



**SANCO TRANS LIMITED**

*"Service And Trust - Part Of Our Tradition"*

**Annual Report 2013**



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

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



**SANCO TRANS LIMITED**

## **AWARDS RECEIVED**

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

**Top Customs Duty paid Award-2011**

(The Tamil Chamber of Commerce)

Awarded by: His Excellency Dr.Mr. Rosaiah-Governor of Tamilnadu

**Top CFS Award - 2011**

(The Tamil Chamber of Commerce)

Awarded by: His Excellency Dr.Mr. Rosaiah-Governor of Tamilnadu

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

**Top Customs Duty Paid Award - 2010**

(The Tamil Chamber of Commerce)

Awarded by: His Excellency Mr.Surjit Singh Barnala-Governor of Tamilnadu

**Top CFS of the year Award - 2008**

(DP World Port)

**Top Concor Railway Service Award - 2005 ( Concor)**





# Sanco Trans Limited

## CORPORATE INFORMATION

### Board of Directors

Sri V. Upendran	- Chairman & Managing Director
Sri S. Sathyanarayanan	- Deputy Managing Director
Sri U. Udayabhaskar Reddy	- Wholetime Director
Sri S. R. Srinivasan	- Director-Finance
Srimathi S. Devaki	
Dr. M.V.M. Alagappan	
Sri T. Ananthanarayanan	
Sri R Vijayaraghavan	
Sri V Govind	
Sri V Shankar	

### Bankers

I D B I Bank  
H D F C Bank  
Axis Bank  
Indian Bank

### Auditors

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

### Website

[www.sancotrans.com](http://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

The Bombay Stock Exchange Limited, Mumbai 400001

### Investor Email ID

[shareholder@sancotrans.com](mailto: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

12th August 2013, 10.15 a.m  
M A Chidambaram Conference Hall  
The Southern India Chamber of  
Commerce and Industry,  
Esplanade,  
Chennai 600108.

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





SL NO.	CONTENTS	Page Nos
1	Notice	1
2	Directors' Report	9
3	Independent Auditor's Report	24
4	Compliance Certificate by Company Secretaries	29
5	Balance Sheet	34
6	Statement of Profit and Loss	35
7	Cash Flow Statement	36
8	Significant Accounting Policies	38
9	Notes to the Balance Sheet	40
10	Notes to the Statement of Profit and Loss	47
11	Notes to the Financial Statements	49







## NOTICE OF THIRTY THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty third Annual General Meeting of Sanco Trans Limited will be held at M A Chidambaram Conference Hall, The Southern India Chamber of Commerce & Industry, Esplanade, Chennai 600108 on Monday, the 12th August 2013 at 10.15 A.M to transact the following business:

### Ordinary business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on the Equity shares for the year ended March 31, 2013.
3. To appoint a Director in the place of Sri T Ananthanarayanan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Dr M.V.M Alagappan who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in the place of Smt S Devaki who retires by rotation and being eligible offers herself for reappointment.
6. To appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit, pass the following as an Ordinary Resolution:

“RESOLVED THAT M/s M S Krishnaswami and Rajan (Regn No. 01554S) Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs 3,50,000/- in addition to reimbursement of out of pocket expenses incurred.”

### Special Business

7. Re-appointment of Sri S Sathyanarayanan as Deputy Managing Director:

To consider and, if thought fit, pass, with or without modification(s), the following Resolution as a Special resolution:

“RESOLVED that pursuant to the provisions of sections 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956(‘Act’) (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the Company hereby approves the reappointment of Shri S Sathyanarayanan as the Deputy Managing Director of the Company for a period of three years effective from April 1,2013 on the terms and conditions of remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and the Board of Directors be and is hereby authorised to alter and vary such terms of remuneration so as not to exceed the limits specified in Schedule XIII to the Act or any statutory modification(s) thereof.

8. Re-appointment of Sri U Udayabhaskar Reddy as Wholetime Director:

To consider and, if thought fit, pass, with or without modification(s), the following resolution as a Ordinary resolution:



“ RESOLVED that pursuant to the provisions of sections 198,269 and 309 and other applicable provisions, if any, of the Companies Act, 1956('Act') (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves the reappointment of Shri U Udayabhaskar Reddy as the Wholetime Director of the Company for a period of three years effective from August 1,2013 on the terms and conditions of remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and the Board of Directors be and is hereby authorised to alter and vary such terms of remuneration so as not to exceed the limits specified in Schedule XIII to the Act or any statutory modification(s) thereof”.

For and on behalf of the Board of Directors

Registered Office:  
Old No.90, New No.46 Moore Street,  
Chennai 600001.

V. Upendran  
Chairman & Managing Director

Date: 30th May 2013.

## Notes

1. The 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 INSTEAD OF HIMSELF AND THE 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 SCHEDULED COMMENCEMENT OF THE MEETING.
3. Revenue stamp should be affixed on the Proxy form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's Signature may also be furnished in the Proxy Form, for identification purpose.
4. The Register of Members and Share Transfer Books of the Company will be closed from 06.08.2013 to 12.08.2013 (both days inclusive) to determine the members eligible for entitlement to dividend, if any, declared at the Annual General Meeting.
5. 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.
6. The listing fee to Bombay Stock Exchange has been paid upto 31.03.2014.

For and on behalf of the Board of Directors

Registered Office:  
Old No.90, New No.46 Moore Street,  
Chennai 600001.

V. Upendran  
Chairman & Managing Director

Date: 30th May 2013.



## **Explanatory Statement pursuant to item 7 & 8 of the Notice to the Thirty third Annual General Meeting of Sanco Trans Limited.**

### **Explanatory Statement**

#### **Item 7**

The Board of Directors of the Company at its meeting held on February 09, 2013 reappointed Sri S Sathyanarayanan as Deputy Managing director of the Company for a period of three years effective April 1, 2013.

The Remuneration Committee of the Board has examined the remuneration package of Sri S Sathyanarayanan objectively taking into account the interest of the Company and the shareholders, the financial position of the Company, Sri S Sathyanarayanan's qualification, experience, past performance and past remuneration. The remuneration committee of the Board of Directors had approved, by its resolution, the terms of the remuneration, payable to Sri S Sathyanarayanan and the same is in accordance with and within the ceiling of maximum remuneration permitted under Section II (1) (B) of Part II of Schedule XIII to the Act. The said resolution has also been approved by the Board of Directors of the Company. The terms of such remuneration are as under:

#### **(i). Monthly remuneration**

Rs.2,25,000 (Rs.2,25,000) with such annual increments / increases as may be decided by the Remuneration Committee from time to time.

#### **(ii). 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 or abroad for self and family including hospitalisation, nursing home and surgical charges and in case of medical treatment abroad, the air fare, boarding/lodging for patient and attendant; (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) Reimbursement of membership fees for clubs in India, including admission/life membership fees; (viii) Personal accident insurance policy in accordance with the scheme applicable to senior employees; (ix) 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; (x) Free use of the company's car for company's work as well as for personal purpose along with driver; (xi) Telephone, telefax and other communication facilities at company's cost; (xii) Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the remuneration committee/board of directors from time to time may decide.

#### **(iii). 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.

#### **(iv). 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.

**(v). 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 2(i) above, gratuity payable as per para 2(ii) above and encashment of leave at the end of the tenure as per para 2(iii) above.

**(vi). 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.

Since the remuneration package is governed under Section II (1) (B) of Part II of Schedule XIII to the Companies Act, 1956, the following additional information as required in clause (IV) of the proviso under Section II .1 (B) of the said schedule is furnished.

**I. General Information**

- (1) Name of the industry : Logistics
- (2) Date of commencement of business : 12th October 1979
- (3) Financial Highlights

	(Rs. Lakhs)				
Financial year	2012-13	2011-12	2010-11	2009-10	2008-09
Net worth per share (Rs.)	517.58	488.18	455.71	410.93	375.64
Gross income	7770.26	7804.52	6311.87	5053.50	6170.62
Profit before Interest and Depreciation	1533.37	1280.43	1100.48	1160.26	1921.24
Profit before tax	925.33	985.82	752.25	935.61	1654.99
Profit after tax	636.58	766.04	828.45	610.90	1060.58
Retained earnings	580.10	709.56	771.97	554.23	965.81
Dividend %	27	27	27	27	45
Earnings per share (Rs.)	35.37	42.56	46.03	33.94	58.92

Notes :- (1) Net worth per share are after deduction of unamortised expenditure stated in the Balance Sheet. (2) Dividend for the financial year 2012-13 is as proposed by the Board of Directors. (3) Net worth per share from 2008-09 is inclusive of surplus on revaluation done on March 31, 2009.



## II. Information about the appointee:

- (a) Background details : Sri S Sathyanarayanan, 40 years of age, is a graduate in Business (Shipping) Management from the Australian Maritime College, Tasmania and also a Post Graduate in Transport management from the University of Sydney. He was appointed as Director of the Company in August 1995 and whole time Director of the Company in March 2000. He was appointed as Deputy Managing Director effective April 1, 2005 and has the distinction of leading the Company since then.
- (b) Past remuneration : Rs.2, 25,000 per month with effect from April 1,2012 plus Perquisites such as House Rent Allowance, Medical reimbursement, gas, water and electricity, leave encashment, gratuity, club subscriptions and other usual perquisites.
- (c) Recognition and awards : Executive Committee Member of Indo-Australian Chamber of Commerce
- (d) (i) Job profile : As Deputy Managing Director, he is in charge of the management of the Company.
- (ii) His suitability : His experience for the last 13 years as Wholetime Director of the company including 7 years as Deputy Managing Director makes him ideally suitable for the said position with the said remuneration.
- (e) Remuneration Proposed : Rs.2,25,000 per month with the perquisites and other terms as mentioned supra.
- (f) Comparative : Information not available.  
Remuneration profile with respect to industry
- (g) Pecuniary : Sri S Sathyanarayanan holds 1,92,600 Equity Shares of Rs.10 Each in the company. He is related to Srimathi S.Devaki, Director, Sri V Upendran, Managing Director and Sri. U.Udayabhaskar Reddy, Wholetime Director.  
relationship with the company or relationship with the Managerial personnel, if any.

The re-appointment and fixing of remuneration of Sri S Sathyanarayanan as Deputy Managing Director is subject to the approval of the shareholders by way of Special resolution at the ensuing 33rd Annual General Meeting of the Company. This may also be treated as a Memorandum of Abstract issued pursuant to the provisions of Section 302 of the Companies Act, 1956.

Srimathi S. Devaki, Sri V Upendran and Shri.U.Udayabhaskar Reddy being relatives of Sri S Sathyanarayanan and Sri. S Sathyanarayanan himself, are concerned or interested in the aforesaid proposed revision in the remuneration package to Deputy Managing Director.



## Item 8

The Board of Directors of the Company at its meeting held on May 30, 2013 reappointed Sri U Udayabhaskar Reddy as Wholetime director of the Company for a period of three years effective August 1, 2013. The remuneration committee of the Board of Directors had approved, by its resolution, the terms of the remuneration, payable to Sri U Udayabhaskar Reddy and the same is in accordance with and within the ceiling of maximum remuneration permitted under Section II (1) (A) of Part II of Schedule XIII to the Act.

The said resolution has also been approved by the Board of Directors of the Company. The terms of such remuneration are as under:

### (i). Monthly remuneration

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

### (ii). 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 or abroad for self and family including hospitalisation, nursing home and surgical charges and in case of medical treatment abroad, the air fare, boarding/lodging for patient and attendant; (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) Reimbursement of membership fees for clubs in India, including admission/life membership fees; (viii) Personal accident insurance policy in accordance with the scheme applicable to senior employees; (ix) 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; (x) Free use of the company's car for company's work as well as for personal purpose along with driver; (xi) Telephone, telefax and other communication facilities at company's cost; (xii) Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the remuneration committee/board of directors from time to time may decide.

### (iii). 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.

### (iv). 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.



## (v). 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 2(i) above, gratuity payable as per para 2(ii) above and encashment of leave at the end of the tenure as per para 2(iii) above.

## (vi). 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.

## II. Information about the appointee:

- (a) Background details : Sri U Udayabhaskar Reddy, 41 years of age, is a Post Graduate in Economics and holds a Diploma in Business Administration with specialisation in Marketing. He was appointed as the Wholetime Director of the Company on July 30, 2008 and has the distinction of effectively discharging his various functions since then. He has worked in the various divisions of the Company since 1997 and has a rich experience in the business of the Company.
- (b) Past remuneration : Rs.1,00,000 per month with effect from August 1, 2009 plus perquisites such as House Rent Allowance, Medical reimbursement, gas, water and electricity, leave encashment, gratuity, club subscriptions and other usual perquisites.
- (c) (i) Job profile : As Wholetime director, he is in charge of the management of the marketing functions of the Company.
- (ii) His suitability : His experience for the last 5 years as Wholetime Director of the company makes him ideally suitable for the said position.

The proposed re-appointment and fixing of remuneration of Sri U Udayabhaskar Reddy as Wholetime Director is subject to the approval of the shareholders at the ensuing 33rd Annual General Meeting of the Company. This may also be treated as a Memorandum of Abstract issued pursuant to the provisions of Section 302 of the Companies Act, 1956.

Sri V Upendran, Srimathi S. Devaki and Sri S. Sathyanarayanan being relatives of Sri U Udayabhaskar Reddy and Sri. U Udayabhaskar Reddy himself are concerned or interested in the aforesaid appointment and proposed revision in the remuneration package to Wholetime Director.



## Details of Directors Seeking Re-appointment at the Annual General Meeting

Name	Sri T Ananthanarayanan	Dr M.V.M Alagappan	Smt S Devaki
Date of birth	09.04.1945	19.04.1933	02.11.1941
Date of appointment	30.07.2008	07.06.2007	12.10.1979
Qualifications	Graduate in Commerce, Chartered Accountant and Cost Accountant	Graduate in Economics and Sociology and Phd in International marketing	
Expertise in specific functional areas	Finance professional. Served in State Bank of India and later in Ashok Leyland Limited as Executive Director, Finance.	Fellow member of the Royal Asiatic Society(London) and life member in Indian Institute of Public administration.	Director from the inception of the Company
Directorships held in other public companies	a. All Sec Technologies Ltd. b. Sundaram Asset Management Co Ltd c. Ashok Leyland Project Services Ltd. d. Ashley Holdings Ltd. e. Ashley Investments Ltd. f. Ashley Services Ltd. g. Hinduja Leyland Finance Ltd.	NIL	NIL
Number of shares held in the Company	NIL	NIL	212750





## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Annual Report of the Company, together with the audited financial statements for the year ended March 31, 2013.

### 1. Financial highlights

	For the year 2012-13	For the year 2011-12
	(Rs. Lakhs)	
<b>Income from Operations</b>	<b>7690.63</b>	7707.89
<b>Other Income</b>	<b>79.63</b>	96.63
<b>Gross Income</b>	<b>7770.26</b>	7804.52
<b>Expenses</b>		
Operating / Equipment expense	<b>3566.49</b>	4005.89
Employee benefit expense	<b>905.65</b>	859.40
Finance costs	<b>247.45</b>	167.73
Depreciation and amortisation	<b>360.59</b>	165.55
Other expenses	<b>1764.75</b>	1658.80
<b>Total Expenses</b>	<b>6844.93</b>	6857.37
<b>Profit before extraordinary item</b>	<b>925.33</b>	947.15
Extraordinary item		
-Gain from acquisition of land by Government	--	38.67
<b>Profit before tax</b>	<b>925.33</b>	985.82
Tax expense	<b>288.75</b>	219.78
<b>Profit after tax</b>	<b>636.58</b>	766.04

### 2. Dividend

The Directors recommend a dividend of Rs 2.70 per Equity share(27%) for the year ended March 31, 2013 as against Rs 2.70 per Equity share (27%) distributed for the year 2011-12.

### 3. Management Discussion and Analysis

#### About the Company

The Company was incorporated by late Sri K Santhanam Reddiar in the year 1979 as a Private Limited Company with a paid up share capital of Rs 5 lakhs and was converted into a Public Limited Company in the year 1986. The net worth, net fixed assets, the Profit before and after tax, dividend distribution % and earnings per share for the ten years ending 2012-13 are given below to indicate the company's progress over the said years.



## DIRECTORS' REPORT (Continued)

### 3. Management Discussion and Analysis (Continued)

#### A. About the Company (Continued)

Year Ended 31st March	Net worth (Rs. Lakhs)	Fixed Assets -net (Rs. Lakhs)	Profit before tax (Rs. Lakhs)	Profit after tax (Rs. Lakhs)	Dividend %	Earnings per share Rupees
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	31.5	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
2012	8733.33	8473.33	985.82	766.04	27	42.56
2013	9316.45	10597.43	925.33	636.58	27	35.37

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

#### B. Industry Progress and outlook

The volume of cargo handled by the Government controlled 12 major ports during the year 2012-13 had declined by 2.58%. In overall terms, the 12 major ports together handled 545.68 million tonnes (MT) of various commodities such as coal, iron ore, crude oil, petroleum products, containerized cargo and fertilizers in the financial year 2012-13, as against 560.14 MT handled in 2011-12. These ports, excluding Ennore, had handled about 77.79 lakh TEUs in 2011-12 but during 2012-13 fiscal the TEUs handled had come down to 77.08 lakh. Our company has registered a 12 % market share handled by Chennai Port.

Chennai is the largest East Coast port, having a capacity of 2.1 million TEUs. With two container terminals, one managed by DP World and the other by PSA, the port has handled more than 1.5 million TEUs in 2012. A third mega-terminal is now planned, in addition to the Ennore port and Kattupalli port which have already started functioning.

At the global level, the maritime industry is looking forward to positive changes but the mood is cautiously optimistic as the industry expects another challenging year. The industry expects demand to pick up by late 2013. Euro zone is still in crisis, while USA, the world's largest economy is going thro' fiscal corrections and without a solution to European debt crisis it would be difficult to expect an improvement in global business scenario. The economic trend of year 2012 is likely to continue in year 2013 also, because of stagnation in demand from USA and decreased volume from European Union. Unless the volume improves in USA and Europe and these countries trade with increased volumes with India, the current economic trend may not visibly change. Though



## DIRECTORS' REPORT (Continued)

Exports rose 4.23% to \$26.25 billion in February 2013 compared with \$25.2 billion in February 2012, during this financial year, only in 3 months a rise in exports was recorded – April 2012 (3.23%), January 2013 (0.82%) and February (4.23%)

The Indian maritime industry outlook is predominately depending on government support and policy initiatives.

The performance of our company has to be viewed in the context of the aforesaid economic and market environment.

### C. Financials

Despite the constraints and challenging environment, your company has performed well during the year 2012-13 and sustained the turnover and profit.

Gross operating income for the year under report was Rs.7690.63 lakhs as against Rs.7707.89 lakhs thus registering a marginal reduction of 0.22%. During the year the company has added fixed assets amounting to Rs.1680.99 lakhs and incurred capital expenditure amounting to Rs.2861.57 lakhs. The depreciation for the year is inclusive of accelerated depreciation amounting to Rs.65.50 lakhs on account of impaired equipments.

The Finance costs have risen during the year by Rs.79.72 lakhs due to increase in interest costs on fresh borrowings.

While the company has taken all steps that are needed to face the challenges and persist to focus on the various areas of operations, factors like continuous increase in diesel costs, inflation, interest costs and extraneous aspects might negatively impact the growth and bottom line.

### D. Expansion proposal

The company has mentioned in the previous Annual Report 2012 on the proposal to construct additional multi storied warehouse of capacity 120000 sq.ft. The work is nearing completion and expected to be operational during the year. This facility will augment the storage capacity thus generate increased business.

As mentioned in the previous report, the company, during the year has acquired a property in the vicinity of existing registered office of the company. The construction work is in progress.

### 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.



## DIRECTORS' REPORT (Continued)

### 4. Fixed Deposits

During the year the company received additional deposits to an extent of Rs 54.37 lakhs and repaid deposits amounting to Rs 21.70 lakhs. 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, 2013.

### 6. Directors

Shri T Ananthanarayanan, Dr M.V.M Alagappan and Smt S Devaki will be retiring by rotation and being eligible, offer themselves for reappointment.

### 7. Corporate Governance

As required by clause 49 of the Listing agreement entered into with the Stock exchanges, a detailed report on Corporate Governance is 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.

### 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 is not applicable to the Company.



## DIRECTORS' REPORT (Continued)

During the year your company earned foreign exchange to an extent of Rs6.40 lakhs (2012-Rs 10.52 lakhs) and expended foreign currency to an extent of Rs 50.22 lakhs (2012-Rs 31.58 lakhs).

### 11. Auditors

M/S M S Krishnaswami & Rajan, Chartered Accountants, Chennai (FRN: 001554S), Statutory Auditors of the company, hold office until the conclusion of the ensuing Annual General meeting of the Company and are eligible for reappointment. The company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The necessary resolution is being placed before the shareholders for approval.

### 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 30, 2013

**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 above stated philosophy, Sanco Trans Limited, as a freight facilitator is committed-

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

#### 2. Board of Directors

The Company has a Board comprising five Independent Directors, one Non-Independent Director and four Executive Directors.

##### (a). Composition

- i) Independent Directors
  - Sri T Ananthanarayanan
  - Sri V Govind
  - Dr M V M Alagappan
  - Sri R Vijayaraghavan
  - Sri V Shankar
- ii) Non-independent Director
  - Smt S Devaki



## DIRECTORS' REPORT (Continued)

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

- iii) Executive Directors  
 Sri V Upendran-Chairman and Managing Director  
 Sri S Sathyanarayanan-Deputy Managing Director  
 Sri U Udayabhaskar Reddy-Wholtime Director  
 Sri S R Srinivasan-Director-Finance

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

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

Name of Director	No of Board meetings attended during the year 2012-13	Whether attended last AGM held on July 30,2012	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	4	Yes	1	Nil	Nil	Nil
Sri S Sathyanarayanan	4	Yes	Nil	Nil	Nil	Nil
Sri U Udayabhaskar Reddy	4	Yes	Nil	Nil	Nil	Nil
Smt S Devaki	4	Yes	Nil	Nil	Nil	Nil
Dr M V M Alagappan	4	No	Nil	Nil	Nil	Nil
Sri T Ananthanarayanan	3	Yes	7	Nil	4	3
Sri V Govind	3	No	2	Nil	Nil	Nil
Sri R Vijayaraghavan	3	Yes	5	Nil	2	Nil
Shri V Shankar	4	Yes	Nil	Nil	Nil	Nil
Shri S R Srinivasan	4	Yes	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 details of shares held by the Directors of the Company are furnished below:

Name of the Director	No of equity shares
Sri V Upendran	79,900
Smt S Devaki	2,12,750
Sri S Sathyanarayanan	1,92,600

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



## DIRECTORS' REPORT (Continued)

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

#### Board meetings held during the year 2012-13 and attendance details:

Date of meeting	Total no. of Directors	No of Directors present
May 30, 2012	10	9
July 30, 2012	10	9
November 09, 2012	10	9
February 9, 2013	10	10

- The time gap between any two meetings did not exceed four months.
- The last Annual General Meeting was held on July 30, 2012.

#### 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 has been in existence from 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. Terms of reference

The Audit Committee discusses with the Statutory Auditors on the "Limited Review" of the quarterly / half-yearly / annual accounts, the audit plan, matters relating to compliance with Accounting Standards, the Auditors' observations arising from the audit, areas of concern and other related matters. The Committee also reviews at every meeting significant observations arising from the Reports of the Internal Auditor, areas of concern and the adequacy of the follow up action taken by the management.

#### c. Composition, Names of Members and Chairman

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





## DIRECTORS' REPORT (Continued)

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

#### d. Meetings and Attendance

Audit committee meetings held during the year 2012-13 and attendance details.

Date of meeting	No. of members present
May 30,2012	3
July 30,2012	2
November 09,2012	2
February 9,2013	3

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.

#### 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, as members.

The committee is mandated with the following: Evaluate and recommend the remuneration to the Managing Director and to the other executive Directors.

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

- b. The Committee Meeting was held on May 31,2012 and February 09, 2013 wherein all the members were present.
- c. The details of remuneration paid/payable to the Directors during 2012-13 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	90,000
Sri T Ananthanarayanan	15,000
Smt S Devaki	70,000
Sri V Govind	30,000
Sri V Shankar	20,000
Sri R Vijayaraghavan	30,000

- ii) Managing Director / Whole time Directors

	Managing Director (Rs)	Deputy Managing Director (Rs)	Wholetime Director (Rs)	Director Finance (Rs)
Salary	36,00,000	27,00,000	12,00,000	14,40,000
Allowances	--	6,30,000	3,60,000	3,60,000
Contribution to PF	4,32,000	3,24,000	1,44,000	1,72,800
Perquisites	--	--	2,58,107	---

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



## DIRECTORS' REPORT (Continued)

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

#### 5. General Body meetings

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

<u>Year</u>	<u>Location</u>	<u>Date &amp; Time</u>
30 <sup>th</sup> AGM-2010	Narada Gana Sabha Mini Hall, 314 TTK Road, Alwarpet, Chennai 600018.	July 23, 2010 10.00 a.m
31 <sup>st</sup> AGM-2011	Narada Gana Sabha Mini Hall, 314 TTK Road, Alwarpet, Chennai 600018.	July 20, 2011 11.00 a.m
32 <sup>nd</sup> AGM-2012	Narada Gana Sabha Mini Hall, 314 TTK Road, Alwarpet, Chennai 600018.	July 30, 2012 10.15 a.m

No EGM was held in the last three years

b) No special resolution were placed before the shareholders requiring approval 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 2012-13.

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, 2013.

#### 7. Means of communication

The quarterly/half yearly results have been published in one English national Newspaper (Trinity Mirror) and in one Tamil Newspaper (Makkal Kural).

The Company's website ([www.sancotrans.com](http://www.sancotrans.com)) also displays several other details/information of interest to various stakeholders.

A Management discussion and Analysis Report is being presented as part of the Directors' Report.

#### 8. General shareholder information

##### a) 33<sup>rd</sup> Annual General Meeting

Day : Monday  
Date and Time : 12.08.2013, 10.15 a.m  
Venue : M A Chidambaram Conference Hall,  
The Southern India Chamber of Commerce & Industry  
Esplanade, Chennai 600108.



## DIRECTORS' REPORT (Continued)

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

#### b) Financial Calendar

##### Financial year 2013-14

First quarter results	Second week of August 2013
Second quarter results	Second week of November 2013
Third quarter results	Second week of February 2014
Audited Results for the year 2013-14	Before end of May 2014

c) **Book Closure dates** : 06.08.2013 to 12.08.2013

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 19.08.13.

#### e) Listing/Stock Code of equity shares

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

#### f) Market Price data

Month & Year	BOMBAY STOCK EXCHANGE			
	SharePrice (Rs)		Sensex	
	Low	High	Low	High
April-12	213.05	271.00	17010.16	17664.10
May-12	200.00	228.95	15809.71	17432.33
June-12	192.20	236.50	15748.98	17448.48
July-12	198.05	273.00	16598.48	17631.19
August-12	173.50	230.00	17026.97	17972.54
September-12	178.00	238.00	17250.80	18869.94
October-12	196.10	239.00	18393.42	19137.29
November-12	196.05	220.00	18255.69	19372.70
December-12	204.00	230.25	19149.03	19612.18
January-13	200.00	239.95	19508.93	20203.66
February-13	191.85	215.70	18793.97	19966.69
March -13	206.00	165.50	18568.43	19754.66

#### g) Registrar and Transfer Agents

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



## DIRECTORS' REPORT (Continued)

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

#### h) Distribution of shareholding as on March 31,2013

Range	Shareholders		Shares	
	Number	%	Number	%
1 - 100	1639	66.74	105581	5.87
101 - 500	647	26.35	169543	9.42
501 -1000	86	3.50	69467	3.86
1001 -2000	45	1.83	68839	3.82
2001 -3000	20	0.81	49479	2.75
3001 -4000	5	0.20	17832	0.99
4001 -5000	0	0.00	0	0.00
5001 -10000	5	0.20	32409	1.80
10001- And above	9	0.37	1286850	71.49
<b>TOTAL</b>	<b>2456</b>	<b>100.00</b>	<b>1800000</b>	<b>100.00</b>

#### i) Shareholding pattern as on March 31,2013

SI No	Category	No. of holders	No. of Shares	%
<b>A</b>	<b>Promoters</b>			
1	Directors and relatives	10	1288850	71.60
<b>B</b>	<b>Others</b>			
1	Resident individuals	2358	471007	26.17
2	Bodies corporate	59	25843	1.44
3	Clearing members	4	440	0.02
4	Hindu undivided families	--	--	--
5	Non Resident Indians	25	13860	0.77
	<b>TOTAL</b>	<b>2456</b>	<b>1800000</b>	<b>100.00</b>

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

#### K) Address for correspondence

Investors may contact the Registrar and Transfer Agents(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](mailto:kanthimathi@cameoindia.com)



## DIRECTORS' REPORT (Continued)

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

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

Sri S R Srinivasan

Director-Finance & Compliance Officer,  
Sanco Trans Limited,  
New No.46, Moore Street,  
Chennai 600001.

Telephone : 044-66449000

Fax : 044-66449009

E Mail : [sfd@sancotrans.com](mailto:sfd@sancotrans.com)

#### I) Non-mandatory requirements :

##### 1) Remuneration Committee :

The company has constituted a Remuneration Committee; full details are furnished under item 4 of this report.

##### 2) Whistle Blower Policy :

The Company does not have a whistle Blower Policy.

##### 3) Postal Ballot :

The company has had no occasion to use the postal ballot during the year.



## 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 31,2013 as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Regn. No. 01554S

Place : Chennai  
Date : May 30,2013

**M.S.Murali-Partner**  
Membership No. :26453



## DIRECTORS' REPORT (Continued)

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

#### ANNEXURE TO DIRECTORS' REPORT-

#### Certification by Managing Director and Director-Finance

We, V Upendran, Managing Director and S R Srinivasan, Director-Finance of Sanco Trans Limited, certify that:

1. We have reviewed the financial statements for the year 2012-13 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 30, 2013  
Chennai

V Upendran  
Chairman & Managing Director

S R Srinivasan  
Director-Finance

#### 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, 2013, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

May 30, 2013  
Chennai

V Upendran  
Chairman & Managing Director



## Independent Auditor's Report

To the Members of Sanco Trans Limited.

### Report on the Financial Statements

We have audited the accompanying financial statements of SANCO TRANS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.





## Independent Auditor's Report (Continued)

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) 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;
  - b) 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 those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Regn. No. 01554S

Place : Chennai  
Date : May 30, 2013

**M.S.Murali-Partner**  
Membership No. :26453



**The Annexure referred to in paragraph 1 of our Report of even date to the members of SANCO TRANS LIMITED on the accounts of the company for the year ended 31st March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management once during the year and no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, substantial part of fixed asset has not been disposed during the year and therefore the going concern assumption has not been affected.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the Order are not applicable to the Company.  
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company had taken unsecured loans in an earlier year from three companies listed in the register maintained under Section 301 of the Companies Act, 1956 aggregating Rs 90 lakhs. The rate of interest and other terms and conditions of these loans are prima facie not prejudicial to the interest of the company. The principal and interest have been repaid during the year. No other loans have been taken from firms and other parties listed on the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets, for sale of goods and services and for payment of expenses. During the course of our audit, no major instance of continuing failure to correct any major weaknesses in the internal control systems has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, 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 that section.



- b) As per information and explanations given to us and in our opinion, the transactions entered into by the company with parties covered u/s 301 of the Act exceeding five lacs rupees during the year have been made at prices which are reasonable having regard to the prevailing market prices for such services at the relevant time.
6. 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.
7. The Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information and explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act in regard to any of the operations of the Company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of wealth tax, sales tax excise duty and cess which have not been deposited on account of any disputes. Details of dues(including interest, penalty etc) towards income tax, service tax and customs that have not been deposited on account of dispute are as stated below:

Sl No	Name of the statute	Nature of dues	Period to which the amount relates	Amount in Rs	Forum where the dispute is pending
1	The Income tax Act, 1961	Tax Deducted at Source	Financial year 2007	11,89,280	CIT(A)
2	"	Tax Deducted at Source	Financial year 2007-08	74,968	CIT(A)
3	"	Tax Deducted at Source	Financial year 2008	4,13,480	CIT(A)
4	"	Tax Deducted at Source	Financial year 2009	1,09,000	CIT(A)
5	"	Income tax	Assessment year 2009-10	5,36,320	CIT(A)
6	"	Income tax	Assessment year 2010-11	56,83,190	CIT(A)
7	Central Excise Act 1944	Service tax	18.04.2006 to 31.03.2008	80,15,138	CESTAT
8	Customs Act	Duty drawback claims	Financial years 2008-09, 2009-10, 2010-11	13,22,000	CESTAT



10. The Company does not have any accumulated loss as at March 31, 2013 and has not incurred cash loss during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of clause (xiii) of the Order is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in shares, securities, debentures and other Investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
16. Based on our audit procedures and on the information given by the management, we report that the term loans taken by the company during the year have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the year under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of any such occurrence by the management.

For **M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Regn. No. 01554S

Place : Chennai  
Date : May 30, 2013

**M.S.Murali-Partner**  
Membership No. :26453



## 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, 2013. 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 four times on 30.05.2012, 30.07.2012, 09.11.2012 & 09.02.2013 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 24.07.2012 to 30.07.2012 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 30.07.2012 after giving notice to the members of the Company and the resolutions passed thereat 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 has 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 Company has not issued any duplicate certificates during the year.
13. The Company has:

**NAME OF THE COMPANY : M/S. SANCO TRANS LIMITED****CIN : L 60220 TN 1979 PLC 007970**

- (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.
  - (ii) deposited the amount of dividend proposed to be declared in a separate Bank Account on 03.08.2012.
  - (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) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies made during the year under review.
15. The Company had passed Special Resolution in its Annual General Meeting held on 30.07.2012 for re-appointment of Mr. V Upendran as Managing Director of the Company for a period of three years effective from 01.04.2012 and Mr. S Sathyanarayanan as Deputy Managing Director of the Company for a period of one year effective from 01.04.2012 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 obtained necessary approvals from Regional Director for entering into contracts u/s 297 of the Act during the year under review and complied with the provisions of the Act. The Company has not obtained any approvals of the Central Government, Company Law Board, 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

**NAME OF THE COMPANY : M/S. SANCO TRANS LIMITED****CIN : L 60220 TN 1979 PLC 007970**

of India/ any other authority in respect of deposits accepted amounting to Rs.262.56 Lakhs as on 31.03.2013 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 04.08.2012.

24. The amount borrowed by the Company from directors, members, Public, financial institutions, banks and others during the financial year ending 31.03.2013 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 30.07.2012.
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 A.K. JAIN & ASSOCIATES**

Company secretaries

Place : CHENNAI

Date : 24.05.2013

**BALU SRIDHAR**

Partner

M.No. F5869

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, 2013 with the Registrar of Companies, Chennai:

S. No	e-Form	Particulars	Event date	SRN	Filed on	With additional fees
1	24A	Approval of contracts u/s 297	09.02.2012	B37917556	28.04.2012	NA
2.	17	for Registration of Satisfaction of charge in favour of HDFC BANK LTD., CHENNAI filed u/s 138/600	06.06.2012	B41161001	14.06.2012	No
3.	17	for Registration of Satisfaction of charge in favour of HDFC BANK LTD., CHENNAI filed u/s 138/600	06.06.2012	B41161852	14.06.2012	No
4.	17	for Registration of Satisfaction of charge in favour of HDFC BANK LTD., CHENNAI filed u/s 138/600.	06.06.2012	B41935982	25.06.2012	No
5.	62	RETURN OF DEPOSIT	01.04.2011-31.03.2012	B42304998	30.06.2012	No
6.	17	for Registration of Satisfaction of charge in favour of HDFC BANK LTD., CHENNAI filed u/s 138/600.	12.06.2012	B42445320	02.07.2012	No
7.	17	for Registration of Satisfaction of charge in favour of HDFC BANK LTD., CHENNAI filed u/s 138/600.	12.06.2012	B42445460	02.07.2012	No





## NAME OF THE COMPANY : M/S. SANCO TRANS LIMITED

CIN : L 60220 TN 1979 PLC 007970

8.	17	for Registration of Satisfaction of charge in favour of HDFC BANK , CHENNAI filed u/s 138/600.	12.06.2012	B42445080	02.07.2012	No
9.	8	Registration of Creation of charge in favour of AXIS BANK LIMITED, filed u/s 125/127/135	14.06.2012	B42969790	11.07.2012	No
10.	62	Text of advertising inviting fixed deposit.	30.07.2012	B44757821	04.08.2012	No
11.	66	Compliance Certificate filed u/s 383A.	31.03.2012	P88603717	24.08.2012	No
12.	23	for Registration of Resolution passed in the Extra Ordinary General Meeting of the Members filed u/s 192.	30.07.2012	B56126592	25.08.2012	No
13.	25C	For re-appointment of Mr. Venkatakrishnan Upendran as Managing Director u/s 269(2) and Schedule XIII.	01.04.2012	B56456452	30.08.2012	Yes
14.	25C	For re-appointment of Mr. Santhanam Sathya Narayanan as Whole time Director u/s 269(2) and Schedule XIII	01.04.2012	B56459324	30.08.2012	Yes
15.	8	Registration of Modification of charge in favour of IDBI BANK, T.NAGAR, CHENNAI, filed u/s 125/127/135	27.08.2012	B58461575	27.09.2012	Yes
16.	20B	Annual Return - Schedule V filed u/s 159.	30.07.2012 (AGM DATE)	P89075642	26.09.2012	No
17.	8	Registration of Creation of charge in favour of INDIAN BANK,EGMORE BRANCH, CHENNAI filed u/s 125/127/135	07.08.2012 (CREATION DATE)	B58985516	06.10.2012	Yes
18.	21	Filing the notice of Court or Company Law Board Order with the Registrar of Companies.	03.10.2012	B59012005	06.10.2012	NA
19.	23AC& 23ACA	Profit & Loss a/c and Balance Sheet filed u/s 220.	31.03.2012	Q06476881	07.02.2013	No



# Sanco Trans Limited

## Balance Sheet as at March 31, 2013

	Note No	As at March 31,2013 Rs in Lakhs	As at March 31,2012 Rs in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1.1	180.00	180.00
Reserves and surplus	1.2	9153.62	8582.21
		<u>9333.62</u>	<u>8762.21</u>
<b>Non-current liabilities</b>			
Long-term borrowings	1.3	1839.34	756.14
Deferred tax liabilities (Refer Note 3.13 to Financial Statements)		420.47	316.27
Other Long - term liabilities	1.4	14.65	108.55
Long- term provisions	1.5	47.86	47.86
		<u>2322.32</u>	<u>1228.82</u>
<b>Current liabilities</b>			
Short-term borrowings	1.6	104.18	99.94
Trade payables		353.00	297.05
Other current liabilities	1.7	1398.15	1486.73
Short-term provisions	1.8	121.98	114.48
		<u>1977.31</u>	<u>1998.20</u>
<b>TOTAL ASSETS</b>		<b>13633.25</b>	<b>11989.23</b>
<b>Non-current assets</b>			
Fixed Assets	1.9		
Tangible assets		9271.11	8056.41
Intangible assets		5.38	9.20
Capital Work In Progress		1320.94	407.72
		<u>10597.43</u>	<u>8473.33</u>
Long- term loans and advances	1.10	337.51	326.65
		<u>337.51</u>	<u>326.65</u>
<b>Current Assets</b>			
Inventories - Stores and spares		13.27	10.05
Trade receivables	1.11	1254.31	1356.72
Cash and Bank balances	1.12	1061.35	1330.00
Short-term loans and advances	1.13	325.46	432.88
Other current assets	1.14	43.92	59.60
		<u>2698.31</u>	<u>3189.25</u>
<b>TOTAL</b>		<b>13633.25</b>	<b>11989.23</b>
Significant accounting policies and Notes to the Financial Statements form an integral part of this Balance sheet.			
This is the Balance sheet referred to in our report of even date For M S Krishnaswami and Rajan Chartered Accountants			
		For and on behalf of the Board	
		<b>S Sathyanarayanan</b> Deputy Managing Director	<b>V Upendran</b> Chairman and Managing Director
M S Murali - Partner Chennai May 30,2013		<b>S R Srinivasan</b> Director- Finance	



# Sanco Trans Limited

## Statement of Profit and Loss for the year ended March 31, 2013

	Note No.	Year ended March 31, 2013 Rs in Lakhs	Year ended March 31, 2012 Rs in Lakhs
<b>Revenue</b>			
Revenue from operations	2.1	7690.63	7707.89
Other income	2.2	79.63	96.63
<b>Total Revenue</b>		<b>7770.26</b>	<b>7804.52</b>
<b>Expenses</b>			
Equipment and fleet hire		2364.19	2523.08
Operating expenses	2.3	1202.30	1482.81
Employee benefits expense	2.4	905.65	859.40
Finance costs	2.5	247.45	167.73
Depreciation and amortization (Refer Note 1.9 to the Balance Sheet)		360.59	165.55
Other expenses	2.6	1764.75	1658.80
<b>Total expenses</b>		<b>6844.93</b>	<b>6857.37</b>
<b>Profit before Exceptional/Extraordinary items and tax</b>		<b>925.33</b>	<b>947.15</b>
Exceptional items		--	--
Extraordinary items		--	38.67
-Gain on acquisition of land by government		--	38.67
<b>Profit before tax</b>		<b>925.33</b>	<b>985.82</b>
<b>Tax expense</b>	2.7	<b>288.75</b>	<b>219.78</b>
Profit for the year after tax from continuing operations		636.58	766.04
Profit/(Loss) from discontinuing operations		--	--
<b>Profit for the year</b>		<b>636.58</b>	<b>766.04</b>
<b>Earnings per Equity Share-</b>			
Basic and diluted(Refer Note 3.12 to the Financial Statements)			
- before extraordinary item	Rs	35.37	40.41
- after extraordinary item	Rs	35.37	42.56

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

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

For M S Krishnaswami and Rajan  
Chartered Accountants

For and on behalf of the Board

**S Sathyanarayanan**  
Deputy Managing  
Director

**V Upendran**  
Chairman and  
Managing Director

M S Murali - Partner  
Chennai  
May 30, 2013

**S R Srinivasan**  
Director- Finance



## Cash Flow Statement for the year ended March 31, 2013

	2012-13 Rs.Lakhs	2011-12 Rs.Lakhs
<b>Cash flows from operating activities</b>		
Net profit before tax	925.33	985.82
Adjustments for:		
Depreciation/amortization/impairment not considered as cash outflow	360.59	165.55
(Profit)/Loss on disposal of capital assets(net) considered under investment activities	14.54	(15.77)
Profit on sale of investments considered under investment activities	--	(6.05)
Gain on acquisition of land by Government	--	(38.67)
Interest paid(net) considered under financing activities	141.49	85.69
Deferred revenue expenditure		
- amortised not considered as cash outflow	19.77	18.72
- incurred considered as cash outflow	(8.07)	--
Operating Profit before working capital changes	1453.65	1195.29
Adjustments for changes in:		
Trade payables	55.95	29.77
Long term provisions	--	47.86
Short term borrowings	--	(40.38)
Short term provisions	7.50	13.00
Other current liabilities	(246.44)	345.46
Long term liabilities	(93.90)	6.53
Inventories	(3.22)	(3.91)
Trade and other receivables	102.41	(126.53)
Long term advances	(10.86)	(22.16)
Short term advances	165.37	24.75
Non-current investments	--	24.19
Current assets	3.97	60.74
	1434.43	1554.61
Direct taxes paid	(242.50)	(276.23)
Cash flow from operating activities	(1) 1191.93	1278.38
<b>Cash flows from investment activities</b>		
Payments for acquisition of fixed assets		
Additions to fixed assets	(1558.72)	(738.57)
Adjustment for changes in Capital work in progress	(913.22)	(345.27)
	(2471.94)	(1083.84)
Proceeds on disposal of /claims relating to capital assets, investments	86.30	277.14
Interest received	94.94	74.31
Cash out flow from investment activities	(2) (2290.70)	(732.39)
<b>Cash flows from financing activities</b>		
Borrowings - Long term - Raised	1559.50	640.70
- Short term - Repaid	(485.76)	(489.48)
- Short term - Raised	54.37	18.53
- Short term - Repaid	(21.70)	(14.04)
Interest paid (excluded from operating activities as above)	(225.54)	(160.00)
Dividend and corporate dividend tax paid relating to previous year	(56.48)	(56.48)
Cash out flow from financing activities	(3) 824.39	(60.77)
<b>Net Cash flow (1) - (2) - (3)</b>	(274.38)	485.22



# Sanco Trans Limited

## Cash Flow Statement for the year ended March 31, 2013 (Continued)

	2012-13 Rs.Lakhs	2011-12 Rs.Lakhs
<b>Represented by movement in cash and cash equivalents</b>		
At beginning		
Cash and bank balances	<b>1316.90</b>	831.68
Less Bank deposits with maturity of more than six months considered under Trade receivables	--	--
Balance in cash credit account	--	--
<b>(4)</b>	<b>1316.90</b>	<b>831.68</b>
At end		
Cash and Cash equivalents	<b>1046.92</b>	1316.90
Less Bank deposits with maturity of more than six months considered under Trade receivables	--	--
	<b>1046.92</b>	1316.90
Balance in cash credit account	<b>4.40</b>	--
<b>(5)</b>	<b>1042.52</b>	<b>1316.90</b>
Movement: increase/(decrease) in cash and cash equivalents	<b>(5) - (4)</b>	<b>485.22</b>
Notes to the Cash Flow Statement		
Components of Cash and Bank balances	<b>1061.35</b>	1330.00
Less: Ear marked balance relating to unclaimed dividend	<b>14.43</b>	13.10
Cash and Cash equivalents	<b>1046.92</b>	<b>1316.90</b>

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

For M S Krishnaswami and Rajan  
Chartered Accountants

M S Murali - Partner  
Chennai  
May 30,2013

For and on behalf of the Board

**S Sathyanarayanan**  
Deputy Managing  
Director

**V Upendran**  
Chairman and  
Managing Director

**S R Srinivasan**  
Director- Finance



## Significant Accounting Policies

### (a) Accounting convention

Financial statements are prepared in accordance with the generally accepted accounting principles in India including accounting standards referred to in Section 211 (3C) of the Companies Act 1956, under historical cost convention for the revaluation of the net assets made as on March 31, 2009.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - noncurrent classification of assets and liabilities.

### (b) Use of estimates

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

### (c) Fixed assets

Cost of assets with certain limits on economic life and cost is capitalised. Cost (less cenvat, if any) will include inward freight, duties, taxes and other incidental expenses related to acquisition.

### (d) Depreciation /amortization/ impairment

Depreciation is calculated on fixed assets in a manner that amortises the cost of the assets after commissioning over the economic useful lives 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 is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Provision for impairment is reviewed periodically and amended depending on changes in circumstances.

### (e) Borrowing costs

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

### (f) Inventories

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



## Significant Accounting Policies (Continued)

### (g) Investments

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

### (h) Revenue recognition

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

### (i) 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.

### (j) Taxation

Provision for income tax expense comprises of current tax and deferred tax. Provision for current tax is made with reference to taxable income for the current accounting year by applying the applicable tax rate. Deferred income tax charge reflects the impact of the current period timing differences between taxable income and accounting income subject to consideration of prudence. The deferred tax charge or credit is recognized using prevailing tax rates. Deferred tax assets are recognized only to the extent there is virtual certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case laws to reassess realization/liabilities.

### (k) 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.

### (l) 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.



## Notes to the Balance Sheet

	As at March <b>31,2013</b> Rs. in lakhs	As at March <b>31,2012</b> Rs. in lakhs
<b>1.1 Share Capital</b>		
Authorised		
70,00,000 (March 31, 2012: 70,00,000)		
Equity shares of Rs.10 each with voting rights	<b>700.00</b>	700.00
<b>Issued and Subscribed and fully Paid up</b>		
18,00,000 (March 31,2012:18,00,000) Equity		
shares of Rs.10 each fully paid-up with voting rights	<b>180.00</b>	180.00

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

	As at March 31,2013		As at March 31,2012	
Name of the shareholder	No of shares held	% of shares held	No of shares held	% of shares held
Srimathi. Devaki S	212750	11.82	212750	11.82
Sri. Sathyanarayanan S	192600	10.70	192600	10.70
Sudharsan Logistics Private Ltd	494000	27.44	494000	27.44
Sanco Estates and Farms Private Ltd	150100	8.34	150100	8.34

2) The holders of Equity Shares are entitled to vote at the General Meeting and also to the dividend declared/paid in proportion to the Shares held by them. Apart from the above, their rights, preferences and restrictions are governed by the terms of their issue under the provisions of the Companies Act, 1956.

### 1.2 (a) Revaluation reserve

At beginning	4694.78	4842.45
Less Transfer to Depreciation and amortisation ( Refer note 3.10 (i))	8.69	8.69
Less Exclusion of surplus on revaluation of land acquired by government (Refer note 3.10(iii) )	--	138.98
	<b>4686.09</b>	4694.78

### (b) General reserve

At beginning	3680.00	3030.01
Add Transfer from Statement of Profit and loss	500.00	700.00
Less Adjustment on account of provision for taxation and other balances relating to earlier year	--	50.01
	<b>4180.00</b>	3680.00





## Notes to the Balance Sheet (Continued)

	March 31,2013 Rs. Lakhs	March 31,2012 Rs. Lakhs
<b>(c) Surplus</b>		
At beginning	207.43	197.87
Add profit for the year after tax	636.58	766.04
Less Transfer to General reserve	500.00	700.00
Less Dividend proposed Rs. 2.70 (March 31,2012 Rs.2.70) per Equity share	48.60	48.60
Less Corporate tax on proposed dividend	7.88	7.88
	<b>287.53</b>	<b>207.43</b>
Total of (a) to ( c)	<b>9153.62</b>	<b>8582.21</b>
<b>1.3 Long-term borrowings</b>		
(a) Term loans from Banks - Secured		
Loan for construction of warehouse	378.78	--
Loan for acquisition of Land and building	997.51	--
Loan for acquisition of capital assets under deferred payment scheme	300.27	476.19
Loan for acquisition of land for container freight station	--	150.00
Total	<b>1676.56</b>	<b>626.19</b>
(b) Fixed Deposits from Public - unsecured	162.78	129.95
	<b>1839.34</b>	<b>756.14</b>
(Security details: Refer Note 3.1, Terms of the loans: Refer Note 3.18)		
<b>1.4 Other Long-term Liabilities</b>		
a. Inter corporate deposits	--	90.00
b. Rental Advance	14.65	18.55
	<b>14.65</b>	<b>108.55</b>
<b>1.5 Long term provisions</b>		
For Property tax	47.86	47.86
	<b>47.86</b>	<b>47.86</b>



## Notes to the Balance Sheet (Continued)

	March 31,2013 Rs. Lakhs	March 31,2012 Rs. Lakhs
<b>1.6 Short-term borrowings</b>		
(a) Loans repayable on demand – Secured From Banks – cash credit facilities (Security details Refer Note: 3.1, Terms of the loans: Refer Note 3.18 )	4.40	--
(b) Others Unsecured: Fixed Deposits from public	99.78	99.94
Total	<b>104.18</b>	<b>99.94</b>
<b>1.7 Other Current Liabilities</b>		
(a) Current maturities of long term debt	496.08	472.71
(b) Interest accrued and due on borrowings	10.89	42.64
(c) Other Payables		
- Inter corporate balances	0.68	523.24
- Creditors for expenses	564.81	202.87
- Advance from customers	37.45	82.82
- Employee related	76.38	61.64
- Statutory dues	39.19	41.42
- Capital creditors	122.27	13.12
- Unclaimed dividend	14.43	13.10
- Dues to Directors	14.77	16.80
- Others	21.20	16.37
	<b>1398.15</b>	<b>1486.73</b>
Note : a) Securities for the long term debt: Refer Note 3.1 b) Details of terms of the current maturities of long term debt: Refer Note 3.18		
<b>1.8 Short-term provisions</b>		
(a) Provision for employee benefits	65.50	58.00
(b) Others		
- Proposed Dividend	48.60	48.60
- Dividend Tax on proposed dividend	7.88	7.88
	<b>121.98</b>	<b>114.48</b>
<b>1.9 Fixed assets</b>		
<b>(1) Tangible assets</b>		
<b>(a) Land</b>		
Cost/Valuation		
At beginning	4946.52	5251.41
Deduction on acquisition by Government	--	304.89
	<b>4946.52</b>	<b>4946.52</b>
Additions	1410.18	--
At end (a)	<b>6356.70</b>	<b>4946.52</b>



## Notes to the Balance Sheet (Continued)

		March 31,2013 Rs. Lakhs	March 31,2012 Rs. Lakhs
<b>1.9 Fixed assets</b>			
<b>(b) Building</b>			
Cost/Valuation			
At beginning		1118.39	1105.78
Additions		29.90	12.61
At end	b(i)	1148.29	1118.39
Depreciation			
At beginning		97.08	76.99
For the year		21.19	20.09
At end	b(ii)	118.27	97.08
Written down value	b (i-ii)	1030.02	1021.31
<b>(c) Operating fleet / equipments</b>			
Cost			
At beginning		2735.53	2248.68
Additions		188.86	690.49
Sales		(362.24)	(203.64)
At end	c (i)	2562.15	2735.53
Depreciation			
At beginning		777.31	819.56
For the year		327.93	136.69
On Sales		(268.11)	(178.94)
At end	c (ii)	837.13	777.31
Written down value	c (i-ii)	1725.02	1958.22
<b>(d) Machinery</b>			
Cost			
At beginning		47.70	35.25
Additions		16.56	12.45
At end	d(i)	64.26	47.70
Depreciation			
At beginning		14.63	12.50
For the year		2.40	2.13
At end	d (ii)	17.03	14.63
Written down value	d (i-ii)	47.23	33.07
<b>(e) Office Vehicles</b>			
Cost			
At beginning		55.76	69.60
Additions		13.65	--
Sales		(9.93)	(13.84)
At end	e (i)	59.48	55.76
Depreciation			
At beginning		13.28	10.97
For the year		4.44	4.94
On sales		(3.23)	(2.63)
At end	e (ii)	14.49	13.28
Written down value	e (i-ii)	44.99	42.48



## Notes to the Balance Sheet (Continued)

		March 31,2013 Rs. Lakhs	March 31,2012 Rs. Lakhs
<b>1.9 Fixed assets</b>			
<b>(1) Tangible assets</b>			
<b>(f) Furniture/office equipments</b>			
Cost			
At beginning		77.09	61.19
Additions		21.84	16.78
Sales		--	(0.88)
At end	f (i)	98.93	77.09
Depreciation			
At beginning		22.28	14.81
For the year		9.50	7.66
On sales		--	(0.19)
At end	f (ii)	31.78	22.28
Written down value	f (i-ii)	67.15	54.81
Total for tangible assets		9271.11	8056.41
<b>(2) Intangible assets- Software acquired</b>			
Cost			
At beginning		14.04	7.80
Additions		--	6.24
At end	2 (i)	14.04	14.04
Amortisation			
At beginning		4.84	2.11
For the year		3.82	2.73
At end	2(ii)	8.66	4.84
Written down value	2(i-ii)	5.38	9.20
<b>SUMMARY</b>			
<b>A Cost / Valuation</b>			
At beginning		8995.03	8779.71
Additions		1680.99	738.57
		10676.02	9518.28
Deduction on acquisition by Government		-	(304.89)
Deletions/Sales		(372.17)	(218.36)
At end	(i)	10303.85	8995.03
<b>B Depreciation Reserve</b>			
At beginning		929.42	936.94
For the year		369.28	174.24
		1298.70	1111.18
Deletions/Sales		(271.34)	(181.76)
At end	(ii)	1027.36	929.42



## Notes to the Balance Sheet (Continued)

		March 31,2013 Rs. Lakhs	March 31,2012 Rs. Lakhs
<b>1.9 Fixed assets</b>			
C Written down value	(i)-(ii)	9276.49	8065.61
D Capital work-in-progress		1320.94	407.72
E. Depreciation for the year as above		369.28	174.24
Transfer from Revaluation Reserve		(8.69)	(8.69)
Depreciation for the year as per Statement of Profit and loss		360.59	165.55
<b>1.10 Long-term Loans and advances</b>			
Unsecured, considered good			
(a) Security deposits		126.90	116.74
(b) Other loans and advances			
- Rent advance		172.84	177.87
- Earnest money deposit		17.69	11.97
- Prepaid expenses		3.08	3.49
- Others		17.00	16.58
		<b>337.51</b>	<b>326.65</b>
<b>1.11 Trade receivables</b>			
Unsecured, considered good			
(a) Trade receivables outstanding for a period exceeding six months from the date they became due for payment		87.31	122.87
(b) Others		1167.00	1233.85
		<b>1254.31</b>	<b>1356.72</b>
<b>1.12 Cash and Bank balances</b>			
(a) Balance with banks			
- Deposits with more than 12 months maturity		374.96	66.57
- Others with less than 12 months maturity		564.31	1013.61
- Balance with banks in current account / cash credit account		94.91	213.19
- Balance in earmarked accounts: unclaimed dividend account		14.43	13.10
(b) Cash on hand		4.24	1.14
(c) Cheques on hand		8.50	22.39
		<b>1061.35</b>	<b>1330.00</b>



## Notes to the Balance Sheet (Continued)

	March 31,2013 Rs. Lakhs	March 31,2012 Rs. Lakhs
<b>1.13 Short-term loans and advances</b>		
Unsecured, considered good		
(a) Capital Advances	22.21	199.95
(b) Advance payment of income tax - net of provision	212.60	154.65
(c) Prepaid expenses	37.32	35.98
(d) Advances to suppliers, contractors and others	42.22	32.63
(e) Employee advance	6.73	6.19
(f) Balance with customs, port trust etc;	4.38	3.48
	<b>325.46</b>	<b>432.88</b>
<b>1.14 Other Current assets</b>		
(a) Interest accrued and due on fixed deposits	26.75	30.72
(b) Unamortised loan raising expenses and premium on prepayment of borrowing	17.17	28.88
	<b>43.92</b>	<b>59.60</b>



## Notes to the Statement of Profit and loss

	March 31, 2013 Rs. Lakhs	March 31, 2012 Rs. Lakhs
<b>2.1 Revenue from operations</b>		
(a) Handling earnings	3885.57	3725.35
(b) Equipment and fleet hire earnings	2152.34	1950.46
(c) Warehouse earnings	1380.91	1507.05
(d) Agency and other earnings	271.81	525.03
	<u>7690.63</u>	<u>7707.89</u>
<b>2.2 Other Income</b>		
(a) Interest income	94.94	74.31
(b) Gain on sale of Long term investment	--	6.05
(c) Net gain/(loss) on disposal of fixed assets	(14.54)	15.77
(d) Net gain/(loss) on foreign currency transaction and translation	(0.77)	0.50
	<u>79.63</u>	<u>96.63</u>
<b>2.3 Operating expenses</b>		
(a) Handling expenses	698.96	821.24
(b) Container repairs	385.95	480.36
(c) Hired equipments upkeep	53.68	88.26
(d) Others	63.71	92.95
	<u>1202.30</u>	<u>1482.81</u>
<b>2.4 Employee benefits expense</b>		
(a) Salaries, wages and bonus	597.90	546.54
(b) Contribution to provident, gratuity and other funds	80.84	97.80
(c) Welfare expenses	226.91	215.06
	<u>905.65</u>	<u>859.40</u>
<b>2.5 Finance costs</b>		
(a) Interest expenses	263.43	160.00
(b) Other borrowing costs		
- guarantee charges	5.76	2.95
- Amortisation of loan raising expenses	3.95	3.47
- Amortisation of premium on prepayment of borrowings	1.31	1.31
	<u>274.45</u>	<u>167.73</u>
Less; Borrowing cost Capitalised	27.00	--
	<u>247.45</u>	<u>167.73</u>



## Notes to the Statement of Profit and loss (Continued)

	March 31, 2013 Rs. Lakhs	March 31, 2012 Rs. Lakhs
<b>2.6 Other expenses</b>		
(a) Consumption of stores and tools	8.30	8.65
(b) Power and fuel	48.11	32.76
(c) Rent		
- Warehouse	436.66	450.91
- Others	38.73	36.67
(d) Repairs to buildings		
- Warehouse	185.30	236.40
- Others	5.65	7.85
(e) Repairs to machinery, equipment and fleet	321.18	264.67
(f) Fuel for equipments, fleet and others	317.27	256.46
(g) Insurance		
- Warehouse, equipments and fleet	43.26	53.48
- Others	8.46	4.10
(h) Rates and taxes		
- Warehouse, equipments and fleet	39.38	39.07
- Others	15.97	2.10
(i) Travel and conveyance	75.62	72.65
(j) Others	220.86	193.03
	<u>1764.75</u>	<u>1658.80</u>
<b>2.7 Tax expense</b>		
(a) Current tax-Current year	186.00	198.00
- Prior year – (withdrawal)-net	(1.45)	--
(b) Deferred tax-Provision/(withdrawal)	104.20	21.78
	<u>288.75</u>	<u>219.78</u>





## Notes to the Financial Statements

- 3.1 (i) Loan for acquisition of capital assets under deferred payment scheme is secured by hypothecation of related capital assets and guaranteed by Deputy Managing Director; (ii) Loan for acquisition of land for Container Freight Station is secured by first charge on the said land and structures thereon and guaranteed by three Directors; (iii) Loan of Rs 1383 lakhs from a Bank for acquisition of immovable property (Note 1.3(a) and Note 1.7(a)) is secured by the immovable property (comprising Land and Building situated at Chennai) and is guaranteed by three Directors (iv) Loan of Rs 450 Lakhs (Note 1.3(a) and Note 1.7(a)) drawn for construction of warehouse is secured by commercial property belonging to an associate company and is further secured by personal guarantee of three Directors and (v) cash credit facility is secured by first charge on the book debts, land and structures thereon at Container Freight Station and guaranteed by three Directors.
- 3.2 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 was credited to Revaluation reserve.
- 3.3 Balance with banks in deposit accounts in Note 1.12(a) to the Balance Sheet includes Rs. 104.30 lakhs (March 31, 2012 Rs. 97.29 lakhs) in respect of which the relative deposit receipts have been pledged with banks as security for the guarantee facilities extended by them to the Company.
- 3.4 There are no amounts remaining to be credited to the Investor Education and Protection Fund.
- 3.5 Capital expenditure commitments (net of advances) Rs.367.78 lakhs (March 31, 2012 - Rs. 732.07 lakhs)
- 3.6 Contingent liabilities - Claims against the Company not acknowledged as debts Rs.46.00 lakhs (2011-12 Rs.0.29 lakh). Bank guarantee Rs 487.28 lakhs (2011-12 Rs 331.95 lakhs). Outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.
- 3.7 Directors' remuneration - (i) Managing Director, Deputy Managing Director, Director-Finance and Wholetime Director - Salary Rs. 89.40 lakhs (2011-12 Rs.74.72 lakhs), Allowances Rs 13.50.lakhs (2011-12 Rs.18.83 lakhs), Contribution to Provident fund Rs. 10.72 lakhs (2011-12 Rs.8.97 lakhs), Perquisites Rs. 2.58 lakh (2011-12 Rs.0.14 lakh). Total Rs.116.20 lakhs (2011-12 Rs. 102.66 lakhs); (ii) Sitting fees to directors Rs2.55 lakhs (2011-12 Rs.2.85 lakhs).
- 3.8 Repairs to Buildings in Note 2.6 to the Statement of Profit and Loss include Rs. 14.51 lakhs (2011-12 Rs.13.93 lakhs) being amortised expenses on leasehold land.
- 3.9 (a) Warehouse earnings in Note 2.1 is net of incentives/rebates/trade discounts of Rs 1174.93 lakhs (2011-12 Rs 1230.52 lakhs)
- (b) Tax deducted at source on (i) Revenue from operations Rs153.12lakhs (2011-12 Rs 156.88 lakhs); (ii) Interest income Rs. 9.34 lakhs (2011-12 Rs 3.66 lakhs) .
- 3.10 (i) Depreciation for the year computed on revalued assets includes a charge of Rs 8.69 lakhs (2011-12 Rs 8.69 lakhs) being the excess depreciation computed under the method followed by



## Notes to the Financial Statements (Continued)

the company prior to revaluation and the same has been transferred from Revaluation reserve to the Statement of Profit and loss (ii) Depreciation and amortization includes impairment in value of operating equipment Rs 65.50 lakhs(2011-12 Rs Nil)(iii) Gain on acquisition of land by government disclosed as extraordinary item in earlier year is after netting surplus of Rs 138.98 lakhs in Revaluation Reserve.

- 3.11 Foreign exchange and foreign currency transactions and derivatives - (i) Imports – Rs.Nil (2011-12 Rs Nil); (ii) Other expenditure in foreign currency Rs. 50.22 lakhs(2011-12 Rs.31.58 lakhs); (iii) Other earnings in foreign exchange Rs6.40 lakhs (2011-12 Rs. 10.52 lakhs); (iv) There was no remittance in foreign currencies on account of dividend to non-resident shareholders; (v) Derivatives – Company has not so far used derivative financial instruments such as forward contracts, currency swap to hedge currency exposures, present and anticipated. However, currency exposure not hedged by derivative instrument are as under: Amount receivable on account of services rendered, advances, etc. US \$13,409.22 equivalent RS 7.28 lakhs, Euro Nil equivalent Rs . Nil lakhs (March 31,2012 US \$ 977.72 equivalent Rs 0.51 lakhs, Euro 438.84 equivalent Rs 0.30lakh); Amount payable on account of services obtained US \$ 1645 equivalent Rs 0.89 lakhs, DKK 2532 equivalent Rs 0.24 lakhs, GBP 12074.94 equivalent Rs 9.97 lakhs ( March 31,2012 US \$ 80 equivalent Rs.0.04 lakhs , DKK 2532 equivalent Rs 0.24 lakh, GBP Nil ).
- 3.12 Computation of earnings per share: (i) Profit for the year after tax Rs 636.58 lakhs (2011-12 Rs.766.04 lakhs); (ii) Profit for the year before extraordinary items (net of tax) Rs 636.58 lakhs(2011-12 Rs 727.37 lakhs) (iii)Equity shares outstanding 18,00,000 (March 31,2012- 18,00,000); (iii) Face value per Equity share Rs 10.00 (iv) Earnings per share – Basic and diluted (i)-(iii) Rs 35.37 (2011-12-Rs 42.56); (v) Earnings per share- Basic and diluted before extra ordinary item (net of tax) Rs 35.37 (2011-12 Rs 40.41)
- 3.13 Deferred tax-liabilities comprises tax effect of (i) timing differences relating to depreciation Rs. 414.90 lakhs (March 31,2012 Rs.306.90 lakhs); (ii) others Rs. 5.57 lakhs (March 31,2012 Rs.9.37 lakhs).
- 3.14 (i) The company has complied with the revised Accounting Standard 15-Employee benefits. Accordingly provision of Rs 35.15 lakhs has been made for the incremental liability towards gratuity for the year ended March 31,2013 (2011-12 -Rs 56.24lakhs).
- (ii) Deferred benefit plan- Gratuity: As per actuarial valuation on March 31,2013. The disclosures furnished by Life Insurance Corporation of India in this regard are (a) Discounting rate 8%(March 31,2012 8 %);(b)Salary escalation rate 8%(March 31,2012 5%); (c) Mortality rate as per LIC(1994-96) Mortality Table: (d) Attrition rate 1-3%(March 31,2012 1-3%); Method of valuation, Projected unit credit method.
- (iii) Gratuity is administered through Group Gratuity Scheme with Life Insurance corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year for the returns over the entire life of the related obligation.
- (iv) During the year the Company has recognized the following amounts in the Statement of Profit and loss in Note 2.4 (b)- Contribution to provident fund Rs 45.70 lakhs,(2011-12 Rs 41.56 lakhs: 2010-11-Rs 37.95 lakhs), Contribution towards gratuity Rs 35.15 lakhs( 2011-12 Rs 56.24 lakhs: 2010-11-Rs 38.44 lakhs), Employees' welfare expenses include contribution to employees' state insurance plan Rs 9.12 lakhs( 2011-12-Rs 16.42 lakhs:2010-11-Rs 9.57 lakhs).



## Notes to the Financial Statements (Continued)

(v) Note 2.6(j)-Others under other expenses include Fees to auditors-For audit Rs3.93 Lakhs (2011-12 Rs 2.98 lakhs) which is an all inclusive fees covering Statutory audit, tax audit and other certification work and service tax thereon.

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

3.16 Related party transactions

(1) Key management personnel

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

(2) Associate company- Sudharsan Logistics Private Limited

	<b>2012-13</b>	<b>2011-12</b>
	Rs.Lakhs	Rs.Lakhs
(3) Transactions with key management personnel		
(i) Interest payments	0.40	0.07
(ii) Remuneration	116.20	102.66
(iii) Rent payment	1.42	1.42
(iv) Outstanding balances under Fixed deposit	4.75	2.55
(v) Amounts due at the year end	14.77	16.80
(4) Transactions with Associate company.		
(i) Tractor/Trailer hire charges paid	291.12	268.61
(ii) Interest payments	6.39	6.39
(iii) Lease rent paid	25.20	45.35
(iv) Outstanding balance due	0.18	523.24

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

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

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

For and on behalf of the Board

Chennai  
May 30,2013

**S R Srinivasan**  
Director  
Finance

**S Sathyanarayanan**  
Deputy Managing  
Director

**V Upendran**  
Chairman and  
Managing Director



**Details of terms of Secured Loans - Item 3.18 of Notes to the Financial Statements**

LOAN A/C	LOAN AMOUNT (IN LACS)		NO. OF INSTALMENTS		INTEREST RATE RANGE		INSTALMENT RANGE (IN LACS)		LOAN CLOSURE DATE	
	As ON March 31,2013	As ON March 31,2012	As ON March 31,2013	As ON March 31,2012	As ON March 31,2013	As ON March 31,2012	As ON March 31,2013	As ON March 31,2012	As ON March 31,2013	As ON March 31,2012
LA 01	---	2.00	---	3	---	11% - 12%	---	0.66	---	05.06.12
LA 02	---	1.71	---	3	---	11% - 12%	---	0.57	---	05.06.12
LA 03	4.85	9.65	11	23	10% - 10.5%	10% - 10.5%	0.38 - 0.46	0.38 - 0.46	01.02.14	01.02.14
LA 04	8.51	17.85	10	22	9.50% - 10%	9.50% - 10%	0.23 - 0.29	0.23 - 0.29	15.01.14	15.01.14
LA 05	---	16.20	---	9	---	9.00% - 10%	---	1.80	---	15.12.12
LA 06	22.63	39.60	16	28	9.00% - 10%	9.00% - 10%	1.41	1.41	01.07.14	01.07.14
LA 07	7.49	12.48	18	30	9.00% - 10%	9.00% - 10%	0.42	0.42	01.07.14	01.07.14
LA 08	4.06	7.50	11	23	10.0% - 10.5%	10.0% - 10.5%	0.32 - 0.39	0.32 - 0.39	05.02.14	05.02.14
LA 09	3.55	8.81	8	20	9.00% - 10%	9.00% - 10%	0.39 - 0.46	0.39 - 0.46	20.11.13	20.11.13
LA 10	4.41	9.26	10	22	9.00% - 10%	9.00% - 10%	0.39-0.46	0.39-0.46	05.01.14	05.01.14
LA 11	204.33	280.38	27	39	10% - 11%	10% - 11%	3.01 - 4.17	3.01 - 4.17	01.06.15	01.06.15
LA 12	29.96	41.19	32	44	10% - 11%	10% - 11%	0.93	0.93	01.01.15	01.01.15
LA 13	195.32	264.25	34	46	10% - 11%	10% - 11%	5.74	5.74	01.01.16	01.01.16
LA 14	---	38.01	---	10	---	12.50% - 13%	---	3.77-4.16	---	15.01.13
LA 15	40.02	---	38	---	10.50%	---	1.06	---	10.05.16	---
LA 16	150.00	350.00	3	7	13.25%	13.25%	50.00	50.00	01.10.13	01.10.13
LA 17	450.00	---	60	---	12.00%	---	4.49-11.31	---	07.08.17	---
LA 18	1047.50	---	98	---	12.50%	---	4.17-20.83	---	May'21	---
TOTAL	2172.63	1098.89								



# Sanco Trans Limited

## 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 THIRD ANNUAL GENERAL MEETING at M A Chdambaran Conference Hall, the Southern India Chamber of Commerce and Industry, Esplanade, Chennai 600 108 on 12th August 2013 at 10.15 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/We ..... of .....  
being a Member(s) of the above named Company, hereby appoint-----  
of ..... or failing him ..... of .....  
..... my ..... me ..... my as ----- proxy to vote for ----- on  
behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company to be held at 10.15 Hours. on  
12<sup>th</sup> August, 2013 and at any adjournment thereof.

Signed..... day of .....2013

Signature .....

Revenue  
Stamp  
1.00 Re.

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





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*If undelivered, please return to :*




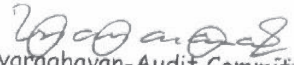
**SANCO TRANS LIMITED**

New. No 46, Moore Street,  
Chennai - 600 001.



# FORM A

Format of covering letter of the annual audit report to be filled with the  
Stock Exchanges

1	Name of the Company	SANCO TRANS LIMITED
2	Annual financial statements for the Year ended	31 <sup>st</sup> March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N A
5	To be signed by-	
	• CEO/Managing Director	 V Upendran-Managing Director
	• CFO	 S R Srinivasan-Director-Finance
	• Auditor of the Company	For M.S. Krishnaswami & Rajan CHARTERED ACCOUNTANTS REGN. No. 01554S  M S Murali - PARTNER MEMBERSHIP No. 20003 M S Krishnaswami & Rajan
	• Audit committee chairman	 R Viayaraghavan-Audit Committee Chairman

