) being the excess depreciation computed by the method followed by the company prior to revaluation and the same has been transferred from Revaluation reserve to the Profit and loss account and reflected in Schedule 2.6.
- (16) Foreign exchange and foreign currency transactions and derivatives - (i) Imports – Rs. Nil (2009-10 Rs Nil); (ii) Other expenditure in foreign currency Rs. 37.37 lakhs(2009-10 Rs.24.34 lakhs); (iii) Other earnings in foreign exchange Rs. 9.04 lakhs (2009-10 Rs. 23.48 lakhs); (iv) There was no remittance in foreign currencies on account of dividend to non-resident shareholders; (v) Net exchange difference credited to Profit and loss account Rs. 0.38 lakh (2009-10 Rs.0.63 lakh); (vi) 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 instrument are as under: Amount receivable on account of services rendered, advances, etc. US \$ 3797.33 equivalent RS 1.70 lakhs, Euro382.36 equivalent Rs . 0.24 lakhs (March 31,2010 US \$ 15,527.10 equivalent Rs 7.07 lakhs, Euro 214.85 equivalent Rs 0.13 lakh); Amount payable on account of services obtained US \$ 2468.65 equivalent Rs 1.10 lakhs, Euro 2532 equivalent Rs 0.21 lakh, GBP Nil (March 31,2010 US \$ Nil , Euro 474.89 equivalent Rs 0.29 lakh, GBP 6,875.55 equivalent Rs 4.68 lakhs).
- (17) Computation of earnings per share: (i) Profit after taxation Rs 828.45 lakhs(2009-10 Rs610.90 lakhs); (ii)Equity shares outstanding 18,00,000 (March 31,2010 - 18,00,000); (iii) Earnings per share – Basic and diluted (i)/(ii) Rs. 46.03 (2009-10-Rs 33.94).
- (18) Deferred tax-liability comprises tax effect of (i) timing differences relating to depreciation Rs. 283.30 lakhs (March 31,2010 Rs.313.68 lakhs); (ii) others Rs. 11.19lakhs (March 31,2010 Rs.32.74 lakhs).
- (19) (i) The company has complied with the revised Accounting Standard 15-Employee benefits issued by the Institute of Chartered Accountants of India. Accordingly provision of Rs 38.44 lakhs has been made for the incremental liability towards gratuity for the year ended March 31,2011 (2009-10 -Rs 30.10 lakhs).



Schedules to the Balance sheet and Profit and loss account

3. Significant accounting policies and Notes to the accounts

(ii) Significant accounting policies (Continued)

- (ii) Deferred benefit plan- Gratuity: As per actuarial valuation on March 31,2011. The disclosures required in the said Accounting standard regarding computation of the said benefit plan have not been furnished since the said information is not considered as material.
- (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 Profit and loss account in Schedule 2.3 to the accounts- Contribution to provident fund Rs37.95 lakhs,(2009-10 Rs 32.80 lakhs: 2008-09-Rs 31.48 lakhs), Contribution towards gratuity Rs 38.44 lakhs (2009-10 Rs 30.10 lakhs: 2008-09-Rs 40.51 lakhs), Employees' welfare expenses include contribution to employees' state insurance plan Rs9.57 lakhs(2009-10-Rs 7.76 lakhs 2008-09-Rs 7.65 lakhs).
- (20) Segment information - The Company is principally engaged in a single business segment viz. Logistics.
- (21) Related party transactions

(1) Related party – Key management personnel

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

	2011	2010
(2) Transactions with key management personnel	Rs.Lakhs	Rs.Lakhs
(i) Interest payments	0.02	0.03
(ii) Remuneration	90.08	69.94
(iii) Rent payment	1.42	2.84
(iv) Outstanding balances under Fixed deposit	0.75	0.20

- (22) 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.

- (23) Comparative figures relating to previous year have been reclassified to conform to the classification adopted this year.

For and on behalf of the Board

Place: Chennai
Date: May 28,2011

V Upendran
Chairman and Managing Director

S Sathyanarayanan
Deputy Managing Director



Information under Part IV of Schedule VI to the Companies Act, 1956

Balance sheet abstract and Company's business profile

I. Registration Details

Registration No - 7970 State Code - 18
Balance Sheet - 31.03.2011

II. Capital raised during the year (Amount in Rs. Thousands)

Public issue NIL
Bonus issue NIL
Rights issue NIL
Private placement NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total liabilities	<u>979813</u>	Total assets	<u>979813</u>
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Sources of funds

Paid up Capital	18000
Reserve and Surplus	807033
Share application money	—
Secured loans	98806
Unsecured loans	26525
Deferred tax liability	29449

Application of Funds

Net Fixed assets	790522
Investments	2419
Net Current assets	182112
Miscellaneous expenditure	4760
Accumulated Losses	—

IV. Performance of Company (Amount in Rs. Thousands)

Operating and Other income	628536	
Total expenditure	553311	
Profit (+) / Loss (-) before tax	75225	(+)
Profit (+) / Loss (-) after tax	82845	(+)
Earnings per share	Rs. 46.03	
Dividend rate	% 27	

V. Generic names of three principal products

No Item Code mentioned in ITC Code for the services of the Company.

For and on behalf of the Board

Place: Chennai

Date: May 28,2011

V Upendran
Chairman and Managing Director

S Sathyanarayanan
Deputy Managing Director



Sanco Trans Limited

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member(in Block Letters)	Member's Regd.Folio Number
Name of the Proxy (In Block Letters)	

No. of Shares held _____

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING at Narada Gana Sabha Mini Hall,314 TTK Road, Alwarpet, Chennai - 600 018. on 20th July, 2011 at 11.00 Hours

Note: The copy of the Annual Report may
please be brought to the meeting hall.

.....
Member's/Proxy's Signature

For Office Use

Sanco Trans Limited
Registered Office : 46 Moore Street, Chennai - 600 001

PROXY FORM

I/Weof
being a Member(s) of the above named Company, hereby appoint-----
ofor failing himof
..... my me my as ----- proxy to vote for ---- on ----behalf
at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held at 11.00 Hours. on
20th July, 2011 and at any adjournment thereof.

Signed..... day of2011

Signature

Revenue
Stamp
1.00 Re.

NOTE : Proxies must reach the Company's Registered Office not less than 48 hours before commencement the meeting.

Book Post

To

If undelivered, please return to :

SANCO TRANS LIMITED

46, Moore Street,
Chennai - 600 001.