



SANCO TRANS LIMITED

"Service And Trust - Part Of Our Tradition"

Annual Report 2014



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

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

**2014 SICCI & Times of India Award
2013 Young Logistics Entrepreneur
Award to S.Sathyarayanan (South East India)**

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

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

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

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

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

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

2005 Top Concor Railway Service Award (Concor)



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Sanco Trans Limited

CORPORATE INFORMATION

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 & CFO
- 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

CIN NO:L60220TN1979PLC007970

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

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

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

15th September 2014, 10.15 am
Narada Gana Sabha, Mini Hall,
314 T.T.K Road,
Alwarpet, Chennai 600018

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

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



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, 2014.

1. Financial highlights

	For the year 2013-14	For the year 2012-13
	(Rs. Lakhs)	
Income from Operations	7196.04	7690.63
Other Income	78.81	79.63
Gross Income	7274.85	7770.26
Expenses		
Operating expense	3566.71	3566.49
Employee benefit expense	937.66	905.65
Finance costs	245.97	247.45
Depreciation and amortisation	292.02	360.59
Other expenses	1742.77	1764.75
Total Expenses	6785.13	6844.93
Profit before extraordinary item	489.72	925.33
Extraordinary item	--	--
Profit before tax	489.72	925.33
Tax expense	73.45	288.75
Profit after tax	416.27	636.58

2. Dividend distribution

The Directors have recommended a dividend of Rs.2.70 per Equity share (27%) of the nominal value of Rs.10/- each for the year ended March 31, 2014 as against Rs 2.70 per equity share (27%) distributed for the year ended March 31, 2013.

3. Management Discussion and Analysis

A. About the Company

The Company was incorporated by late Sri K Santhanam Reddiar in the year 1979 as a Private Limited Company with a paid up share capital of Rs 5 lakhs which took over his proprietary business carried on in that name and was converted into a Public Limited Company in the year 1986. The net worth, net fixed assets, the Profit before and after tax, dividend distribution % and earnings per share for the ten years ending 2013-14 are given below to indicate the company's progress over the said years.



DIRECTORS' REPORT (Continued)

3. Management Discussion and Analysis (Continued)

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
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
2014	9673.43	11472.48	489.72	416.27	27	23.13

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

B. Industry Progress and outlook

The containerized cargo handling has witnessed a shortfall of 7.2% in imports and 5.3% overall, during the first 11 months of 2013-14 in comparison with the corresponding period of 2012-13. The import loaded containers has reduced by over 50000 TEUs attributed to "Global Economic Recession". Cargo handled at the port declined to 51.10 million tonne (mt) against 53.40 mt during 2012-13. The number of ships handled at the port also declined to 1804 against 1928 in 2012-13.

Shipping companies did not have a bright freight market in the last three months of the current fiscal on account of shrinking trade volumes particularly from China.

However the markets are expected to pick up from the current levels after July –August 2014.

C. Financials

The performance of the company has to be viewed in the context of the overall market scenario for the year under review as stated above.

Gross operating income for the year under report was Rs.7196.04 lakhs as against Rs.7690.63 lakhs registering a reduction of 5.41% whereas expenses have gone up by 5.61% resulting in decline in profits to the extent of Rs.505.66 lakhs before depreciation and finance costs.

D. Expansion proposal

The construction work in the 120000 sq feet warehouse has been completed during the year and the interior works are taken up. We expect that this facility would become operational from September–October of 2014-15 after completing customs formalities.



DIRECTORS' REPORT (Continued)

E. Cautionary note

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

4. Fixed Deposits

During the year the company received additional deposits to an extent of Rs.9.15 lakhs and repaid deposits amounting to Rs.27.93 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.

As per the provisions of new Companies Act 2013, the company has ceased accepting fresh deposits from public and begins repaying the deposits as and when they mature during the course of the year.

5. Unclaimed Dividends

There are no unclaimed dividends to be transferred to the credit of IEPF as on March 31,2014.

6 Directors

Sri S R Srinivasan Director – Finance, retires by rotation at the forthcoming Annual General Meeting and eligible for reappointment.

Pursuant to the notification of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, the existing Non-Executive Independent Directors of the Company, Dr. M.V.M Alagappan Mr. T. Anantha Narayanan, Mr. R. Vijaya Raghavan, Mr. V. Govind and Mr. V. Shankar are being appointed as Independent Directors for a period of five (5) consecutive years commencing from 15th September, 2014.

In order to fulfill the requirements of Section 152(6) of the Companies Act, 2013 ("the Act") the existing terms of appointment of Mr. S. Sathyanarayanan, Deputy Managing Director and Mr. U. Udayabhaskar Reddy, Whole time Director are being varied by making them liable to retire by rotation in terms of Section 152 (6) of the Act, and all other terms and conditions of their respective reappointments shall remain the same.

7. Constitution / Reconstitution of Committees:

The company in compliance with the Companies Act 2013 has constituted / restructured the following committees with effect from 01.04.2014.



DIRECTORS' REPORT (Continued)

a. Audit Committee:

1. Sri. R Vijayaraghavan - Chairman
2. Sri. V Govind - Member
3. Sri. V Shankar - Member

The terms of reference of Audit Committee now includes overseeing the vigil mechanism with effect from 01.04.2014.

b. Nomination and Remuneration Committee:

1. Sri .T. Ananthanarayanan - Chairman
2. Sri. R. Vijayaraghavan - Member
3. Dr. M V M Alagappan - Member

c. Stakeholders Relationship Committee:

1. Sri. V. Shankar - Chairman
2. Sri. U Udayabhaskar Reddy - Member
3. Sri. S R Srinivasan - Member

d. Corporate Social Responsibility Committee:

1. Sri. S Sathyanarayanan - Chairman
2. Sri. V. Upendran - Member
3. Dr. M V M Alagappan - Member

8. 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.

9. 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.

10. 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



DIRECTORS' REPORT (Continued)

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.

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

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

During the year your company earned foreign exchange to an extent of Rs.29.11 lakhs (2013-Rs 6.40 lakhs) and expended foreign currency to an extent of Rs.28.12 lakhs (2013-Rs 50.22 lakhs).

12. 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 for a term of three years from the conclusion of the ensuing annual general meeting as per the provisions of companies act 2013 subject to ratification by shareholders in the annual general meeting every year. The company has received confirmation that their appointment will be within the limits prescribed under Section 139 read with section 141 of the Companies Act, 2013.

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

13. Industrial relations

Industrial relations remained cordial and harmonious throughout the year.

14. 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 : June 23, 2014

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

a) Composition

i) Independent Directors

Sri Dr M V M Alagappan
Sri T Ananthanarayanan
Sri V Govind
Sri V Shankar
Sri R Vijayaraghavan

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-Wholetime Director
 Sri S R Srinivasan-Director-Finance & CFO

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 2013-14	Whether attended last AGM held on August 12, 2013	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	6	Yes	1	Nil	Nil	Nil
Sri S Sathyanarayanan	5	Yes	Nil	Nil	Nil	Nil
Sri U Udayabhaskar Reddy	6	Yes	Nil	Nil	Nil	Nil
Smt S Devaki	3	Yes	Nil	Nil	Nil	Nil
Dr M V M Alagappan	6	Yes	Nil	Nil	Nil	Nil
Sri T Ananthanarayanan	5	No	5	Nil	2	3
Sri V Govind	3	Yes	2	Nil	Nil	Nil
Sri R Vijayaraghavan	6	No	8	1	4	1
Sri V Shankar	6	Yes	Nil	Nil	Nil	Nil
Sri S R Srinivasan	6	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	1,95,100

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 2013-14 and attendance details:

Date of meeting	Total no. of Directors	No of Directors present
May 30,2013	10	9
August 09,2013	10	10
October 04,2013	10	7
November 11,2013	10	7
February 10,2014	10	9
February 24,2014	10	10

- The time gap between any two meetings did not exceed four months.
- The last Annual General Meeting was held on August 12, 2013.

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

The Audit Committee has been in existence from August 13, 2010.

a. Terms of reference:

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

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

The terms of reference have been reviewed from time to time and the committee has been mandated to review on compliance with the requirements of clause 49 of the listing agreement with stock exchanges.

b. Composition, Names of Members and Chairman

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

Audit Committee was reconstituted during the year with the appointment of Sri.V Shankar as Member in place of Dr. M V M Alagappan 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, specialized



DIRECTORS' REPORT (Continued)

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

in Taxation matters and corporate law. Sri V Shankar is a Chartered Accountant and specialist in Company law matters. Sri V Govind is Managing Director of Lotus group of companies.

c. Meetings and Attendance

Audit committee meetings held during the year 2013-14 and attendance details.

Date of meeting	No. of members present
May 30,2013	3
August 09,2013	3
November 11,2013	2
February 10,2014	2

Sri S Sathyanarayanan, Deputy Managing Director attended all the meetings as CEO.

The Statutory Auditors of the Company and the Internal Auditors have been 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 Sri Dr M V M Alagappan and Sri R Vijayaraghavan, as members.

The committee is mandated with the following:

- Evaluate and recommend of the increments to the Managing Director and to the other Executive Directors.
- The remuneration is governed by the track record, potential, individual performance, company's performance and industry standards 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, 2013 wherein all the members were present.

c. The details of remuneration paid/payable to the Directors during 2013-14 are:

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

	Rupees
Sri Dr M V M Alagappan	95000
Sri T Ananthanarayanan	25000
Smt S Devaki	60000
Sri V Govind	25000
Sri V Shankar	30000
Sri R Vijayaraghavan	50000



DIRECTORS' REPORT (Continued)

Annexure to Directors' Report-Report on Corporate Governance Continued

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	13,60,000	18,00,000
Allowances	--	8,10,000	4,00,000	3,00,000
Contribution to PF	4,32,000	3,24,000	1,63,200	2,16,000
Perquisites	--	--	1,80,644	---

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

5. General Body meetings

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

<u>Year</u>	<u>Location</u>	<u>Date & Time</u>
31 st AGM-2011	NaradaGana Sabha Mini Hall, 314 TTK Road, Alwarpet, Chennai 600018.	July 20, 2011 11.00 a.m
32 nd AGM-2012	NaradaGana Sabha Mini Hall, 314 TTK Road, Alwarpet, Chennai 600018.	July 30, 2012 10.15 a.m
33 rd AGM-2013	M A Chidambaram conference Hall, The Southern India Chamber of Commerce and Industry, Esplanade, Chennai 600108.	August 12, 2013 10.15 a.m

No EGM was held in the last three years.

b) No special Resolutions 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, and the Management, their subsidiaries or relatives which may have potential conflict with the interest of the Company. The necessary disclosures regarding the transactions with the related parties are given in the notes to the Annual Accounts for the year 2013-14.

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 31,2014.

7. Means of communication

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



DIRECTORS' REPORT (Continued)

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

- b) The Company's website (www.sancotrans.com) also displays several other details/information of interest to various stakeholders.
- c) A Management discussion and Analysis Report is being presented as part of the Directors' Report.

8. General shareholder information

a) 34th Annual General Meeting

Day : Monday
 Date and Time : 15th September 2014 at 10.15 A.M
 Venue : Narada Gana Sabha, Mini Hall,
 314 T.T.K Road, Alwarpet, Chennai 600018

b) Financial Calendar

Financial year 2014-15

First quarter results	Second week of August 2014
Second quarter results	Second week of November 2014
Third quarter results	Second week of February 2015
Audited Results for the year 2014-15	Before end of May 2015

- c) **Book Closure dates** : 09.09.2014 to 15.09.2014
- 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 22.09.2014.
- 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-13	165.00	187.95	18144.22	19622.68
May-13	150.00	174.00	19451.26	20443.62
June-13	163.00	178.00	18467.16	19860.19
July-13	155.00	170.00	19126.82	20351.06
August-13	143.00	175.00	17448.71	19569.20
September-13	141.60	175.00	18166.17	20739.69
October-13	137.70	154.30	19264.72	21205.44
November-13	140.00	185.00	20137.67	21321.53
December-13	145.20	181.50	20568.70	21483.74
January-14	163.95	225.75	20343.78	21409.66
February-14	151.05	212.00	19963.12	21140.51
March -14	151.10	214.00	20920.98	22467.21



DIRECTORS' REPORT (Continued)

Annexure to Directors' Report-Report on Corporate Governance Continued

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.

h) Distribution of shareholding as on March 31,2014

	Range	Shareholders		Shares	
		Number	%	Number	%
1	- 100	1687	68.1065	103704	5.7613
	101 - 500	630	25.4339	165807	9.2115
	501 - 1000	74	2.9874	59518	3.3065
	1001 - 2000	43	1.7359	65142	3.6190
	2001 - 3000	22	0.8881	54188	3.0104
	3001 - 4000	6	0.2422	20955	1.1641
	4001 - 5000	1	0.0403	4200	0.2333
	5001 - 10000	4	0.1614	23964	1.3313
	10001 - And above	10	0.4037	1302522	72.3623
	TOTAL	2477	100.00	1800000	100.00

i) Shareholding pattern as on March 31,2014

SI No	Category	No. of holders	No. of Shares	%
A	Promoters			
1	Directors and relatives	10	1294232	71.90
B	Others-Individual	1	10290	0.57
1	Resident individuals	2331	446269	24.79
2	Bodies corporate	47	21211	1.18
3	Clearing members	4	248	0.02
4	Hindu undivided families	59	14461	0.80
5	Non Resident Indians	25	13289	0.74
	TOTAL	2477	1800000	100.00

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

k) Address for correspondence

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



DIRECTORS' REPORT (Continued)

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

M/s Cameo Corporate Services Limited.

Subramanian Building, No. 1 Club Road,
Chennai 600002.

Telephone : 044-28461073

Fax : 044-28460129

E Mail : kanthimathi@cameoindia.com

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

Sri 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

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

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 31,2014 as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Chennai
Date : June 23, 2014.

M S Murali- Partner
Membership No.26453



DIRECTORS' REPORT (Continued)

ANNEXURE TO DIRECTORS' REPORT

Certification by Managing Director and Director-Finance to the Board

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 2013-14 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.

June 23, 2014
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, 2014, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

June 23, 2014
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, 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control . 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, 2014;
- 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 read with the General Circular 15/2013 dated 13 th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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, 2014

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



Independent Auditor's Report (Continued)

Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In our opinion and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, the nature of the Company's business/ activities/ results during the year are such that clauses,(viii) (xiii), (xiv), (xviii), and (xx) of paragraph 4 of the Order are not applicable to the Company. Further, in respect of other clauses, on the basis of such checks as we considered appropriate, 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) According to the information and explanations given to us, certain fixed assets have been disposed off during the year which however, in our opinion, does not affect the going concern assumption.
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. 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
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 payment of expenses and for sale of goods and services. 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 lakhs rupees



Independent Auditor's Report (Continued)

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.
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, Custom 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, 2014 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	Disputed dues not deposited Rs	Forum where the dispute is pending
1	The Income tax Act, 1961	Tax Deducted at Source	Financial year 2007	11,89,280	CIT(A)
2	"	Tax Deducted at Source	Financial year 2007-08	74,968	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	66,13,294	CIT(A)
7	"	Income tax	Assessment year 2011-12	162,15,590	CIT(A)
8	Central Excise Act 1944	Service tax	18.04.2006 to 31.03.2008	80,15,138	CESTAT CESTAT
9	Customs Act	Duty drawback claims	Financial years 2008-09,2009-10, 2010-11	13,22,000	CESTAT



Independent Auditor's Report (Continued)

10. The Company does not have any accumulated loss as at March 31, 2014 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 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.
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, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
19. The Company has no outstanding debentures during the period under audit.
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, 2014

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



COMPLIANCE CERTIFICATE

CIN: L 60220 TN 1979 PLC 007970

To,

TheMembers,

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 including re-enactment hereof (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, 2014. 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 Six times on 30.05.2013, 09.08.2013, 04.10.2013, 11.11.2013, 10.02.2014 & 24.02.2014 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 06.08.2013 to 12.08.2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 12.08.2013 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 case may be.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company has:



COMPLIANCE CERTIFICATE (Continued)

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 14.08.2013.
 - (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 during the year under review.
 15. The Company had passed Special Resolution in its Annual General Meeting held on 12.08.2013 for re-appointment of
 - (a) Mr. S Sathyanarayanan as Deputy Managing Director of the Company for a period of three years effective from April 01, 2013 and filed the relevant forms with the Registrar of Companies, Chennai.
 - (b) Mr. Udayabhaskar Reddy as Wholetime Director of the Company for a period of three years effective from 01.08.2013 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, Southern Region 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.



COMPLIANCE CERTIFICATE (Continued)

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

CIN : L 60220 TN 1979 PLC 007970

23. The Company has complied with provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted amounting to Rs.243.78 Lakhs as on 31.03.2014 and the Company has filed the copy of the Advertisement / necessary particulars as required with the Registrar of Companies, Chennai on 27.08.2013.
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 : 30.05.2014

BALU SRIDHAR
Partner
M.No. F5869
C.P.No.3550



COMPLIANCE CERTIFICATE (Continued)

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, 2014 with the Registrar of Companies, Chennai:

S. No	e-Form	Particulars	Event date	SRN	Filed on	With additional fees
1	1INV	Statement of amounts credited to investor education and protection fund.	2004-2005	874312448	06.05.2013	No
2	62	Return of deposit	01.04.2012 31.03.2013	B78260825	29.06.2013	No
3	66	Compliance Certificate filed u/s 383A.	31.03.2013	Q10359040	23.08.2013	No
4	5INV	Statement of unclaimed and unpaid amounts.	30.07.2012	S21943964	26.08.2013	NA
5	62	Text of advertisement	12.08.2013	B82775263	27.08.2013	No
6	23	Registration of Resolution passed in the Extra Ordinary General Meeting of the Members filed u/s 192.	12.08.2013	B83102962	30.08.2013	No
7	20B	Annual Return - Schedule V filed u/s 159.	12.08.2013	Q10610673	30.08.2013	No
8	17	Registration of Satisfaction of charge in favour of Axis Bank Limited, CHENNAI filed u/s 138/600.	01.08.2013	B83059394	30.08.2013	No



COMPLIANCE CERTIFICATE (Continued)

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

CIN : L 60220 TN 1979 PLC 007970

9	25C	For re-appointment of Mr. U Udayabhaskar Reddy as Whole time Director.	01.08.2013	B83367730	03.09.2013	No
10	25C	For re-appointment of Mr. S Sathyanarayanan as Deputy Managing Director.	01.04.2013	B83368258	03.09.2013	Yes
11	23AC & 23ACA XBRL	Profit & Loss a/c and Balance Sheet filed u/s 220.	31.03.2013	Q10901205	07.09.2013	No
12	17	Registration of Satisfaction of charge in favour of HDFC BANK LTD, CHENNAI filed u/s 138/600.	06.09.2013	B84286871	13.09.2013	No
13	17	Registration of Satisfaction of charge in favour of HDFC BANK, CHENNAI filed u/s 138/600.	06.09.2013	B84288240	13.09.2013	No
14	17	Registration of Satisfaction of charge in favour of HDFC BANK LTD, CHENNAI filed u/s 138/600.	06.09.2013	B84470285	16.09.2013	No
15	17	Registration of Satisfaction of charge in favour of HDFC BANK LTD, CHENNAI filed u/s 138/600.	24.10.2013	B88324298	04.11.2013	No
16	1INV	Statement of amounts credited to investor education and protection fund.	2005-2006	B88982087	13.11.2013	No
17	8	Registration of Modification of charge in favour of IDBI BANK LIMITED, filed u/s 125/127/135	07.11.2013	B89348239	18.11.2013	No
18	8	Registration of Creation of charge in favour of HDFC BANK LTD, filed u/s 125/127/135	11.10.2013	B89445373	19.11.2013	Yes
19	8	Registration of Creation of charge in favour of HDFC BANK LTD, filed u/s 125/127/135	21.12.2013	B92546241	28.12.2013	No
20	17	Registration of Satisfaction of charge in favour of HDFC BANK LTD, CHENNAI filed u/s 138/600.	10.01.2014	B94734977	28.01.2014	No
21	8	Registration of Creation of charge in favour of IDBI BANK LIMITED, filed u/s 125/127/135	24.02.2014	C00462838	24.03.2014	No



Sanco Trans Limited

Balance Sheet as at March 31, 2014

	Note No	As at March 31,2014 Rs in Lakhs	As at March 31,2013 Rs in Lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1.1	180.00	180.00
Reserves and surplus	1.2	9504.71	9153.62
		<u>9684.71</u>	<u>9333.62</u>
Non-current liabilities			
Long-term borrowings	1.3	1784.26	1839.34
Deferred tax liabilities (Refer Note 3.13 to Financial Statements)		360.13	420.47
Other Long - term liabilities	1.4	86.25	14.65
Long- term provisions	1.5	47.86	47.86
		<u>2278.50</u>	<u>2322.32</u>
Current liabilities			
Short-term borrowings	1.6	537.81	4.40
Trade payables		456.10	353.00
Other current liabilities	1.7	1680.48	1497.93
Short-term provisions	1.8	127.48	121.98
		<u>2801.87</u>	<u>1977.31</u>
TOTAL ASSETS		<u>14765.08</u>	<u>13633.25</u>
Non-current assets			
Fixed Assets	1.9		
Tangible assets		9295.87	9271.11
Intangible assets		1.84	5.38
Capital Work In Progress		2174.77	1320.94
		<u>11472.48</u>	<u>10597.43</u>
Long- term loans and advances	1.10	335.03	337.51
		<u>335.03</u>	<u>337.51</u>
Current Assets			
Inventories - Stores and spares		4.50	13.27
Trade receivables	1.11	1303.27	1212.60
Cash and Cash equivalent	1.12	954.83	1061.35
Short-term loans and advances	1.13	613.47	325.46
Other current assets	1.14	81.50	85.63
		<u>2957.57</u>	<u>2698.31</u>
TOTAL		<u>14765.08</u>	<u>13633.25</u>
Significant accounting policies and Notes to the Financial Statements form an integral part of this Balance sheet.			
This is the Balance sheet referred to in our report of even date		For and on behalf of the Board	
For M S Krishnaswami and Rajan Chartered Accountants		S Sathyanarayanan Deputy Managing Director	V Upendran Chairman and Managing Director
M S Murali - Partner Chennai May 30,2014		S R Srinivasan Director- Finance	



Sanco Trans Limited

Statement of Profit and Loss for the year ended March 31, 2014

	Note No.	Year ended March 31,2014 Rs in Lakhs	Year ended March 31,2013 Rs in Lakhs
Revenue			
Revenue from operations	2.1	7196.04	7690.63
Other income	2.2	78.81	79.63
Total Revenue		7274.85	7770.26
Expenses			
Equipment and fleet hire		2305.51	2364.19
Operating expenses	2.3	1261.20	1202.30
Employee benefits expense	2.4	937.66	905.65
Finance costs	2.5	245.97	247.45
Depreciation and amortization (Refer Note 1.9 to the Balance Sheet)		292.02	360.59
Other expenses	2.6	1742.77	1764.75
Total expenses		6785.13	6844.93
Profit before Exceptional/Extraordinary items and tax		489.72	925.33
Exceptional items		--	--
Extraordinary items		--	--
-Gain on acquisition of land by government		--	--
Profit before tax		489.72	925.33
Tax expense	2.7	73.45	288.75
Profit for the year after tax from continuing operations		416.27	636.58
Profit/(Loss) from discontinuing operations		--	--
Profit for the year		416.27	636.58
Earnings per Equity Share-			
Basic and diluted(Refer Note 3.12 to the Financial Statements)			
- before extraordinary item	Rs	23.13	35.37
- after extraordinary item	Rs	23.13	35.37

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 Sathyannarayanan
Deputy Managing
Director

V Upendran
Chairman and
Managing Director

M S Murali - Partner
Chennai
May 30,2014

S R Srinivasan
Director- Finance



Cash Flow Statement for the year ended March 31, 2014

	2013-14 Rs.Lakhs	2012-13 Rs.Lakhs
Cash flows from operating activities		
Net profit before tax	489.72	925.33
Adjustments for:		
Depreciation/amortization/impairment not considered as cash outflow (Profit)/Loss on disposal of capital assets(net) considered under investment activities	292.02	360.59
Profit on sale of investments considered under investment activities	(4.72)	14.54
Gain on acquisition of land by Government	--	--
Interest paid(net) considered under financing activities	--	--
Deferred revenue expenditure	167.08	141.49
- amortised not considered as cash outflow	5.59	19.77
- incurred considered as cash outflow	--	(8.07)
Unrealised foreign exchange gain or loss	0.13	
Operating Profit before working capital changes	949.82	1453.65
Adjustments for changes in:		
Trade payables	103.01	55.95
Long term provisions	--	--
Short term borrowings	--	--
Short term provisions	5.50	7.50
Other current liabilities	59.46	(246.44)
Long term liabilities	71.60	(93.90)
Inventories	8.77	(3.22)
Trade and other receivables	(90.71)	102.41
Long term advances	2.47	(10.86)
Short term advances	(195.46)	165.37
Non-current investments	--	--
Current assets	9.80	3.97
	924.26	1434.43
Direct taxes paid	(226.34)	(242.50)
Cash flow from operating activities	(1) 697.92	1191.93
Cash flows from investment activities		
Payments for acquisition of fixed assets		
Additions to fixed assets	(332.84)	(1558.72)
Adjustment for changes in Capital work in progress	(853.82)	(913.22)
	(1186.66)	(2471.94)
Proceeds on disposal of /claims relating to capital assets, investments	15.62	86.30
Interest received	62.03	94.94
Cash out flow from investment activities	(2) (1109.01)	(2290.70)
Cash flows from financing activities		
Borrowings - Long term - Raised	619.22	1559.50
- Repaid	(540.58)	(485.76)
- Short term - Raised	59.15	54.37
- Repaid	(50.00)	(21.70)
Interest paid (excluded from operating activities as above)	(251.27)	(225.54)
Dividend and corporate dividend tax paid relating to previous year	(56.48)	(56.48)
Cash out flow from financing activities	(3) (219.96)	824.39
Net Cash flow (1) - (2) - (3)	(631.05)	274.38



Sanco Trans Limited

Cash Flow Statement for the year ended March 31, 2014 (Continued)

		2013-14	2012-13
		Rs.Lakhs	Rs.Lakhs
At beginning			
Cash and bank balances		1046.92	1316.90
		1046.92	1316.90
Balance in cash credit account		4.40	--
	(4)	1042.52	1316.90
At end			
Cash and bank balances		940.13	1046.92
		940.13	1046.92
Balance in cash credit account		528.66	4.40
	(5)	411.47	1042.52
Movement: increase/(decrease) in cash and cash equivalents	(5) - (4)	(631.05)	274.38
Notes to the Cash flow statement			
Components of Cash and Bank balances		954.83	1061.35
Less Ear marked balance relating to unclaimed dividend		14.70	14.43
		940.13	1046.92

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, 2014

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

1.1 Financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act 1956("the 1956 Act") [which continues to be applicable in respect of section 133 of the Companies Act 2013("the 2013 Act") in terms of general circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs] and the relevant provision of the 1956 Act/ 2013 Act as applicable. The financial statements have been prepared on accrual basis under historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts.

1.2 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the 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. Certain categories of fixed assets were revalued and are carried at the revalued amounts less accumulated depreciation and impairment loss, if any.

(d) Depreciation /amortization/ impairment

Depreciation is calculated on fixed assets in a manner that amortises the cost of the assets after commissioning over the economic useful lives based on the rates specified in Schedule XIV to the Companies Act, 1956 by equal annual installments 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 for any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Provision for impairment will be reviewed periodically and amended depending on changes in circumstances.

(e) Borrowing costs

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



Significant Accounting Policies (Continued)

(f) Inventories

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

(g) Investments

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

(h) Revenue recognition

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

(i) 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 gains/ losses arising on settlement of transactions and translation of monetary items is recognized in the revenue.



Notes to the Financial Statements

	As at March 31,2014 Rs. in lakhs	As at March 31,2013 Rs. in lakhs
1.1 Share Capital		
Authorised		
70,00,000 (March 31, 2013: 70,00,000)		
Equity shares of Rs.10 each with voting rights	700.00	700.00
Issued and Subscribed and fully Paid up		
18,00,000 (March 31,2013:18,00,000) Equity shares of Rs.10 each fully paid-up with voting rights	180.00	180.00

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

Name of the shareholder	As at March 31,2014		As at March 31,2013	
	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	195100	10.84	192600	10.70
Sudharsan Logistics Private Ltd	496882	27.60	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 Reserves and Surplus

(a) Revaluation reserve

Balance as at the beginning of the year	4686.09	4694.78
Less Transfer to Depreciation and amortisation (Refer note 3.10 (i))	(8.70)	(8.69)
Balance as at the end of the year	(a) 4677.39	4686.09

(b) General reserve

Balance as at the beginning of the year	4180.00	3680.00
Add Transfer from Statement of Profit and loss	300.00	500.00
Less Adjustment on account of provision for taxation and other balances relating to earlier year	--	--
Balance as at the end of the year	(b) 4480.00	4180.00



Notes to the Financial Statements (Continued)

	As at March 31,2014 Rs. Lakhs	As at March 31,2013 Rs. Lakhs
(c) Surplus		
Balance as at the beginning of the year	287.53	207.43
Add profit for the year after tax	416.27	636.58
Less Transfer to General reserve	300.00	500.00
Less Dividend proposed Rs. 2.70 (March 31,2013 Rs.2.70) per Equity share	48.60	48.60
Less Corporate tax on proposed dividend	7.88	7.88
Balance as at the end of the year	347.32	287.53
Total of (a) to (c)	9504.71	9153.62
1.3 Long-term borrowings		
(a) Term loans from Banks - Secured		
Loan for construction of warehouse	558.24	378.78
Loan for acquisition of Land and building	1069.72	997.51
Loan for acquisition of capital assets under deferred payment scheme	156.30	300.27
Loan for acquisition of land for container freight station	--	--
Total	1784.26	1676.56
(b) Fixed Deposits from Public - unsecured	--	162.78
	1784.26	1839.34
(Security details: Refer Note 3.1, Terms of the loans: Refer Note 3.18)		
1.4 Other Long-term Liabilities		
a. Rental Advance	86.25	14.65
	86.25	14.65
1.5 Long term provisions		
For Property tax	47.86	47.86
	47.86	47.86



Notes to the Financial Statements (Continued)

	As at March 31,2014 Rs. Lakhs	As at March 31,2013 Rs. Lakhs
1.6 Short-term borrowings		
(a) Loans repayable on demand – Secured		
From Banks – cash credit facilities	528.66	4.40
(Security details Refer Note: 3.1, Terms of the loans: Refer Note 3.18)		
(b) Others		
Unsecured:		
Fixed Deposits from public	9.15	--
Total	537.81	4.40

Notes: In view of the Provisions of the Companies Act,2013 the fixed deposits accepted during the year are repayable within the next twelve months and hence treated as short term borrowings.

- Security details: Refer Note 3.1 to the Financial Statements

- Terms of the loans: Refer Note 3.18 to the Financial Statements.

1.7 Other Current Liabilities

(a) Current maturities of long term debt		
- Secured	494.95	496.08
- Unsecured	234.63	99.78
(b) Interest accrued and due on borrowings	--	10.89
(c) Due to related party	2.18	0.18
(d) Creditors for expenses	537.15	565.70
(e) Auction Money	24.18	12.98
(f) Advance from debtors	164.91	37.45
(g) Employee related	50.98	76.38
(h) Statutory dues	28.87	39.19
(i) Capital creditors	111.31	122.27
(j) Unclaimed dividend	14.70	14.43
(k) Dues to Directors	12.72	14.77
(l) Other payables	3.90	7.83
	1680.48	1497.93

Note : a) Securities for the long term debt: Refer Note 3.1 to the financial statement

b) Details of terms of the current maturities of long term debt:
Refer Note 3.18 to the financial statements

1.8 Short-term provisions

(a) Provision for employee benefits	71.00	65.50
(b) Others		
- Proposed Dividend	48.60	48.60
- Dividend Tax on proposed dividend	7.88	7.88
	127.48	121.98



Notes to the Financial Statements (Continued)

		As at March 31,2014 Rs. Lakhs	As at March 31,2013 Rs. Lakhs
1.9 Fixed assets			
(1) Tangible assets			
(a) Land			
Cost/Valuation			
At beginning		6356.71	4946.52
Deduction on acquisition by Government		--	--
		<u>6356.71</u>	<u>4946.52</u>
Additions		--	1410.19
At end	(a)	<u>6356.71</u>	<u>6356.71</u>
(b) Building			
Cost/Valuation			
At beginning		1148.29	1118.39
Additions		219.15	29.90
At end	b(i)	<u>1367.44</u>	<u>1148.29</u>
Depreciation			
At beginning		118.27	97.08
For the year		22.90	21.19
At end	b(ii)	<u>141.17</u>	<u>118.27</u>
Written down value	b (i-ii)	<u>1226.27</u>	<u>1030.02</u>
(c) Operating fleet / equipments			
Cost			
At beginning		2562.15	2735.53
Additions		52.77	188.86
Sales		(99.29)	(362.24)
At end	c (i)	<u>2515.63</u>	<u>2562.15</u>
Depreciation			
At beginning		837.13	777.31
For the year		246.52	327.93
On Sales		(89.64)	(268.11)
At end	c (ii)	<u>994.01</u>	<u>837.13</u>
Written down value	c (i-ii)	<u>1521.62</u>	<u>1725.02</u>
(d) Machinery			
Cost			
At beginning		64.26	47.70
Additions		0.64	16.56
At end	d(i)	<u>64.90</u>	<u>64.26</u>
Depreciation			
At beginning		17.03	14.63
For the year		3.06	2.40
At end	d (ii)	<u>20.09</u>	<u>17.03</u>
Written down value	d (i-ii)	<u>44.81</u>	<u>47.23</u>



Notes to the Financial Statements (Continued)

		As at March 31,2014 Rs. Lakhs	As at March 31,2013 Rs. Lakhs
1.9 Fixed assets			
(1) Tangible assets			
(e) Office Vehicles			
Cost			
At beginning		59.48	55.76
Additions		39.66	13.65
Sales		--	(9.93)
At end	e (i)	99.14	59.48
Depreciation			
At beginning		14.49	13.28
For the year		14.47	4.44
On sales		--	(3.23)
At end	e (ii)	28.96	14.49
Written down value	e (i-ii)	70.18	44.99
(f) Furniture			
Cost			
At beginning		6.97	6.97
Additions		1.32	--
Sales		--	--
At end	f (i)	8.29	6.97
Depreciation			
At beginning		1.64	1.20
For the year		0.49	0.44
On sales		--	--
At end	f (ii)	2.13	1.64
Written down value	f (i-ii)	6.16	5.33
(g) Office Equipments			
Cost			
At beginning		91.96	70.12
Additions		19.29	21.84
Sales		(3.05)	--
At end	g (i)	108.20	91.96
Depreciation			
At beginning		30.14	21.08
For the year		9.74	9.06
On sales		(1.81)	--
At end	g (ii)	38.07	30.14
Written down value	g (i-ii)	70.12	61.82



Notes to the Financial Statements (Continued)

		As at March 31,2014 Rs. Lakhs	As at March 31,2013 Rs. Lakhs
1.9 Fixed assets			
(2) Intangible assets- Software acquired			
Cost			
At beginning		14.04	14.04
Additions		--	--
At end	2 (i)	<u>14.04</u>	<u>14.04</u>
Amortisation			
At beginning		8.66	4.84
For the year		3.54	3.82
At end	2(ii)	<u>12.20</u>	<u>8.66</u>
Written down value	2(i-ii)	<u>1.84</u>	<u>5.38</u>
SUMMARY			
A. Cost / Valuation			
At beginning		10303.85	8995.03
Additions		332.84	1680.99
		<u>10636.69</u>	<u>10676.02</u>
Deduction on acquisition by Government		--	--
Deletions/Sales		(102.34)	(372.17)
At end	(i)	<u>10534.35</u>	<u>10303.85</u>
B. Depreciation Reserve			
At beginning		1027.37	929.42
For the year		300.71	369.28
		<u>1328.08</u>	<u>1298.70</u>
Deletions/Sales		(91.44)	(271.34)
At end	(ii)	<u>1236.64</u>	<u>1027.36</u>
C. Written down value	(i)-(ii)	9297.71	9276.49
D. Capital work-in-progress		2174.77	1320.94
E. Depreciation for the year as above		300.71	369.28
Transfer from Revaluation Reserve		(8.69)	(8.69)
Depreciation for the year as per Statement of Profit and loss		<u>292.02</u>	<u>360.59</u>
1.10 Long-term Loans and advances			
Unsecured, considered good			
(a) Security deposits		104.19	126.90
(b) Other loans and advances			
- Rent advance		194.23	172.84
- Earnest money deposit		10.18	17.69
- Prepaid expenses		9.13	3.08
- Others		17.30	17.00
		<u>335.03</u>	<u>337.51</u>



Notes to the Financial Statements (Continued)

	As at March 31,2014 Rs. Lakhs	As at March 31,2013 Rs. Lakhs
1.11 Trade receivables		
Unsecured, considered good		
(a) Trade receivables outstanding for a period exceeding six months from the date they became due for payment	65.09	87.31
(b) Others	1238.18	1125.29
	1303.27	1212.60
1.12 Cash and Cash Equivalents		
(a) Balance with banks		
- Deposits with more than 12 months maturity	12.28	374.96
- Others with less than 12 months maturity	566.38	564.31
- Balance with banks in current account / cash credit account	339.26	94.91
- Balance in earmarked accounts: unclaimed dividend account	14.71	14.43
(b) Cash on hand	4.54	4.24
(c) Cheques on hand	17.66	8.50
	954.83	1061.35
1.13 Short-term loans and advances		
Unsecured, considered good		
(a) Capital Advances	27.05	22.21
(b) Advance payment of income tax - net of provision	305.15	212.60
(c) Prepaid expenses	29.68	37.32
(d) Advances to suppliers, contractors and others	60.26	42.22
(e) Employee advance	2.69	6.73
(f) Balance with customs, port trust etc;	38.64	4.38
(g) Trade advances - (Refer Note 3.16)	150.00	--
	613.47	325.46
1.14 Other Current assets		
(a) Interest accrued and due on fixed deposits	38.01	26.75
(b) Loan raising expenses and premium on prepayment of borrowing	11.58	17.17
(c) Unbilled revenue	31.91	41.71
	81.50	85.63



Notes to the Financial Statements (Continued)

	As at March 31, 2014 Rs. Lakhs	As at March 31, 2013 Rs. Lakhs
2.1 Revenue from operations		
(a) Handling earnings	3772.58	3885.57
(b) Equipment and fleet hire earnings	1910.04	2152.34
(c) Warehouse earnings	1054.57	1380.91
(d) Agency and other earnings	458.85	271.81
	<u>7196.04</u>	<u>7690.63</u>
2.2 Other Income		
(a) Interest income	73.29	94.94
(b) Net gain/(loss) on disposal of fixed assets	4.72	(14.54)
(c) Net gain/(loss) on foreign currency transaction and translation	0.80	(0.77)
	<u>78.81</u>	<u>79.63</u>
2.3 Operating expenses		
(a) Handling expenses	820.44	698.96
(b) Container repairs	336.37	385.95
(c) Hired equipments upkeep	49.09	53.68
(d) Others	55.30	63.71
	<u>1261.20</u>	<u>1202.30</u>
2.4 Employee benefits expense		
(a) Salaries, wages and bonus	647.85	597.90
(b) Contribution to provident, gratuity and other funds	80.39	80.84
(c) Welfare expenses	209.42	226.91
	<u>937.66</u>	<u>905.65</u>
2.5 Finance costs		
(a) Interest expenses	285.13	263.43
(b) Other borrowing costs		
- guarantee charges	7.64	5.76
- Amortisation of loan raising expenses	4.28	3.95
- Amortisation of premium on prepayment of borrowings	1.31	1.31
	<u>298.36</u>	<u>274.45</u>
Less; Borrowing cost Capitalised	52.39	27.00
	<u>245.97</u>	<u>247.45</u>



Notes to the Financial Statements (Continued)

	As at March 31, 2014 Rs. Lakhs	As at March 31, 2013 Rs. Lakhs
2.6 Other expenses		
(a) Consumption of stores and tools	7.39	8.30
(b) Power and fuel	38.96	48.11
(c) Rent		
- Warehouse	451.88	436.66
- Others	42.30	38.73
(d) Repairs to buildings		
- Warehouse	64.72	185.30
- Others	5.38	5.65
(e) Repairs to machinery, equipment and fleet	341.47	321.18
(f) Fuel for equipments, fleet and others	325.35	317.27
(g) Insurance		
- Warehouse, equipments and fleet	55.10	43.26
- Others	2.85	8.46
(h) Rates and taxes		
- Warehouse, equipments and fleet	30.01	39.38
- Others	26.46	15.97
(i) Travel and conveyance	88.07	75.62
(j) Others	262.83	220.86
	<u>1742.77</u>	<u>1764.75</u>
2.7 Tax expense		
(a) Current tax-Current year	115.00	186.00
- Prior year – (withdrawal)-net	18.78	(1.45)
(b) Deferred tax-Provision/(withdrawal)	(60.33)	104.20
	<u>73.45</u>	<u>288.75</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 Sanctioned for Rs.1383 lakhs from a Bank for acquisition of immovable property(Note 1.3(a)(ii) and Note 1.7(a)) is secured by the immovable property (comprising Land and Building situate at Chennai) and is guaranteed by three Directors (iii) Loan Sanctioned for Rs. 810 Lakhs(March 31,2013 Rs. 450 Lakhs) (Note 1.3(a)(i) and Note 1.7(a)) 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 (iv) cash credit facility is secured by first charge on the book debts, land and structures thereon at Container Freight Station and guaranteed by three Directors.
- 3.2 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. 389.90 lakhs (March 31,2013 Rs. 104.30 lakhs) in respect of which the relative deposit receipts have been pledged with banks as security for the guarantee facilities extended by them to the 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. 137.04 lakhs (March 31,2013 Rs. 367.78 lakhs)
- 3.6 Contingent liabilities - Claims against the Company not acknowledged as debts
- Taxes Rs. 371.20 lakhs (2012-13 Rs.209.05 lakhs).
 - Bank guarantee Rs. 589.96 lakhs (2012-13 Rs. 487.28 lakhs).
 - Others Rs. 55.72 lakhs (2012-13 Rs. 16.72 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. 94.60 lakhs (2012-13 Rs.89.40 lakhs), Allowances Rs. 15.10 lakhs (2012-13 Rs.13.50 lakhs), Contribution to Provident fund Rs. 11.35 lakhs (2012-13 Rs.10.72 lakhs), Perquisites Rs. 1.81 lakhs(2012-13 Rs.2.58 lakhs). Total Rs. 122.24 lakhs(2012-13 Rs. 116.20 lakhs); (ii) Sitting fees to directors Rs. 2.85 lakhs (2012-13 Rs.2.55 lakhs).
- 3.8 Repairs to Buildings in Note 2.6 to the Statement of Profit and Loss - Nil (2012-13 Rs.14.51 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. 1041.46 lakhs(2012-13 Rs 1174.93 lakhs) (b) Tax deducted at source on (i) Revenue from operations Rs. 189.85 lakhs(2012-13 Rs 153.12 lakhs); (ii) Interest income Rs. 4.05 lakhs (2012-13 Rs 9.34 lakhs) .
- 3.10 (i) Depreciation for the year computed on revalued assets includes a charge of Rs 8.69 lakhs (2012-13 Rs 8.69 lakhs) being the excess depreciation computed under the method followed by 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



Notes to the Financial Statements (Continued)

of operating equipment is Rs. Nil (2012-13 Rs.65.50 lakhs) (iii) During the year the Company has revised the estimated useful life of Motor Vehicles and Operating Equipment. The effect of the charge relating to the current year is a higher depreciation of Rs. 52.89 lakhs. (iv) Useful life of Tangible and Intangible Assets:

- a) Useful life lower than that derived from the rates specified in Schedule XIV to the Companies Act, 1956.

	Useful life (Years)	
	2013-14	2012-13
a. Electrical Equipments / Installations	16	16
b. Operating Equipment	10	13
c. Motor Vehicles	5	10

- b) Useful life not prescribed in Schedule XIV to the Companies Act, 1956.

	Useful life (Years)	
	2013-14	2012-13
Computer Software	3	3

- 3.11 Foreign exchange and foreign currency transactions and derivatives - (i) Imports – Rs.Nil (2012-13 Rs Nil); (ii) Other expenditure in foreign currency Rs. 28.12 lakhs(2012-13 Rs.50.22 lakhs); (iii) Other earnings in foreign exchange Rs. 29.11 lakhs (2012-13 Rs. 6.40 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 \$ 2627 equivalent Rs. 1.60 lakhs (March 31, 2013 US \$ 13,409.22 equivalent Rs 7.28 lakhs); Amount payable on account of services obtained US \$ 5435.71 equivalent Rs. 3.36 lakhs, DKK Nil, GBP Nil (March 31,2013 US \$ 1645 equivalent Rs.0.89 lakhs , DKK 2532 equivalent Rs 0.24 lakh, GBP 12074.94 equivalent Rs 9.97 lakhs).
- 3.12 Computation of earnings per share: (i) Profit for the year after tax Rs. 416.27 lakhs(2012-13 Rs.636.58 lakhs); (ii)Equity shares outstanding 18,00,000 (March 31,2013- 18,00,000); (iii) Face value per Equity share Rs 10.00 (iv) Earnings per share – Basic and diluted (i)÷(ii) Rs. 23.13 (2012-13-Rs. 35.37)
- 3.13 Deferred tax-liabilities comprises tax effect of (i) timing differences relating to depreciation Rs.357.50 lakhs (March 31,2013 Rs.414.90 lakhs); (ii) others Rs. 2.63 lakhs (March 31,2013 Rs.5.57 lakhs).
- 3.14 (i) The Company has complied with the revised Accounting Standard 15-Employee benefits. Accordingly provision of Rs. 32.92 lakhs has been made for the incremental liability towards gratuity for the year ended March 31,2014 (2012-13 -Rs 35.15lakhs).
- (ii) Deferred benefit plan- Gratuity: As per actuarial valuation on March 31, 2014. The disclosures furnished by Life Insurance Corporation of India in this regard are (a) Discounting rate 8%(March 31,2013 - 8%);(b)Salary escalation rate 8% (March 31,2013 8%); (c) Mortality rate as per LIC(1994-96) Mortality Table: (d) Attrition rate 1-3%(March 31,2013 - 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.



Notes to the Financial Statements (Continued)

- (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. 50.24 lakhs,(2012-13 Rs 45.70 lakhs: 2011-12-Rs 41.56 lakhs), Contribution towards gratuity Rs. 32.92 lakhs(2012-13 Rs 35.15 lakhs: 2011-12-Rs 56.24 lakhs), Employees' welfare expenses include contribution to employees' state insurance plan Rs. 9.92 lakhs(2012-13 -Rs 9.12 lakhs:2011-12-Rs 16.42 lakhs).
- (v) Note 2.6(j)-Others under other expenses include Fees to auditors-For audit Rs. 3.93 lakhs (2012-13 Rs 3.93 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

	2013-14	2012-13
	Rs.Lakhs	Rs.Lakhs
(3) Transactions with key management personnel		
(i) Interest payments	0.47	0.40
(ii) Remuneration	122.24	116.20
(iii) Rent payment	1.42	1.42
(iv) Outstanding balances under Fixed deposit	4.75	4.75
(v) Amounts due at the year end	12.72	14.77
(4) Transactions with Associate company.		
(i) Tractor/Trailer hire charges paid	724.66	291.12
(ii) Interest payments	-	6.39
(iii) Lease rent paid	26.04	25.20
(iv) Trade Advance	150.00	-
(v) Outstanding balance due	2.18	0.18

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 30,2014

S R Srinivasan
Director
Finance

S Sathyanarayanan
Deputy Managing
Director

V Upendran
Chairman and
Managing Director



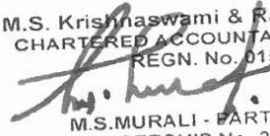



Details of terms of Secured Loans - Item 3.18 of Notes to the Financial Statements (Rs. In Laos)

LOAN A/C	LOAN AMOUNT		NO. OF INSTALMENTS		INTEREST RATE RANGE		INSTALMENT RANGE		LOAN CLOSURE DATE	
	As ON March 31,2014	As ON March 31,2013	As ON March 31,2014	As ON March 31,2013	As ON March 31,2014	As ON March 31,2013	As ON March 31,2014	As ON March 31,2013	As ON March 31,2014	As ON March 31,2013
LA 03	---	4.85	---	11	---	10% - 10.5%	---	0.38 - 0.46	---	01.02.14
LA 04	---	8.51	---	10	---	9.50% - 10%	---	0.23 - 0.29	---	15.01.14
LA 06	5.66	22.63	4	16	9.00% - 10%	9.00% - 10%	1.41	1.41	01.07.14	01.07.14
LA 07	2.50	7.49	6	18	9.00% - 10%	9.00% - 10%	0.42	0.42	01.07.14	01.07.14
LA 08	---	4.06	---	11	---	10.0% - 10.5%	---	0.32 - 0.39	---	05.02.14
LA 09	---	3.55	---	8	---	9.00% - 10%	---	0.39 - 0.46	---	20.11.13
LA 10	---	4.41	---	10	---	9.00% - 10%	---	0.39-0.46	---	05.01.14
LA 11	119.62	204.33	15	27	10% - 11%	10% - 11%	6.01-8.34	6.01-8.34	01.06.15	01.06.15
LA 12	18.72	29.96	20	32	10% - 11%	10% - 11%	0.93	0.93	01.01.15	01.01.15
LA 13	126.39	195.32	22	34	10% - 11%	10% - 11%	5.74	5.74	01.01.16	01.01.16
LA 15	27.38	40.02	26	38	10.50%	10.50%	1.06	1.06	10.05.16	10.05.16
LA 16	---	150.00	---	3	---	13.25%	---	50.00	---	01.10.13
LA 17	378.78	450.00	41	60	12.00%	12.00%	4.49-11.31	4.49-11.31	07.08.17	07.08.17
LA 18	1137.69	1047.50	93	98	12.20%	12.50%	4.17-20.83	4.17-20.83	Dec'21	May'21
LA 19	19.31	---	29	---	11.25%	---	0.56-0.75	---	05.08.16	---
LA 20	8.34	---	31	---	11.25%	---	0.22-0.34	---	05.10.16	---
LA 21	5.65	---	34	---	11.25%	---	0.14-0.19	---	07.01.17	---
LA 22	29.71	---	44	---	10.50%	---	0.67	---	20.11.17	---
LA 23	11.89	---	44	---	10.50%	---	0.27	---	20.11.17	---
LA 24	21.74	---	07	---	12.01%	---	3.09	---	15.10.14	---
LA 25	5.83	---	07	---	12.01%	---	0.83	---	15.10.14	---
LA 26	360.00	---	40	---	12.00%	---	7.36-10.85	---	07.08.17	---
TOTAL	2279.21	2172.63								

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	SANCO TRANS LIMITED
2	Annual financial statements for the year ended	31" March 2014
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. 26453 M S Murali-Partner M S Krishnaswami & Rajan
	Audit Committee Chairman	 R Vijayaraghavan-Audit Committee Chairman

