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SANCO GROUP  
SINCE  
1956

## Sanco Trans Limited



CIN : L60220TN1979PLC007970  
GSTIN : 33AAACS7690F1ZB  
R.O : S T TOWER, NN : 24 & 25,  
Second Line Beach Road,  
Chennai 600 001, INDIA.

Date: 05.10.2018

Department of Corporate Relations  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Security ID : SANCTRN  
Security Code : 523116

Dear Sir/Madam,

### Sub: Submission of Annual Report for the year 2017-18

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the year 2017-18 approved and adopted by the shareholders at the 38<sup>th</sup> Annual General Meeting of the Company held on September 19, 2018.

Thanking you,

Sincerely,  
For SANCO TRANS LIMITED

V. Upendran

V. UPENDRAN  
Managing Director



Encl: As Above

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

● Container Freight Station (CFS) ● Terminal Operations ● Stevedoring & Break Bulk ● Empty Container Repair ● Public Bonded Warehouse  
● Customs Broker ● Warehousing & Distribution ● Transport & Heavy Equipments ● Freight Forwarding (Air/Sea) ● Multimodal Transport Operator (MTO)



**SANCO TRANS LIMITED**  
*"Service And Trust - Part Of Our Tradition"*

**Annual Report 2018**



**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**

**2018 Most Diversified Logistics Company of the Year  
Award - (South East India)**

**2016 Port Services Provider of the year - Cargo & Logistics Sector  
Award - (South East India)**

**2015 Top Container Maintenance & Repair  
Award - (South East India)**

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

**2014 SICCI & Times of India Award**

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

**2013 Young Logistics Entrepreneur  
Award to S.Sathyanarayanan (South East India)**

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

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

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

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

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

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

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**CORPORATE INFORMATION**

**Corporate Identification No. :** L60220TN1979PLC007970

**Board of Directors**

- |                      |  |
|----------------------|--|
| V Upendran           | - Chairman & Managing Director               |
| S Sathyanarayanan    | - Deputy Managing Director                   |
| U Udayabhaskar Reddy | - Wholetime Director                         |
| S R Srinivasan       | - Director-Finance & Chief Financial Officer |
| S Devaki             |  |
| R Vijayaraghavan     |  |
| V Govind             |  |
| V Shankar            |  |
| R Raghavan           |  |
| T R Chandrasekaran   |  |

**Registered Office**

S.T. Tower, New No. 24 & 25, II Floor,  
Second Line Beach Road, Chennai - 600 001.  
Tel.: 91-44-66449000  
Fax: 91-44-66449009  
Website : [www.sancotrans.com](http://www.sancotrans.com)  
Email ID : [shareholder@sancotrans.com](mailto:shareholder@sancotrans.com)

**Branch Offices**

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

**Bankers**

IDBI Bank  
HDFC Bank  
Indian Bank

**Company Secretary**

M V M Sundar

**Auditors**

M/s R. Sundararajan Associates  
Flat No: G1, Royal Gokulam  
No.2, Iyyappan Street, East Tambaram,  
Chennai - 600059.

**Registrars & Share Transfer Agents**

M/s. Cameo Corporate Services Limited  
Subramanian Building, No.1, Club Road  
Chennai – 600 002.  
Telephone No.2846 0390 (5 Lines)

**Listing of Equity Shares**

BSE Limited, Mumbai.

**Annual General Meeting**

19th September 2018, 10.15 am  
Narada Gana Sabha, Mini Hall, 314, T.T.K Road,  
Alwarpet, Chennai 600018

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

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**BOARD'S REPORT**

**Dear Members,**

The Directors are pleased to present their 38th Annual Report of the Company, together with the Audited Financial Statements for the year ended March 31, 2018.

**1. Financial highlights**

(Rs. Lakhs)

	<b>For the year 2017-18</b>	<b>For the year 2016-17</b>
Total Income	8356.96	8481.53
Profit before Interest, Depreciation and Taxes	725.74	956.73
Interest	261.62	340.83
Depreciation and amortisation	565.58	583.88
Profit before tax	(101.46)	32.02
Tax expense	(123.26)	(35.98)
Profit after tax	21.80	68.00

The Company has adopted "Indian Accounting Standards (Ind AS) with effect from April 1, 2017. Financial Statements for the year ended and as at March 31, 2017 have been restated to conform to Ind AS (refer Note nos. 29 & 30 to the Standalone Financial Statements).

**2. Management Discussion & Analysis**

A detailed analysis on the performance of the industry, the company, internal control systems, risk management are enumerated in the Management Discussion and Analysis report forming part of this report and annexed as 'Annexure A'.

**3. Dividend**

The Directors have recommended a dividend of Rs. 0.90 per Equity share of Rs. 10/- each (9%) for the financial year ended March 31, 2018. Payment of Dividend is subject to the approval of shareholders at the ensuing Annual General Meeting. The Company has not transferred any amount to the General Reserve account.

**4. Unclaimed Dividends**

There are no unclaimed dividends to be transferred to the credit of Investor Education and Protection Fund as on date.

**5. Directors & Key managerial Personnel**

**i. Re-appointment of Directors:**

Pursuant to the recommendation of Nomination and Remuneration Committee, Mr. V. Upendran has been re-appointed as Chairman & Managing Director for a further period of two years with effect from April 01, 2018 by the Board of Directors at its meeting held on February 14, 2018, subject to the approval of shareholders. Mr. S. R. Srinivasan, Director - Finance, retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

The resolutions seeking approval of the members of the Company for the re-appointment of Mr. V. Upendran, Chairman & Managing Director and Mr. S. R. Srinivasan, Director – Finance have been incorporated in the Notice of the Thirty Eighth Annual General Meeting of the Company along with the details about them

**ii. Key managerial Personnel:**

Mr. M. V. M. Sundar, Company Secretary was appointed as Whole Time Secretary of the Company effective from March 27, 2018 pursuant to Section 203 of the Companies Act, 2013.

**iii. Statement on Declaration by the Independent Directors of the Company:**

All the Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The terms and conditions of appointment of the Independent Directors are posted on the website of the Company under the web link <http://www.sancotrans.com/stl.html>.





**BOARD'S REPORT**

**6. Auditors**

M/s. R. Sundararajan & Associates, Chartered Accountants, Chennai (FRN: 008282S), Statutory Auditors of the company hold office till the conclusion of the Forty Second Annual General Meeting of the Company.

The Auditor's report to the shareholders on the standalone and consolidated financial statement for the year ended March 31, 2018 does not contain any qualification or adverse comment.

**7. Corporate Governance**

The Company is in full compliance with the Corporate Governance guidelines as laid out in the in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance is attached as 'Annexure B' to this Report.

The Auditors' Certificate of the Compliance with the Corporate Governance requirements by the Company is attached as 'Annexure C' to this Report.

The Managing Director and Chief Financial Officer (CFO) certification as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as 'Annexure D' to this Report.

**8. Consolidated Financial Statements**

The Audited Consolidated Financial Statements provided in the Annual Report pursuant to Section 129(3) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in accordance with Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India.

**9. Subsidiaries, Associates and Joint Ventures**

Pursuant to Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries (in Form AOC-1) is attached as 'Annexure E' to this Report.

There is a proposal to merge Sanco Transport Limited, Wholly Owned Subsidiary with the Company with appointed date as March 01, 2018. The Merger Scheme will be given effect to upon requisite approvals being obtained.

**10. Extract of Annual Return**

An extract of Annual Return in Form MGT-9 as on March 31, 2018 is attached as 'Annexure F' to this Report.

**11. Board Meetings held during the year**

During the year, 8 (eight) meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this Report.

**12. Directors' responsibility statement**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013:

- a. in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b. for the financial year ended March 31, 2018, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit of the Company for the year ended March 31, 2018.
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the annual financial statements have been prepared on a going concern basis.
- e. that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.



## BOARD'S REPORT

### 13. Remuneration Policy of the Company

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached to this Report.

### 14. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

There were no loans or guarantees or investments made by the Company under Section 186 of the Companies Act, 2013, during the financial year under review.

### 15. Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Ms. A. K. Jain & Associates, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2018. The Secretarial Audit Report (in Form MR-3) is attached as 'Annexure G' to this Report.

Reply to point no. (a) in Para 7 of the Secretarial Audit Report:

The Company has appointed Company Secretary with effect from March 27, 2018.

### 16. Related Party Transactions

During the year, all transactions entered by the company with Related Parties were in the ordinary course of business and at arm's length pricing basis and the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

There were no materially significant transactions with Related Parties during the financial year 2017-18 which were in conflict with the interest of the Company.

Suitable disclosures as required under Ind-AS 24 have been made in Note 39 of the Notes to the financial statements. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure H in Form AOC-2 and the same forms part of this report.

The policies on Related Party Transactions and Material Subsidiary as approved by the Board of Directors have been posted in the website under the web link <http://www.sancotrans.com/stl.html>.

### 17. Risk Management Policy

The Company has a proper Risk Management policy towards operations and administrative affairs of the Company formulated by the Risk Management Committee.

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

### 18. Corporate Social Responsibility (CSR) initiatives

The Company does not fall under the class of Companies mentioned under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, hence the Company has not spent any funds towards Corporate Social Responsibility.

### 19. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination & Remuneration and Stakeholders Relationship Committee) and individual Directors (without participation of the relevant Director).



**BOARD'S REPORT**

**20. Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Whistle Blower Policy and has posted in the website under the web link <http://www.sancotrans.com/stl.html>. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**21. Public Deposits**

During the financial year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**22. Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2018 and July 07, 2018 (date of the Report)**

There were no material changes and commitments affecting the financial position of the company between the end of financial year (March 31, 2018) and the date of the Report (July 07, 2018).

**23. Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

**24. Conservation of energy, technology absorption**

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

**25. Foreign exchange earnings and outgo**

During the year your company earned foreign exchange to an extent of Rs. 83.51 Lakhs (2016-17 Rs. 31.85 Lakhs) and expended foreign currency to an extent of Rs. 4.74 Lakhs (2016-17 Rs. 11.73 Lakhs).

**26. Particulars regarding employees**

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

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, forming part of the Annual Report, is available for inspection at the registered office of the company during working hours. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

**27. Industrial relations**

Industrial relations remained cordial and harmonious throughout the year.

**28. Acknowledgements**

The Directors wish to thank all the employees, shareholders, bankers, customers, suppliers and Government Authorities for their continued co-operation throughout the year.

For and on behalf of the Board of Directors

Place : Chennai  
Dated : July 07, 2018

**V Upendran**  
Chairman & Managing Director  
(DIN: 00557511)



**ANNEXURE A TO BOARD'S REPORT**

**Management Discussion and Analysis Report**

**A. About the Company**

The Company was incorporated by late Sri K Santhanam Reddiar in the year 1979 as a Private Limited Company with a paid up share capital of Rs. 5 Lakhs which took over his proprietary business carried on in that name and was converted into a Public Limited Company in the year 1986.

The key performance indicators of the company for 10 years are given below:

(Rs Lakhs)								
Year ended 31st March	Revenue	Profit before tax	Profit after tax	Total Compre hensive income	Net worth	Fixed Assets-net	Dividend %	Earnings per share (Rupees)
2009	6171.76	1654.99	1060.58	NA	6761.59	7828.18	45	58.92
2010	5053.50	935.61	610.90	NA	7396.77	7930.92	27	33.94
2011	6311.87	752.25	828.45	NA	8202.73	7905.22	27	46.03
2012	7807.43	985.82	766.04	NA	8733.33	8473.33	27	42.56
2013	7770.26	925.33	636.58	NA	9316.45	10597.43	27	35.37
2014	7500.75	489.72	416.27	NA	9673.43	11472.48	27	23.13
2015	7677.93	227.78	235.67	NA	9844.53	11460.48	27	13.09
2016	7723.34	116.99	107.36	NA	9912.89	11702.08	18	5.96
2017*	8481.53	32.02	68.00	63.92	9747.38	11103.87	9	1.81
2018*	8356.96	(101.46)	21.80	25.95	9830.70	10662.51	9	1.21

\*Figures are regrouped/restated as per Indian Accounting Standards

**B. Industry Progress and outlook:**

The Indian economy achieved an impressive growth rate of 7.2% during the 3rd quarter of FY. 2018-2019 as against 6.5% in the earlier quarter, giving the economy the required momentum. The strong growth rate in the 3rd quarter was primarily due to good performance of manufacturing and construction sectors.

Indian exports saw a positive growth during February 2018. Exports include major products like Petroleum / Chemicals / Drugs /Rice / Electronic goods. However, Imports did not show the required growth. Solar Energy Industry was the major importer of the panels during the FY. Other industries like Automobile / Raw material maintained the previous year's performance.

With regards to our industry, inspite of all the four container terminals are operational, there has not been any addition to the volumes handled when compared to FY 2016-17. Couple of much anticipated investments in the Auto and Electronics sector have moved to our neighbouring state which has resulted in the shift of volumes from our state.

Facilities given to the organizations with Authorised Economic Operator (AEO) certification, such as (i) Direct Port Delivery (DPD) to the Importer's factory from the Port (ii) Direct Port Export (DPE) from the Exporters Premises to the Port (iii) Electronic filing of documents have dented our volumes and revenues significantly.

**C. Financial Review**

The revenue from operations has declined by 2.80% during the financial year 2017-18 as compared to previous financial year 2016-17 mainly on account of dip in revenue in storage and handling from Container Freight Station (CFS) operations despite increased income from CFS at Andarkuppam.

The Company has reduced the operating expenses and other fixed costs to the extent possible and also managed to bring down the interest costs on term loans and working capital. These efforts have resulted in restraining the losses. It is also to be noted that additional amortisation / depreciation of the warehouse at the CFS Andarkuppam impacted the net profit.



## ANNEXURE A TO BOARD'S REPORT

### D. Internal Control Systems and their adequacy

The company's internal control system has been developed taking into account the size of operations to make sure that it would provide for accurate recording of transactions which in turn provides for safe guarding of assets and for compliance to mandatory accounting standards.

Consequent to the implementation of Companies Act, 2013 (Act), the Company has complied with the specific requirements in terms of Section 134(5)(e) of the said Act calling for establishment and implementation of an Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Directors' responsibility statement.

The Internal Auditor of the company carried out periodical verifications at all locations and all divisions as per the audit plan approved by Audit Committee. The observations are discussed with management and actions wherever required to strengthen the controls are taken. Significant observations are placed and discussed in Audit Committee every quarter.

Further, MD and CFO certification are provided in the Annual Report confirming the existence on adequacy of our internal financial control systems and procedures.

### E. Opportunities and Threats

We believe that our strengths includes

- Facilities to handle 7500 TEUs per month to handle Import Laden Container and 2000 TEUs per month to handle Export Laden Container.
- 6 million sq ft dedicated Empty Container Terminal and Maintenance & Repair service (IICL approved).
- Availability of sufficient number of operating equipments like Reach Stackers to handle the containers without delay.
- Professionally engineered yard for economical stacking and delivery.
- Warehouse space availability (bonded, general warehouse, export and import) 3,00,000 sq.ft
- Location Advantage: Container Freight Station closest to Chennai port and containers can reach to/from port gate within 40 minutes.
- Serving major shipping line customers.

Despite the above strengths, the company's business volume depends on the total volume handled at Chennai port. Movements at Chennai port was hampered due to lack of road connectivity and certain infra structure facilities not taken up or stalled. Consequently the revenues/profits of the company are difficult to predict.

### F. Risk Management

The Risk Management Committee discusses with Heads of Divisions for assessment of risks and will put risk mitigation plans wherever required.

### G. Human Resources

During the year under review, the total number of people on the rolls of the company is 213 and the company sustained harmonious and cordial relations all through the year.

### H. Cautionary note

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

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



**ANNEXURE B TO BOARD'S REPORT**

**Report on Corporate Governance**

**1. Philosophy on Corporate Governance**

The Board of Directors and the Management of Sanco Trans Limited commit themselves to

- Strive towards enhancement of shareholder value through
  - sound business decisions
  - prudent financial management and
  - high standards of ethics throughout the organization
  
- Ensure transparency and professionalism in all decisions and transactions of the company; and
- Achieve excellence in Corporate Governance through
  - conforming to and exceeding wherever possible; the prevalent mandatory guidelines on Corporate Governance
  - regular review of the Board processes and the management systems for further improvement
- Apart from the above stated objectives the Board and the Management have been following scrupulously the abiding philosophy of the Founder of the Company Late Sri K Santhanam Reddiar which is reflected in the below mentioned words-

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

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

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

**2. Board of Directors**

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

**a. Composition**

**i) Independent Directors**

1. Mr. R. Vijayaraghavan
2. Mr. V. Govind
3. Mr. V. Shankar
4. Mr. R. Raghavan
5. Mr. T. R. Chandrasekaran

**ii) Non-Independent Director**

1. Mrs. S. Devaki

**iii) Executive Directors**

- |                              |   |                                |
|------------------------------|---|--------------------------------|
| 1. Mr. V. Upendran           | - | Chairman and Managing Director |
| 2. Mr. S. Sathyanarayanan    | - | Deputy Managing Director       |
| 3. Mr. U. Udayabhaskar Reddy | - | Whole Time Director            |
| 4. Mr. S. R. Srinivasan      | - | Director Finance               |

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



**ANNEXURE B TO BOARD'S REPORT**

**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 2017-18	Whether attended last AGM held on Sep 18, 2017	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
Mr. V Upendran	8	Yes	2	1	1	1
Mr. S Sathyanarayanan	8	Yes	2	Nil	Nil	Nil
Mr. U Udayabhaskar Reddy	8	Yes	2	Nil	Nil	Nil
Mrs. S Devaki	5	Yes	Nil	Nil	Nil	Nil
Mr. S R Srinivasan	8	Yes	Nil	Nil	Nil	Nil
Mr. R Vijayaraghavan	8	Yes	8	Nil	11	7
Mr. V Govind	4	No	2	Nil	1	1
Mr. V Shankar	8	Yes	Nil	Nil	Nil	Nil
Mr. R Raghavan	8	Yes	Nil	Nil	Nil	Nil
Mr. T R Chandrasekaran	8	Yes	1	Nil	2	Nil

\*Represents memberships in Audit committee, Nomination & Remuneration Committee and Shareholders/Investors Grievance Committee of Public Companies governed by the Companies Act, 2013.

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

**The details of shares held by the Directors of the Company are furnished below:**

Name of the Director	No of equity shares
Mr. V. Upendran	79900
Mrs. S. Devaki	212750
Mr. S. Sathyanarayanan	199400
Mr. R. Raghavan	300

There are no shares held by any other Directors.

**Board meetings held during the year 2017-18 and attendance details:**

Date of meeting	Total no. of Directors	No of Directors present
May 30, 2017	10	9
July 15, 2017	10	9
September 14, 2017	10	10
October 05, 2017	10	10
December 14, 2017	10	8
February 14, 2018	10	9
February 24, 2018	10	8
March 27, 2018	10	10

- The time gap between any two meetings did not exceed 120 days.
- The last Annual General Meeting was held on September 18, 2017



**ANNEXURE B TO BOARD'S REPORT**

**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 Part A of Schedule II to SEBI Listing Regulations is provided to the Board at every meeting.

The company has put in place a system to familiarize the Independent Directors about the company's operations and business. In addition, the company also undertakes various measures to update the Independent Directors about the ongoing events and developments relating to the company. The company has disclosed the familiarization programme on its website under the web link <http://www.sancostrans.com/stl.html>.

**3. Audit Committee**

**a) Composition, Names of Members and Chairman:**

The Audit Committee comprises of Independent Directors, with Mr. R Vijayaraghavan as Chairman, Mr. V Govind, as Member and Mr. V Shankar as Member.

All the members of the Audit Committee have the expertise in Finance and in General Management. Mr. R Vijayaraghavan is Partner of a renowned firm of Advocates, specialized in Taxation matters and corporate law. Mr. V Govind is Managing Director of Lotus group of companies. Mr. V Shankar is a Chartered Accountant and Company Secretary & specialist in Company law matters.

**b) Terms of reference in brief:**

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

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

The terms of reference have been reviewed from time to time and the committee has been mandated to review on compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**c) Meetings and Attendance:**

Audit committee meetings held and its attendance during the year 2017-18:

<b>Date of meeting</b>	<b>No. of members present</b>
May 30, 2017	3
July 15, 2017	2
September 14, 2017	3
October 05, 2017	3
December 14, 2017	2
February 14, 2018	2

The Statutory Auditors of the Company and the Internal Auditors have been invited to attend the Audit Committee meetings.

**4. Nomination & Remuneration Committee**

**a) Composition, Names of Members and Chairman:**

The Nomination & Remuneration committee comprises of the following independent Directors viz Mr. Mr. R Vijayaraghavan as the Chairman and Mr. V. Shankar and Mr. R. Raghavan as members.





**ANNEXURE B TO BOARD'S REPORT**

**b) Terms of Reference in brief:**

- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- Formulate Remuneration Policy which includes the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

**c) Meetings and Attendance:**

<b>Date of meeting</b>	<b>No. of members present</b>
February 14, 2018	3
March 27, 2018	3

**d) Performance Evaluation:**

The Board has carried out the performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and its committees, number of committees and their roles, frequency of meetings, level of participation, independence of judgement, performance of their duties and obligations and implementation of good corporate governance practices.

Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-independent Directors. The Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, individual Non-Independent Board Members, Independent Directors and the Chairman.

**e) Remuneration Policy:**

1. Objective

The objective of the policy is to attract, retain and motivate the individuals that the company needs to achieve its goals.

2. Nomination and Remuneration Committee:

The committee is responsible for formulating and making amendments to the policy for the Directors, and Key Managerial Personnel (KMP) and Senior Managerial Personnel of Sanco Trans Limited.

3. Remuneration to Non – Executive Directors:

Sitting Fees:

The Non-Executive / Independent Director are remunerated by way of sitting fees for attending meetings of the Board or Committee thereof as decided collectively by the members of the Board of Directors. The amount of such fees shall not exceed Rs.1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee or such other amount as may be prescribed by the Central Government from time to time.

4. Remuneration for the Managing Director, Whole-Time Director, KMP and Senior Management Personnel:

a. The remuneration / compensation / commission etc. to the Whole-Time / Managing Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders/ Central Government, wherever required.

The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel, will be determined by the Managing Director which will be ratified by the Committee and the Board.

b. Minimum remuneration:

If, in any financial year, the company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-Time/ Managing Director in accordance with the provisions of the Companies Act.



**ANNEXURE B TO BOARD'S REPORT**

5. Remuneration for other employees:

The company reviews the performance of other employees annually and the remuneration is fixed. The remuneration consists of fixed pay, applicable DA and other allowances.

6. Remuneration for Workmen:

Remuneration for workmen is negotiated and agreed upon on periodical basis. Increase in remuneration of workmen is effected based on a review of performance of the company and increase in cost of living index.

7. Term of Appointment:

Term of Managing Director / Whole Time Director is generally for a period of 3 years and renewed for periods decided from time to time. Term of other employees generally is upto the age of superannuation. However the company also employs contract employees as consultants on need basis.

8. Post Retirement Benefits:

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

9. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**f) Criteria of making payments to Non-Executive Directors:**

The Non-Executive Directors of the company are paid remuneration by way of sitting fees based on the Remuneration policy framed by the Nomination & Remuneration Committee. The payment is made based on the Member's attendance in the meetings.

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

Particulars	Sitting Fees
Board Meeting & Audit Committee meeting	Rs. 10,000/-
Other Committee Meetings	Rs. 5,000/-

**g) The details of remuneration paid/payable to the Directors during 2017-18 are:**

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

- 1. Mrs. S Devaki - Rs. 50,000/-
- 2. Mr. R Vijayaraghavan - Rs. 1,60,000/-
- 3. Mr. V Govind - Rs. 70,000/-
- 4. Mr. V Shankar - Rs. 2,15,000/-
- 5. Mr. R. Raghavan - Rs. 1,00,000/-
- 6. Mr. T. R. Chandrasekaran - Rs. 90,000/-

ii) Managing Director/Whole time Directors

	Managing Director (Rs)	Deputy Managing Director (Rs)	Whole time Director (Rs)	Director Finance & CFO (Rs)
Salary	36,00,000	30,00,000	17,40,000	21,00,000
Allowances	--	9,00,000	6,60,000	3,00,000
Perquisites	--	3,00,000	--	--
Employer Contribution to PF	4,32,000	3,24,000	2,08,800	2,52,000

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



**ANNEXURE B TO BOARD'S REPORT**

**5. Stakeholders Relationship Committee**

- a. The Stakeholders Relationship Committee consists of Mr. V. Shankar, Independent Non – Executive Director as Chairman, Mr. U. Udayabhaskar Reddy, Whole-time Director and Mr. S. R. Srinivasan, Director – Finance as members.
- b. The name and designation of Compliance Officer: Mr. M. V. M. Sundar, Company Secretary
- c. The number of investor complaints received during the year is nil.
- d. The number of investor complaints not solved to the satisfaction of Shareholders is nil.
- e. The number of pending complaints as on date is nil.

**6. Corporate Social Responsibility Committee**

The company has constituted Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 comprising of Mr. S. Sathyanarayanan as Chairman, Mr. V. Upendran and Mr. V. Govind as members. The Committee was not required to meet during the financial year.

**7. Other Committee**

The Company has constituted Finance and Investment Committee comprising of Mr. V. Upendran as Chairman and Mr. S. Sathyanarayanan, Mr. U. Udayabhaskar Reddy, Mr. S. R. Srinivasan & Mr. R. Raghavan as members. The Committee did not meet during the financial year.

**8. General Body meetings**

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

<b>Year</b>	<b>Location</b>	<b>Date &amp; Time</b>
35th AGM - 2015	Narada Gana Sabha Mini Hall, 314, TTK Road, Alwarpet, Chennai 600018	August 19, 2015 10.15 am
36th AGM - 2016	Narada Gana Sabha Mini Hall, 314, TTK Road, Alwarpet, Chennai 600018	September 15, 2016 10.15 am
37th AGM - 2017	Narada Gana Sabha Mini Hall, 314, TTK Road, Alwarpet, Chennai 600018	September 18, 2017 10.00 am

- b) Special Resolutions have been passed in the previous three Annual General Meetings.
- c) No special resolution was passed through postal ballot during the financial year 2017-18.
- d) No Extra Ordinary General Meeting was held in the last three years.
- e) No special resolution is proposed to be conducted through postal ballot.

**9. Other Disclosures**

**a. Related Party Transactions:**

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 2017-18.

The company has formulated a policy on related party transactions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the policy is hosted in the website under the web link <http://www.sancotrans.com/stl.html>.



## ANNEXURE B TO BOARD'S REPORT

b. 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.

**c. Whistle Blower Policy:**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Whistle Blower Policy and has posted in the website under the web link <http://www.sancotrans.com/stl.html>. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**d. Subsidiary Companies:**

The company has formulated a policy for determining Material Subsidiary as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the policy is hosted in the website under the web link <http://www.sancotrans.com/stl.html>.

The company does not have any material unlisted Indian subsidiary. The minutes of the meetings of the Board of Directors of the subsidiary companies are placed in the meetings of the Board of Directors of the Company.

**e. Reconciliation of share capital audit:**

The Company has engaged a qualified practicing Company Secretary to carry out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**f. Disclosure of Accounting Treatment:**

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

**g. Code of Conduct:**

Your Company has adopted a Code of Conduct for members of the Board and the Senior Management personnel. The Code has been hosted on the Company's website under the web link <http://www.sancotrans.com/stl.html>.

**h. Code of Conduct for prohibition of insider trading:**

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. The Code has been hosted on the Company's website under the web link <http://www.sancotrans.com/stl.html>.

i. The Company has complied with all other mandatory requirements in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**10. 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).



**ANNEXURE B TO BOARD'S REPORT**

- 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 'Annexure A' to the Directors' Report.

**11. General shareholder information**

**a. 38th Annual General Meeting**

Day : Wednesday  
 Date and Time : 19th September, 2018 at 10.15 AM  
 Venue : Narada Gana Sabha, Mini Hall, 314,  
 T.T.K Road, Alwarpet, Chennai 600018

**b. Financial Calendar**

First quarter results	Second week of August 2018
Second quarter results	Second week of November 2018
Third quarter results	Second week of February 2019
Audited Results for the year 2018-19	Before end of May 2019

- c. **Book Closure dates** : 13.09.2018 to 19.09.2018
- d. **Dividend payment date** : Commencing on September 24, 2018 –  
 To be completed within the statutory time limit

**e. Listing/Stock Code of equity shares:**

<b>Name of exchange</b>	<b>Stock code</b>
BSE Limited	523116

**f. Market price data**

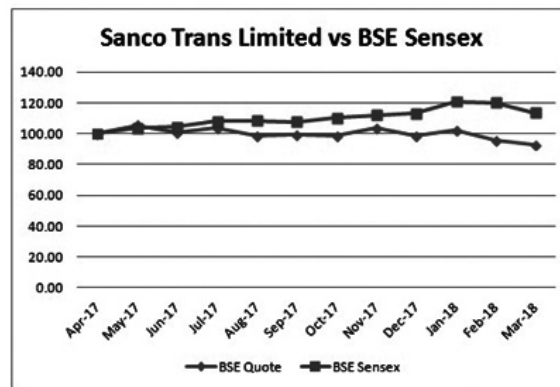
Month & Year	BSE LIMITED			
	Share Price (Rs)		Sensex	
	High	Low	High	Low
April-17	285.00	261.25	30184.22	29241.48
May-17	300.95	265.00	31255.28	29804.12
June-17	288.00	251.00	31522.87	30680.66
July-17	294.85	257.60	32672.66	31017.11
August-17	282.00	242.35	32686.48	31128.02
September-17	284.10	260.00	32524.11	31081.83
October-17	281.40	255.00	33340.17	31440.48
November-17	295.50	242.25	33865.95	32683.59
December-17	282.00	244.00	34137.97	32565.16
January-18	292.00	251.95	36443.98	33703.37
February-18	272.25	240.00	36256.83	33482.81
March -18	264.65	234.70	34278.63	32483.84



**ANNEXURE B TO BOARD'S REPORT**

**g. Performance in comparison to BSE Sensex**

<b>STOCK PERFORMANCE VS BSE SENSEX</b>				
<b>Month</b>	<b>BSE Quote</b>	<b>% to base</b>	<b>BSE Sensex</b>	<b>% to base</b>
	<b>(High)</b>		<b>(High)</b>	
April-17	285.00	100.00	30184.22	100.00
May-17	300.95	105.60	31255.28	103.55
June-17	288.00	101.05	31522.87	104.43
July-17	294.85	103.46	32672.66	108.24
August-17	282.00	98.95	32686.48	108.29
September-17	284.10	99.68	32524.11	107.75
October-17	281.40	98.74	33340.17	110.46
November-17	295.50	103.68	33865.95	112.20
December-17	282.00	98.95	34137.97	113.10
January-18	292.00	102.46	36443.98	120.74
February-18	272.25	95.53	36256.83	120.12
March -18	264.65	92.86	34278.63	113.56



**h. Registrar and Transfer Agents**

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

**i. Share transfer system**

The share transfers, transmission & requests for dematerialization were approved in the Stakeholders' Relationship Committee meetings within the statutory time limit.

**j. Distribution of shareholding as on March 31, 2018:**

<b>Range</b>	<b>Shareholders</b>		<b>Shares</b>	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
1 - 100	1630	71.9964	73220	4.0677
101 - 500	487	21.5106	131460	7.3033
501 -1000	70	3.0918	54788	3.0437
1001 -2000	38	1.6784	56146	3.1192
2001 -3000	13	0.5742	32313	1.7951
3001 -4000	5	0.2208	17791	0.9883
4001 -5000	2	0.0883	8705	0.4836
5001 -10000	5	0.2208	39651	2.2028
10001- And above	14	0.6183	1385926	76.9958
<b>TOTAL</b>	<b>2264</b>	<b>100.0000</b>	<b>1800000</b>	<b>100.0000</b>



**ANNEXURE B TO BOARD'S REPORT**

**k. Shareholding pattern as on March 31, 2017:**

Sl No	Category	No. of holders	No. of Shares	%
1	Promoters	9	1265233	70.29
2	Resident	2193	431526	23.97
3	Bodies corporate	36	64026	3.56
4	Clearing members	3	650	0.04
5	IEPF	1	27451	1.53
6	Non Resident Indians	22	11114	0.62
	<b>TOTAL</b>	<b>2264</b>	<b>1800000</b>	<b>100.00</b>

**l. Dematerialization of shares and liquidity**

Shares of the company can be held and traded in dematerialized form. The pattern of shareholding in physical and dematerialized form as on March 31, 2018 is given below:

Category	No. of holders	No. of Shares
Physical	606	111428
Demat	1658	1688572
Total	2264	1800000

**m. Branches:** Chennai (Container Freight Station), Mumbai, Trichy, Bengaluru.

**n. Address for correspondence**

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

M/s. Cameo Corporate Services Limited  
 Subramanian Building, No. 1, Club House Road,  
 Anna Salai, Chennai - 600 002  
 Tel: 044-28461073 Fax: 044-28460129  
 E Mail: kanthimathi@cameoindia.com

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

Mr. M. V. M. Sundar  
 Company Secretary & Compliance Officer,  
 Sanco Trans Limited,  
 S. T. Tower, New No. 24 & 25,  
 II Floor, Second Line Beach Road,  
 Chennai - 600 001  
 Tel: 044-6644 9000  
 E-Mail: shareholder@sancotrans.com



**ANNEXURE C TO BOARD'S REPORT**

**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To the members of Sanco Trans Limited**

1. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**2. Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**3. Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

8. We 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 R. Sundararajan Associates**

Chartered Accountants

FRN: 008282S

Dated : July 07, 2018

Place : Chennai

**S. Krishnan - Partner**

Membership No: 26452





**ANNEXURE D TO BOARD'S REPORT**

**Certification by Managing Director and Chief Financial Officer**

We, V Upendran, Managing Director and S R Srinivasan, Chief Financial Officer of Sanco Trans Limited, certify that:

1. We have reviewed the financial statements for the year 2017-18 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
  - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's Internal Control System for financial reporting and evaluating its effectiveness. Internal audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit committee of the Board. The auditors and audit committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the auditors and to the Audit Committee:
  - a. significant changes, if any, in internal control over financial reporting during the year;
  - b. significant changes, if any, in accounting policies during the year;
  - c. instances of significant fraud, if any, of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting. However, there was no such instance.

July 07, 2018  
Chennai

**V. Upendran**  
Chairman & Managing Director  
(DIN: 00557511)

**S. R. Srinivasan**  
Director-Finance/Chief Financial Officer  
(DIN: 03559408)

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**Declaration on Compliance with Code of Conduct**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that for the financial year ended March 31, 2018, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

July 07, 2018  
Chennai

**V. Upendran**  
Chairman & Managing Director  
(DIN: 00557511)



ANNEXURE E TO BOARD'S REPORT

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint venture

Part "A" Subsidiaries

S. No	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	(Rs. in Lakhs)	
														% of share holding	
1.	Sanco Transport Limited	Not applicable	Not applicable	5	(504.78)	361.37	361.37	Nil	963.59	(101.56)	Nil	(101.56)	Nil		100
2.	Sanco Clearance Limited	Not applicable	Not applicable	5	(9.05)	3.60	3.60	Nil	Nil	(1.75)	Nil	(1.75)	Nil		100

Notes:

- Names of subsidiaries which are yet to commence operations: M/s. Sanco Clearance Limited
- Names of subsidiaries which have been liquidated or sold during the year: Nil
- The Company has no Associates and Joint Ventures. Hence Part B of Form AOC-1 is not applicable to the company.

Place : Chennai  
Dated : July 07, 2018

For and on behalf of the Board of Directors  
**V Upendran**  
Chairman & Managing Director  
(DIN: 00557511)



**ANNEXURE F TO BOARD'S REPORT**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2018**

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L60220TN1979PLC007970
2.	Registration Date	12.10.1979
3.	Name of the Company	M/s. Sanco Trans Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non Government Company
5.	Address of the Registered office & contact details	S.T. Tower, New No. 24 & 25, II Floor, Second Line Beach Road, Chennai - 600 001.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent	M/s. Cameo Corporate Services Limited Subramanian Building, No. 1, Club House Road, Anna Salai, Chennai – 600 001

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Supporting Transport Services	552	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Appropriate Section
1.	Sanco Transport Limited III Floor, No. 24 & 25, ST Tower, Second Line Beach Road, Chennai - 600001	U74999TN2015PLC099736	Subsidiary	100%	2(87)
2.	Sanco Clearance Limited III Floor, No. 24 & 25, ST Tower, Second Line Beach Road, Chennai - 600001	U74999TN2015PLC099734	Subsidiary	100%	2(87)



ANNEXURE F TO BOARD'S REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

1. Category-wise Share Holding

Cat- egory code	Category of Shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP								
1.	INDIAN								
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	0	0	0	0	0	0	0	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0.0000
c.	BODIES CORPORATE	0	0	0	0	0	0	0	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0	0	0	0	0.0000
e.	ANY OTHER								
	DIRECTORS AND THEIR RELATIVES	1263433	0	1263433	70.1907	1265233	0	1265233	70.2907
		<b>1263433</b>	<b>0</b>	<b>1263433</b>	<b>70.1907</b>	<b>1265233</b>	<b>0</b>	<b>1265233</b>	<b>70.2907</b>
	<b>SUB - TOTAL (A)(1)</b>	<b>1263433</b>	<b>0</b>	<b>1263433</b>	<b>70.1907</b>	<b>1265233</b>	<b>0</b>	<b>1265233</b>	<b>70.2907</b>
2.	FOREIGN								
a.	INDIVIDUALS (NONRESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000
e.	ANY OTHER								
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	<b>1263433</b>	<b>0</b>	<b>1263433</b>	<b>70.1907</b>	<b>1265233</b>	<b>0</b>	<b>1265233</b>	<b>70.2907</b>
B.	PUBLIC SHAREHOLDING								
1.	INSTITUTIONS								
a.	MUTUAL FUNDS/JUTI	0	0	0	0.0000	0	0	0	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000



ANNEXURE F TO BOARD'S REPORT

Cat- egory code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	<b>SUB - TOTAL (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	74104	400	74504	4.1391	63726	300	64026	3.5570	-0.5821
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	265732	142475	408207	22.6781	258581	111126	369707	20.5392	(2.1388)
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	10325	0	10325	0.5736	28408	0	28408	1.5782	1.0046
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	219	0	219	0.0121	650	0	650	0.0361	0.0239
	HINDU UNDIVIDED FAMILIES	33672	2	33674	1.8707	33409	2	33411	1.8561	(0.0146)
	IEPF	0	0	0	0.0000	27451	0	27451	1.5250	1.5250
	NON RESIDENT INDIANS	9638	0	9638	0.5354	11114	0	11114	0.6174	0.0820
		43529	2	43531	2.4183	72624	2	72626	4.0347	1.6163
	<b>SUB - TOTAL (B)(2)</b>	<b>393690</b>	<b>142877</b>	<b>536567</b>	<b>29.8092</b>	<b>423339</b>	<b>111428</b>	<b>534767</b>	<b>29.7092</b>	<b>(0.1000)</b>
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	<b>393690</b>	<b>142877</b>	<b>536567</b>	<b>29.8092</b>	<b>423339</b>	<b>111428</b>	<b>534767</b>	<b>29.7092</b>	<b>(0.1000)</b>
	<b>TOTAL (A)+(B)</b>	<b>1657123</b>	<b>142877</b>	<b>1800000</b>	<b>100.0000</b>	<b>1688572</b>	<b>111428</b>	<b>1800000</b>	<b>100.0000</b>	<b>0.0000</b>
C.	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1657123</b>	<b>142877</b>	<b>1800000</b>	<b>100.0000</b>	<b>1688572</b>	<b>111428</b>	<b>1800000</b>	<b>100.0000</b>	<b>0.0000</b>



ANNEXURE F TO BOARD'S REPORT

2. Shareholding of Promoters:

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	SUDHARSAN LOGISTICS PRIVATE LIMITED	463583	25.7546	0.0000	463583	25.7546	0.0000	0.0000
2	DEVAKI S	212750	11.8194	0.0000	212750	11.8194	0.0000	0.0000
3	SATHYANARAYANAN S	197600	10.9777	0.0000	199400	11.0777	0.0000	0.1000
4	SANCO ESTATES AND FARMS PRIVATE LIMITED	150100	8.3388	0.0000	150100	8.3388	0.0000	0.0000
5	UPENDRAN V	79900	4.4388	0.0000	79900	4.4388	0.0000	0.0000
6	SATHYAVATHI P	40000	2.2222	0.0000	40000	2.2222	0.0000	0.0000
7	GAJALAKSHMI S	40000	2.2222	0.0000	40000	2.2222	0.0000	0.0000
8	GUNAVATHI D	40000	2.2222	0.0000	40000	2.2222	0.0000	0.0000
9	MEERA M	39500	2.1944	0.0000	39500	2.1944	0.0000	0.0000



**ANNEXURE F TO BOARD'S REPORT**

**3 Change in Promoter's Shareholding:**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	SUDHARSAN LOGISTICS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	463583	25.7546	463583	25.7546
	At the end of the Year 31-Mar-2018	463583	25.7546	463583	25.7546
2	DEVAKI S				
	At the beginning of the year 01-Apr-2017	212750	11.8194	212750	11.8194
	At the end of the Year 31-Mar-2018	212750	11.8194	212750	11.8194
3	SATHYANARAYANAN S				
	At the beginning of the year 01-Apr-2017	197600	10.9777	197600	10.9777
	Purchase 17-Nov-2017	1000	0.0555	198600	11.0333
	24-Nov-2017	800	0.0444	199400	11.0777
	At the end of the Year 31-Mar-2018	199400	11.0777	199400	11.0777
4	SANCO ESTATES AND FARMS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	150100	8.3388	150100	8.3388
	At the end of the Year 31-Mar-2018	150100	8.3388	150100	8.3388
5	UPENDRAN V				
	At the beginning of the year 01-Apr-2017	79900	4.4388	79900	4.4388
	At the end of the Year 31-Mar-2018	79900	4.4388	79900	4.4388
6	SATHYAVATHI P				
	At the beginning of the year 01-Apr-2017	40000	2.2222	40000	2.2222
	At the end of the Year 31-Mar-2018	40000	2.2222	40000	2.2222
7	GAJALAKSHMI S				
	At the beginning of the year 01-Apr-2017	40000	2.2222	40000	2.2222
	At the end of the Year 31-Mar-2018	40000	2.2222	40000	2.2222
8	GUNAVATHI D				
	At the beginning of the year 01-Apr-2017	40000	2.2222	40000	2.2222
	At the end of the Year 31-Mar-2018	40000	2.2222	40000	2.2222
9	MEERA M				
	At the beginning of the year 01-Apr-2017	39500	2.1944	39500	2.1944
	At the end of the Year 31-Mar-2018	39500	2.1944	39500	2.1944



**ANNEXURE F TO BOARD'S REPORT**

**4. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	INDFOS INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	33300	1.8500	33300	1.8500
	At the end of the Year 31-Mar-2018	33300	1.8500	33300	1.8500
2	RAJ KUMAR LOHIA				
	At the beginning of the year 01-Apr-2017	21209	1.1782	21209	1.1782
	At the end of the Year 31-Mar-2018	21209	1.1782	21209	1.1782
3	AEQUITAS INVESTMENT CONSULTANCY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	10325	0.5736	10325	0.5736
	At the end of the Year 31-Mar-2018	10325	0.5736	10325	0.5736
4	S N RAJAN				
	JT1 : ANURADHA RAJAN				
	At the beginning of the year 01-Apr-2017	10325	0.5736	10325	0.5736
	Purchase 07-Apr-2017	411	0.0228	10736	0.5964
	Purchase 14-Apr-2017	1062	0.0590	11798	0.6554
	Purchase 21-Apr-2017	1162	0.0645	12960	0.7200
	Purchase 28-Apr-2017	1489	0.0827	14449	0.8027
	Purchase 05-May-2017	1170	0.0650	15619	0.8677
	Purchase 12-May-2017	21	0.0011	15640	0.8688
	Purchase 19-May-2017	7784	0.4324	23424	1.3013
	Purchase 26-May-2017	90	0.0050	23514	1.3063
	Purchase 02-Jun-2017	189	0.0105	23703	1.3168
	Purchase 30-Jun-2017	15	0.0008	23718	1.3176
	Purchase 07-Jul-2017	25	0.0013	23743	1.3190
	Purchase 14-Jul-2017	105	0.0058	23848	1.3248
	Sale 21-Jul-2017	-200	0.0111	23648	1.3137
	Purchase 11-Aug-2017	500	0.0277	24148	1.3415
	Purchase 11-Sep-2017	11	0.0006	24159	1.3421
	Purchase 15-Sep-2017	124	0.0068	24283	1.3490
	Purchase 22-Sep-2017	822	0.0456	25105	1.3947
	Purchase 29-Sep-2017	90	0.0050	25195	1.3997
Sale 10-Nov-2017	-275	0.0152	24920	1.3844	
Purchase 17-Nov-2017	102	0.0056	25022	1.3901	
Purchase 08-Dec-2017	800	0.0444	25822	1.4345	
Sale 12-Jan-2018	-1600	0.0888	24222	1.3456	
Purchase 02-Feb-2018	74	0.0041	24296	1.3497	





**ANNEXURE F TO BOARD'S REPORT**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Purchase 09-Feb-2018	434	0.0241	24730	1.3738
	Purchase 16-Feb-2018	301	0.0167	25031	1.3906
	Purchase 23-Feb-2018	319	0.0177	25350	1.4083
	Purchase 02-Mar-2018	1038	0.0576	26388	1.4660
	Purchase 16-Mar-2018	1190	0.0661	27578	1.5321
	Purchase 23-Mar-2018	363	0.0201	27941	1.5522
	Purchase 30-Mar-2018	467	0.0259	28408	1.5782
	At the end of the Year 31-Mar-2018	28408	1.5782	28408	1.5782
5	SREY FINANCIAL SERVICE PVT. LTD				
	At the beginning of the year 01-Apr-2017	10000	0.5555	10000	0.5555
	At the end of the Year 31-Mar-2018	10000	0.5555	10000	0.5555
6	VENKATTU SRINIVASAN				
	At the beginning of the year 01-Apr-2017	9940	0.5522	9940	0.5522
	Purchase 25-Aug-2017	70	0.0038	10010	0.5561
	Purchase 01-Sep-2017	150	0.0083	10160	0.5644
	Sale 10-Nov-2017	-700	0.0388	9460	0.5255
	Purchase 22-Dec-2017	360	0.0200	9820	0.5455
	Purchase 29-Dec-2017	21	0.0011	9841	0.5467
	Purchase 02-Mar-2018	100	0.0055	9941	0.5522
	At the end of the Year 31-Mar-2018	9941	0.5522	9941	0.5522
7	SUDHEER MAHAJAN				
	JT1 : NAMRATA MAHAJAN				
	At the beginning of the year 01-Apr-2017	7510	0.4172	7510	0.4172
	At the end of the Year 31-Mar-2018	7510	0.4172	7510	0.4172
8	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	6771	0.3761	6771	0.3761
	Sale 14-Apr-2017	-75	0.0041	6696	0.3720
	Sale 19-May-2017	-6696	0.3720	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
9	HITESH RAMJI JAVERI				
	JT1 : RADHABAI RAMJI JAVERI				
	JT2 : HARSHA HITESH JAVERI				
	At the beginning of the year 01-Apr-2017	6500	0.3611	6500	0.3611
	At the end of the Year 31-Mar-2018	6500	0.3611	6500	0.3611
	HAVING SAME PAN				



**ANNEXURE F TO BOARD'S REPORT**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
9	HITESH RAMJI JAVERI				
	JT1 : RADHABAI RAMJI JAVERI				
	JT2 : HARSHA HITESH JAVERI				
	At the beginning of the year 01-Apr-2017	815	0.0452	815	0.0452
	At the end of the Year 31-Mar-2018	815	0.0452	815	0.0452
10	HARSHA HITESH JAVERI				
	JT1 : HITESH RAMJI JAVERI				
	At the beginning of the year 01-Apr-2017	5700	0.3166	5700	0.3166
	At the end of the Year 31-Mar-2018	5700	0.3166	5700	0.3166
	NEW TOP 10 AS ON (31-Mar-2018)				
11	INVESTOR EDUCATION AND PROTECTION FUND				
	AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 01-Dec-2017	27451	1.5250	27451	1.5250
	At the end of the Year 31-Mar-2018	27451	1.5250	27451	1.5250

**5. Shareholding of Directors and Key Managerial Personnel:**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	DEVAKI S				
	At the beginning of the year 01-Apr-2017	212750	11.8194	212750	11.8194
	At the end of the Year 31-Mar-2018	212750	11.8194	212750	11.8194
2	SATHYANARAYANAN S				
	At the beginning of the year 01-Apr-2017	197600	10.9777	197600	10.9777
	At the end of the Year 31-Mar-2018	199400	11.0777	199400	11.0777
3	UPENDRAN V				
	At the beginning of the year 01-Apr-2017	79900	4.4388	79900	4.4388
	At the end of the Year 31-Mar-2018	79900	4.4388	79900	4.4388
4	RAGHAVAN R				
	At the beginning of the year 01-Apr-2017	300	0.0167	300	0.0167
	At the end of the Year 31-Mar-2018	300	0.0167	300	0.0167



**ANNEXURE F TO BOARD'S REPORT**

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

(Rs. Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3071.25	--	--	3071.25
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	22.09	--	--	22.09
<b>Total (i+ii+iii)</b>	<b>3093.34</b>	<b>--</b>	<b>--</b>	<b>3093.34</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	88.34	--	--	88.34
* Reduction	(415.08)	--	--	(415.08)
<b>Net Change</b>	<b>(326.74)</b>	<b>--</b>	<b>--</b>	<b>(326.74)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2766.60	--	--	2766.60
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	21.16	--	--	21.16
<b>Total (i+ii+iii)</b>	<b>2787.76</b>	<b>--</b>	<b>--</b>	<b>2787.76</b>



ANNEXURE F TO BOARD'S REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

In Rupees

S No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. V. Upendran Managing Director	Mr. S. Sathyanarayanan Deputy Managing Director	Mr. U. Udayabhaskar Reddy Whole Time Director	Mr. S.R. Srinivasan Director- Finance & CFO	
	<b>Gross salary</b>	36,00,000	42,00,000	24,00,000	24,00,000	126,00,000
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--	--
2	Stock Option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--	--	--
5	Others, please specify	--	--	--	--	--
	Total (A)	36,00,000	42,00,000	24,00,000	24,00,000	126,00,000
	Ceiling as per the Act	As per section II of Part II of Schedule V to the Companies Act, 2013				

B. Remuneration to other directors

S No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. R. Vijayaraghavan	Mr. V. Shankar	Mr. V. Govind	Mr. R. Raghavan	
1	<b>Independent Directors</b>					
	Fee for attending board committee meetings	1,60,000	2,15,000	70,000	1,00,000	90,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (1)	1,60,000	2,15,000	70,000	1,00,000	90,000
						6,35,000



**ANNEXURE F TO BOARD'S REPORT**

2	Other Non-Executive Directors	Mrs. S Devaki	Total Amount
	Fee for attending board committee meetings	50,000	50,000
	Commission	--	--
	Others, please specify	--	--
	Total (2)	50,000	50,000
	<b>Total (B)=(1+2)</b>		<b>6,85,000</b>
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	As per Section 197 of the Companies Act, 2013	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					



**ANNEXURE G TO BOARD'S REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s. SANCO TRANS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sanco Trans Limited. (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Sanco Trans Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sanco Trans Limited ("the Company") for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

We report that, the following regulations were not applicable to the Company during the audit period:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008;and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that with respect to the other laws specifically applicable to the Company as furnished below, based on the written representations received from the officials/executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines:



**ANNEXURE G TO BOARD'S REPORT**

1. Customs Act 1962.
2. Handling of Cargo in Customs Area Regulations, 2009
3. The Multimodal Transport of Goods Act, 1993
4. Transport of Dangerous Goods Act, 1992
5. IATA Act, 1945
6. The Madras Port Trust (Licensing of Stevedores) Regulations, 1987

We have also examined the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

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

- a) that the Company has not appointed Company Secretary during the period from 01.01.2017 to 26.03.2018.

We further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory audit and by other designated professionals.

We further report that:

- i) the board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and Independent directors.
- ii) adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.
- iii) all the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- iv) there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during audit period, the Board of Directors of the Company has passed resolution on 24.02.2018 for amalgamation/merger of its Wholly Owned Subsidiary, M/s. Sanco Transport Limited with the Company.

We further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Foreign technical collaborations.

Place : Chennai  
Date : 29.05.2018

**For A.K Jain & Associates**  
Company Secretaries

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



**ANNEXURE H TO BOARD'S REPORT**

**Form AOC – 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

- (a) Name(s) of the related party and nature of relationship : Nil
- (b) Nature of contracts / arrangements / transactions: Nil
- (c) Duration of the contracts / arrangements/transactions: Nil
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Justification for entering into such contracts or arrangements or transactions: Nil
- (f) Date(s) of approval by the Board: Nil
- (g) Amount paid as advances, if any: Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Nil

**2. Details of material contracts or arrangement or transactions at arm's length basis**

- (a) Name of the related party and nature of relationship: Nil
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts / arrangements / transactions : Nil
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Date(s) of approval by the Board, if any: Nil
- (f) Amount paid as advances, if any: Nil

Note: All transactions entered by the company with Related Parties were in the ordinary course of business and at arm's length pricing basis and the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions during the financial year 2017-18.

For and on behalf of the Board of Directors

Place : Chennai  
Dated : July 07, 2018

**V Upendran**  
Chairman & Managing Director  
(DIN: 00557511)





**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SANCO TRANS LIMITED**

**Report on the Standalone Financial Statements**

1. We have audited the accompanying Ind AS financial statements of **SANCO TRANS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

**Management's Responsibility for the Standalone Financial Statements**

2. Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder And the order under section 143(11) of the Act.
4. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit (financial performance including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

**Other Matters**

8. The comparative financial information of the Company for the year ended March 31, 2017 and the transition opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on



**INDEPENDENT AUDITOR'S REPORT**

the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion. The comparative financial information for the year ended March 31, 2017 and the opening balance sheet as at April 1, 2016 has been adjusted for the differences in the accounting principles/policies (refer note 30) adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

9. As required by Section 143(3) of the Companies Act, 2013, we report that:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- iii. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- v. On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - i. The Company has in accordance with generally accepted accounting practices, disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Notes 42 to the Ind AS financial statements.
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law (or) accounting standards.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For R. Sundararajan & Associates**

Chartered Accountants  
Registration No. 008282S

Chennai  
29<sup>th</sup> May, 2018

**S. Krishnan - Partner**  
Membership No. 26452



**INDEPENDENT AUDITOR'S REPORT**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 8(vi) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of SANCO TRANS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**INDEPENDENT AUDITOR'S REPORT**

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. Sundararajan & Associates**

Chartered Accountants

Registration No. 008282S

Chennai

29<sup>th</sup> May, 2018

**S. Krishnan - Partner**

Membership No. 26452



**INDEPENDENT AUDITOR'S REPORT**

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Ind AS financial statements of SANCO TRANS LIMITED ("the Company") for the year ended March 31, 2018)**

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the management and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds/ transfer deeds/ conveyance deeds provided to us, we report that, the title deeds, of all freehold land and buildings thereon, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loans to its two subsidiary companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and based on the information and explanations furnished to us, we report that:
  - (a) The terms and conditions of grant of such loans are not prejudicial to the Company's interest.
  - (b) The Schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There are no amounts overdue for more than 90 days.
- (iv) The company has not granted any loans secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (vi) According to information and explanations given to us, the Company has not accepted any deposits during the year and accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vii) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the Company.
- (viii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
  - (a) The company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, Customs duty, Excise duty, value added tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at March 31, 2018 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 are no dues of Sales Tax, Excise Duty and Cess which has not been deposited on account of any dispute with the relevant authorities. Details of dues (including interest, penalty, etc. ) of Income-tax, Service Tax and Customs Duty which have not been deposited as at March 31, 2018 on account of disputes are as stated below:



**INDEPENDENT AUDITOR'S REPORT**

SI No	Name of the statute	Nature of dues	Period to which the amount relates	Disputed dues not deposited Rs. in Lakhs	Forum where the dispute is pending
1	The Income tax Act, 1961	Tax Deducted at Source	Financial Year 2007-08	11.89	CIT(A)
2	The Income tax Act, 1961	Tax Deducted at Source	Financial Year 2008-09	4.13	CIT(A)
3	The Income tax Act, 1961	Tax Deducted at Source	Financial Year 2009-10	1.09	CIT(A)
4	The Income tax Act, 1961	Tax Deducted at Source	Financial Year 2009-10	2.69	CIT(A)
5	Central Excise Act, 1944	Service Tax	18-04-2006 to 31-03-2008	80.15	CESTAT
6	Customs Act	Duty Drawback Claims	Financial Years 2008-09, 2009-10, 2010-11	18.32	CESTAT

- (ix) The Company has neither borrowed from financial institutions or government nor are there any dues to debenture holders. Hence the question of commenting on defaults, if any, in respect of such borrowings, does not arise. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks.
- (x) The Company has not raised any money by way of initial public offer or further public offers (including debt instruments) during the year. Hence, reporting on utilization of such money does not arise. In our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purpose for which they were raised.
- (xi) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xiii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013. The details of related party transactions during the year have been disclosed in the Ind AS financial statements as required by the applicable Accounting Standards. (Refer to Notes of Ind AS financial statements).
- (xv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R. Sundararajan Associates**

Chartered Accountants  
Registration No. 008282S

Chennai  
29<sup>th</sup> May, 2018

**S. Krishnan - Partner**  
Membership No. 26452



**BALANCE SHEET AS AT MARCH 31,2018**

Particulars	Note No. in Part B	As at March 31,2018 Rs. in Lakhs	As at March 31,2017 Rs. in Lakhs	As at April 1, 2016 Rs. in Lakhs
<b>ASSETS</b>				
<b>Non - current assets</b>				
(a) Property, Plant and Equipment	1	10,183.27	10,680.91	11,286.21
(b) Capital work - in - progress	1	464.52	416.73	413.92
(c) Intangible assets	2	14.72	6.23	1.95
(d) Financial Assets				
(i) Investments	3	5.95	10.00	10.00
(ii) Loans	4	387.53	418.49	590.64
(iii) Others	5	154.36	242.09	211.68
(e) Other non - current assets	6	975.06	889.23	705.32
<b>Total non - current assets</b>		<b>12,185.41</b>	<b>12,663.68</b>	<b>13,219.72</b>
<b>Current assets</b>				
(a) Inventories	7	10.48	13.01	11.17
(b) Financial Assets				
(i) Trade receivables	8	2,051.40	1,813.41	1,212.81
(ii) Cash and cash equivalents	9.1	99.55	254.56	37.46
(iii) Bank balances other than (ii) above	9.2	503.70	474.38	444.48
(iv) Others	10	346.76	355.39	414.89
(c) Other current assets	11	161.85	115.01	96.46
<b>Total current assets</b>		<b>3,173.74</b>	<b>3,025.76</b>	<b>2,217.27</b>
<b>Total assets</b>		<b>15,359.15</b>	<b>15,689.44</b>	<b>15,436.99</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	12	180.00	180.00	180.00
(b) Other Equity	13	9,650.70	9,567.38	9,484.87
<b>Total Equity</b>		<b>9,830.70</b>	<b>9,747.38</b>	<b>9,664.87</b>
<b>Liabilities</b>				
<b>Non - current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	14	734.54	1,024.24	1,457.30
(ii) Other financial liabilities	15	46.38	40.53	37.82
(b) Other non -current liabilities	16	15.22	18.37	21.29
(c) Deferred tax liabilities (Net)	17	249.09	438.31	543.86
<b>Total non - current liabilities</b>		<b>1,045.23</b>	<b>1,521.45</b>	<b>2,060.27</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	18	1,433.13	1,397.94	1,038.76
(ii) Trade payables	19	775.21	708.54	491.44
(iii) Other financial liabilities	20	1,993.89	1,898.40	1,791.54
(b) Other current liabilities	21	220.99	255.51	241.19
(c) Provisions	22	60.00	160.22	148.92
<b>Total current liabilities</b>		<b>4,483.22</b>	<b>4,420.61</b>	<b>3,711.85</b>
<b>Total Liabilities</b>		<b>5,528.45</b>	<b>5,942.06</b>	<b>5,772.12</b>
<b>Total Equity and Liabilities</b>		<b>15,359.15</b>	<b>15,689.44</b>	<b>15,436.99</b>

The accompanying notes in Part A and Part B form an integral part of the standalone financial statements  
This is the Balance Sheet referred to in our report of even date.

**For and on behalf of the Board**

For **R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2018**

Particulars	Note No. in Part B	Year ended March 31,2018 Rs. in Lakhs	Year ended March 31,2017 Rs. in Lakhs
<b>Income</b>			
I Revenue from Operations	23	7,997.69	8,228.45
II Other Income	24	359.27	253.08
<b>III Total Income (I+II)</b>		<b>8,356.96</b>	<b>8,481.53</b>
<b>IV Expenses</b>			
Equipment and fleet hire		2,265.85	2,472.96
Operating expenses	25	3,288.89	2,828.32
Employee benefits expense	26	1,065.09	1,044.66
Finance costs	27	270.81	352.77
Depreciation and amortization expense	1,2	565.58	583.88
Other expenses	28	1,002.20	1,166.92
<b>Total expenses (IV)</b>		<b>8,458.42</b>	<b>8,449.51</b>
V Profit/(loss) before exceptional items and tax(III-IV)		(101.46)	32.02
VI Exceptional items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(101.46)</b>	<b>32.02</b>
<b>VIII Tax expense :</b>			
Current tax		3.75	16.05
Prior year tax		(14.68)	(4.07)
Deferred tax		(112.33)	(47.96)
<b>IX Profit/(Loss) for the year (VII-VIII)</b>		<b>21.80</b>	<b>68.00</b>
<b>X Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined Benefits Plan		5.61	(5.91)
(ii) Income tax relating to items above		(1.46)	1.83
B (i) Items that will reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XI Total Other Comprehensive Income for the year</b>		<b>4.15</b>	<b>(4.08)</b>
<b>XII Total Comprehensive Income for the year (IX+X)</b>		<b>25.95</b>	<b>63.92</b>
<b>XIII Earnings per equity share (Face value of Rs.10 each)</b>			
- Basic and Diluted	36	1.21	3.78

The accompanying notes form an integral part of the standalone financial statements  
This is the Statement of Profit and Loss referred to in our report of even date.

**For and on behalf of the Board**

**For R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408





**Cash Flow Statement for the year ended March 31, 2018**

Particulars	Year ended March 31,2018 Rs. in Lakhs	Year ended March 31,2017 Rs. in Lakhs
<b>Cash flows from operating activities</b>		
Profit before tax for the year	(101.46)	32.02
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	558.90	581.85
Amortisation and impairment of intangible assets	6.68	2.03
Net foreign exchange differences	-	(0.76)
Gain/Loss on disposal of property, plant and equipment	(0.14)	17.91
Interest income	(150.39)	(167.08)
Interest expense	261.62	340.83
Movement in -		
(a) Other non current financial assets	1.38	(30.41)
(b) Other non current assets	3.13	49.46
(c) Other non current liabilities	(3.15)	(2.92)
(d) Other non current financial liabilities	5.85	2.71
(e) Non - Current Investments	4.05	-
Working capital adjustments:		
(a) Inventories	2.53	(1.84)
(b) Trade receivables	(237.99)	(599.84)
(c) Other current assets	(46.84)	(18.55)
(d) Other current financial Assets	105.02	11.52
(d) Trade payables	66.67	217.10
(e) Other financial liabilities	146.56	219.45
(f) Other current liabilities	(34.52)	14.32
(g) Provisions	(100.22)	11.30
Cash generated from operations flow	487.68	679.10
Income tax paid	(73.89)	(255.47)
<b>Net cash flows from operating activities</b>	<b>(A) 413.79</b>	<b>423.63</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	0.14	22.71
Purchase of property, plant and equipment	(61.26)	(17.17)
Movement in Capital work in progress	(47.79)	(2.81)
Movements in Other Bank Balances	(35.14)	15.33
Purchase of Intangible assets	(15.16)	(6.31)
Interest received	146.17	169.84
Movement in - Loans given	30.96	172.15
<b>Net cash flows from investing activities</b>	<b>(B) 17.92</b>	<b>353.74</b>



**Cash Flow Statement for the year ended March 31, 2018**

Particulars	Year ended March 31,2018 Rs. in Lakhs	Year ended March 31,2017 Rs. in Lakhs
<b>Cash flows from financing activities</b>		
Interest Paid	(262.55)	(337.03)
Proceeds from borrowings	-	359.18
Repayment of borrowings	(304.65)	(549.45)
Dividends paid	(16.20)	(32.40)
Dividend distribution tax	(3.32)	(6.60)
<b>Net cash flows used in financing activities</b>	<b>(586.72)</b>	<b>(566.30)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(A+B+C)</b>	211.07
Cash and cash equivalents at the beginning of the year	254.56	37.46
<b>Closing Cash and cash equivalents at year end</b>	<b>99.55</b>	<b>254.56</b>
(refer note 9.1 to the Part B of Financial Statements)		

The accompanying notes form an integral part of the standalone financial statements  
This is the Cash flow statement referred to in our report of even date

**For and on behalf of the Board**

For **R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408



**Statement of Changes in Equity for the the year ended March 31,2018**

**A. Equity Share Capital**

**Rs. In Lakhs**

Balance at the beginning of April 1, 2016	Changes in equity share capital during the year	Balance at the end of March 31, 2017	Changes in equity share capital during the year	Balance at the end of March 31,2018
180.00	-	180.00	-	180.00

**B. Other Equity**

**Rs. In Lakhs**

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings		
<b>Balance at the beginning of April 1, 2016</b>	<b>4,712.39</b>	<b>4,772.48</b>		<b>9,484.87</b>
Profit for the year	-	68.00		68.00
Other comprehensive income	-	(4.08)		(4.08)
<b>Total Comprehensive Income for the year</b>	-	<b>63.92</b>	-	<b>63.92</b>
Tax Reversal /(Expenses) recognised in Retained Earnings	-	57.59	-	57.59
Dividend including tax thereon	-	(39.00)	-	(39.00)
Transfer from retained earnings	18.69	(18.69)	-	-
<b>Balance at the end of March 31, 2017</b>	<b>4,731.08</b>	<b>4,836.30</b>	-	<b>9,567.38</b>
Profit for the year	-	21.80	-	21.80
Other comprehensive income	-	4.15	-	4.15
<b>Total Comprehensive Income for the year</b>	-	<b>25.95</b>	-	<b>25.95</b>
Tax Reversal /(Expenses) recognised in Retained Earnings	-	76.89	-	76.89
Dividends including tax thereon	-	(19.52)	-	(19.52)
Transfer from retained earnings	-	-	-	-
<b>Balance at the end of March 31,2018</b>	<b>4,731.08</b>	<b>4,919.62</b>	-	<b>9,650.70</b>

The accompanying notes form an integral part of the standalone financial statements

This is the Statement of changes in Equity referred to in our report of even date.

**For and on behalf of the Board**

For **R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408



## Notes to Standalone Financial Statements - Part A

### 1. CORPORATE INFORMATION

Sanco Trans Limited ("The Company") is a listed Public Company domiciled in India and is incorporated under the provisions of the Companies Act 2013 as applicable in India. The registered office headquartered in Chennai, India,

The Standalone financial statements were approved by the Board of Directors on 29th May 2018.

The Company is principally engaged in providing specialised logistics services across multimodal transport operators and container freight station operations,

### 2. BASIS OF PREPARATION & PRESENTATION

Compliance with Indian Accounting Standard (Ind AS):

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

#### First-time adoption:

In accordance with Ind AS 101 on First time adoption of Ind AS, the Company has prepared its first Ind AS financial statements which include:

- (i) Three Balance sheets namely, the opening Balance sheet as at April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising assets or liabilities which are not permitted by Ind AS, by reclassifying assets and liabilities from previous GAAP as required by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities; and Balance sheets as at March 31, 2018 and 2017; and
- (ii) Two statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

The same accounting policies have been applied for all the periods presented except when the Company has made use of certain exceptions and/ or exemptions.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



## Notes to Standalone Financial Statements - Part A

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act. 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 – non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest lakhs, except where otherwise indicated.

The financial statements were approved for issue by the board of directors on May 29, 2018.

The significant accounting policies are detailed below.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue Recognition:

##### Rendering of Services:

Revenue is measured at the fair value of consideration received or receivable.

Revenue is primarily derived from (i) executed work, at contracted rates, (ii) other work yet to be completed, at estimated net realisable value, (iii) warehousing operations, at estimated net realisable value (net of incentives, discounts, rebates, etc), (iv) container freight operations, at estimated net realisable value and (v) 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. Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and amounts collected on behalf of third party.

The revenue from services is recognised based on the actual service provided till the end of the reporting period, provided that the same can be estimated reliably. When the outcome of the transactions involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of expenses recognised that are recoverable.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised where there is no uncertainty as to measurement or collectability of consideration.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in Profit or Loss in the period in which the circumstances that give rise to the revision become known by the management.

##### Dividend:

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

##### Interest Income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

#### 3.2 Foreign currency transactions:

The Company's financial statements are presented in INR, which is also its functional currency. Transactions in currencies other than the entity's functional currency are translated using the exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at that date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognized as profit or loss in the period in which they arise.



## Notes to Standalone Financial Statements - Part A

### 3.3 Borrowing costs:

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expense in the year in which it is incurred.

### 3.4 Employee benefits:

#### Short term employee obligations:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, compensated absences, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### Post-employment obligations and termination benefits:

The company operates the following post-employment schemes-

- a. Defined Contribution plan such as provident fund, superannuation fund and Employee State Insurance
- b. Defined Benefit Plan such as gratuity and other retirement benefits.

#### Defined contribution plan

Payments to defined contribution plans i.e., Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees. The Company has no further payment obligations once the contributions have been paid.

#### Defined benefit plan

The cost of providing benefits under the defined benefit plan i.e. Gratuity (funded) and other retirement benefits is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Defined benefit costs are comprised of

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. Re-measurement.

Re-measurement of net defined benefit liability/asset is reflected immediately in the balance sheet with a charge or credit in other comprehensive income in the period in which they occur and is not reclassified to profit or loss.

A liability for termination benefits is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

### 3.5 Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised directly in other comprehensive income or in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or in equity respectively.

#### Current tax:

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.



**Notes to Standalone Financial Statements - Part A**

**Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all unused tax credits, deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those unused tax credits, deductible temporary differences and unused losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- (a) in other comprehensive income, is recognised in other comprehensive income.
- (b) directly in equity, is recognised directly in equity

**3.6 (a) Property, Plant and Equipment:**

Property, Plant and equipment held for use in the supply of services, or for administrative purposes, are stated in the balance sheet at cost (net of eligible credit for duties and taxes) less accumulated depreciation and accumulated impairment losses, if any and inclusive of expenses attributable to bringing the asset to its working condition and also borrowing cost in respect of qualifying assets. Costs of civil works (including electrification and fittings is capitalised).

Depreciation on Property, Plant and Equipment is recognised from the date the assets are ready for their intended use so as to write off the cost of the assets less their residual values over their useful lives using the straight-line method.

The useful life of assets is estimated by the Management based on technical assessment. Estimated useful life of assets different from those prescribed under Schedule II to the 2013 Act are disclosed in the Notes to the financial statements.

Depreciation on Property, Plant and Equipment which are added/disposed off during the year, is provided on pro-rata basis with reference to the date of addition/ deletion.

When significant parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of Property, Plant and Equipment.



## Notes to Standalone Financial Statements - Part A

### Transition to IND AS

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Property, Plant and Equipment that are not ready for their intended use are carried at costs

Comprising direct costs and other incidental/attributionable expenses and are reflected under Capital work in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.6 (b) Intangible Assets:

Intangible assets are capitalised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets comprising software acquired are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

The Company has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying values as its deemed cost as of the transition date.

### 3.7 Impairment of assets:

Plant, Property and Equipment and intangible assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.





## Notes to Standalone Financial Statements - Part A

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

### 3.9 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. Costs also include all other costs incurred in bringing the inventory to their present condition.

### 3.10 Cash and Cash Equivalents:

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### 3.11 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is management's best estimate of the consideration required to settle the present obligation at the end of the reporting period. When a provision is measured using the cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed in case of:

- A present obligation arising out of past events, when it is not probable that there will be an outflow of resources that will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.
- Provisions, Contingent liabilities, Contingent assets and commitments are reviewed at each Balance sheet date.
- Provision for litigation related obligation represents liabilities expected to materialise in respect of matters in appeal.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

### 3.12 Exceptional Items:

On certain occasions, the size, the type or incidence of an item of expense or income, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, In that event such income or expense is classified as an exceptional item and accordingly disclosed in notes to the financial statements.

### 3.13 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial



## Notes to Standalone Financial Statements - Part A

assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.

### A. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Classification of financial assets:

Financial instruments that meet the following conditions are subsequently measured at amortised cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at FVTOCI if the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets which are not classified in any of the above categories are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

#### Investments in equity instruments of subsidiaries

The Company measures its investments in equity instruments of subsidiaries at cost in accordance with Ind AS 27. At transition date, the Company has elected to continue with the carrying value of such investments measured as per the previous GAAP and use such carrying value as its deemed cost.

#### Impairment of financial assets:

The Company applies expected credit loss model for recognising impairment loss on financial assets not designated as at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

#### De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

The Company has applied the de-recognition requirements of financial assets prospectively for transactions occurring on or after April 1, 2016 (the transition date).



**Notes to Standalone Financial Statements - Part A**

**Effective interest method:**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest is the rate that exactly discounts estimated future cash receipts.

**B. Financial liabilities and equity instruments**

**Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading, may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other expenses' line item.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

**3.14 Financial liabilities subsequently measured at amortised cost:**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs" line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured (if not designated as at Fair value through profit or loss) at the higher of:



## Notes to Standalone Financial Statements - Part A

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### 3.15 De-recognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the Company) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Company has applied the de-recognition requirements of financial liabilities prospectively for transactions occurring on or after April 1, 2016. (the transition date).

## 4. Critical Accounting Judgments and key sources of estimation uncertainty:

### 4.1 Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the period.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements and or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 4.2 Critical accounting estimates:

#### a. Revenue recognition:

The revenue from services is recognised based on the actual service provided till the end of the reporting period, provided that the same can be estimated reliably. When the outcome of the transactions involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of expenses recognised that are recoverable.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised where there is no uncertainty as to measurement or collectability of consideration.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in Profit or Loss in the period in which the circumstances that give rise to the revision become known by the management.

#### b. Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.



Notes to the Standalone Financial Statements - Part B

	Gross carrying amount					Accumulated depreciation				Net carrying amount
	Balance as at 1 April, 2017	Additions	Disposals	Balance as at 31 March, 2018	Balance as at 1 April, 2017	Depreciation / amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 March, 2018	Balance as at 31 March, 2018	
(a) Land - Freehold	₹ 6,356.71	-	-	₹ 6,356.71	-	-	-	₹ 6,356.71	₹ 6,356.71	
(b) Buildings	₹ 3,387.74	₹ 56.28	-	₹ 3,444.02	₹ 210.81	₹ 211.16	-	₹ 421.97	₹ 3,022.05	
(c) Operating fleet/equipments	₹ 1,354.72	₹ 0.33	-	₹ 1,355.05	₹ 323.53	₹ 303.98	-	₹ 627.51	₹ 727.54	
(d) Machinery	₹ 37.42	-	-	₹ 37.42	₹ 3.55	₹ 3.55	-	₹ 7.10	₹ 30.32	
(e) Office Vehicles	₹ 42.66	-	-	₹ 42.66	₹ 16.68	₹ 14.94	-	₹ 31.62	₹ 11.04	
(f) Furniture	₹ 6.83	-	-	₹ 6.83	₹ 1.40	₹ 1.42	-	₹ 2.82	₹ 4.01	
(g) Office equipment	₹ 74.50	₹ 4.65	-	₹ 79.15	₹ 23.70	₹ 23.85	-	₹ 47.55	₹ 31.60	
<b>Total</b>	<b>₹ 11,260.58</b>	<b>₹ 61.26</b>	-	<b>₹ 11,321.84</b>	<b>₹ 579.67</b>	<b>₹ 558.90</b>	-	<b>₹ 1,138.57</b>	<b>₹ 10,183.27</b>	
<b>Capital work - in - progress</b>									<b>₹ 464.52</b>	

Notes:

- (a) Details of assets pledged as security for borrowings - Refer Note 14.2 and 18.1
- (b) Amount of contractual commitments(net of advances) for acquisition of property, plant and equipment - Rs. Nil (March 31,2017 -Rs .Nil)
- (c) Buildings includes buildings on leasehold having net carrying amount of Rs. 1,821.01 lakhs (March 31, 2017 Rs. 1,958.12 lakhs)

**Note 2 Intangible Assets**

	Gross carrying amount			Accumulated depreciation				Net carrying amount
	Balance as at 1 April, 2017	Additions	Disposals	Balance as at 31 March, 2018	Balance as at 1 April, 2017	Depreciation / amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 March, 2018
Software acquired	₹ 8.26	₹ 15.17	-	₹ 23.43	₹ 2.03	₹ 6.68	-	₹ 8.71
<b>Total</b>	<b>₹ 8.26</b>	<b>₹ 15.17</b>	<b>-</b>	<b>₹ 23.43</b>	<b>₹ 2.03</b>	<b>₹ 6.68</b>	<b>-</b>	<b>₹ 14.72</b>

Notes:

- (a) Amount of contractual commitments for acquisition of intangible assets - Rs. Nil (March 31,2017 Rs . Nil)



Notes to The Standalone Financial Statements - Part B

**Note 1 Property Plant and Equipment and Capital Work in Progress** 2016-17 Rs. In Lakhs

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	Deemed cost as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Deemed cost as at 1 April, 2016	Depreciation / amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 March, 2017	Balance as at 31 March, 2017
(a) Land - Freehold	₹ 6,356.71	-	-	₹ 6,356.71	-	-	-	₹ -	₹ 6,356.71
(b) Buildings	₹ 3,386.59	1.15	-	₹ 3,387.74	-	210.81	-	₹ 210.81	₹ 3,176.93
(c) Operating fleet/equipments	₹ 1,397.52	-	42.80	₹ 1,354.72	-	325.71	2.18	₹ 323.53	₹ 1,031.19
(d) Machinery	₹ 37.42	-	-	₹ 37.42	-	3.55	-	₹ 3.55	₹ 33.87
(e) Office Vehicles	₹ 42.66	-	-	₹ 42.66	-	16.68	-	₹ 16.68	₹ 25.98
(f) Furniture	₹ 6.60	0.23	-	₹ 6.83	-	1.40	-	₹ 1.40	₹ 5.43
(g) Office equipment	₹ 58.71	15.79	-	₹ 74.50	-	23.70	-	₹ 23.70	₹ 50.80
<b>Total</b>	<b>₹ 11,286.21</b>	<b>17.17</b>	<b>42.80</b>	<b>₹ 11,260.58</b>	<b>-</b>	<b>581.85</b>	<b>2.18</b>	<b>₹ 579.67</b>	<b>₹ 10,680.91</b>
<b>Capital work - in - progress</b>	<b>₹ 413.92</b>								<b>₹ 416.73</b>

Notes:

- (a) The Company has elected the previous GAAP carrying amount( i.e. Gross Cost less accumulated depreciation) of PPE as at April 1,2016 (transition date) as deemed cost and has accordingly disclosed the same as above.
- (b) Details of assets pledged as security for borrowings - Refer Note 14.2 and 18.1
- (c) Amount of contractual commitments(net of advances) for acquisition of property, plant and equipment -Rs. Nil (April 1,2016 Rs. Nil)
- (d) Buildings includes buildings on leasehold having net carrying amount of Rs. 1,958.12 lakhs (April 1,2016 Rs. 2,134.78 Lakhs)

**Note 2 Intangible Assets** 2016-17 Rs. In Lakhs

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	Deemed cost as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Deemed cost as at 1 April, 2016	Depreciation / amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 March, 2017	Balance as at 31 March, 2017
Software acquired	₹ 1.95	₹ 6.31	-	₹ 8.26	-	2.03	-	₹ 2.03	₹ 6.23
<b>Total</b>	<b>₹ 1.95</b>	<b>₹ 6.31</b>	<b>-</b>	<b>₹ 8.26</b>	<b>-</b>	<b>2.03</b>	<b>-</b>	<b>₹ 2.03</b>	<b>₹ 6.23</b>

Notes:

- (a) The Company has elected the previous GAAP carrying amount(i.e. Gross Cost less accumulated depreciation/amortisation and impairment) of intangible assets as at April 1,2016 (transition date) as deemed cost and has accordingly disclosed the same as above.
- (b) Amount of contractual commitments for acquisition of intangible assets - Rs. Nil (April 1, 2016 Rs. Nil)



**Notes to the Standalone Financial Statements - Part B**

Rs. In Lakhs

	<b>As at March 31,2018</b>	As at March 31,2017	As at April 1,2016
<b>3 Non - Current Financial Assets - Investments</b>			
Investment in Equity Instruments			
Unquoted 50,000 Equity Shares of Rs 10/- each in wholly owned subsidiary Companies			
Sanco Transport Limited	5.00	5.00	5.00
Sanco Clearance Limited	5.00	5.00	5.00
<b>Sub Total</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
Less : Impairment value of Investments in Sanco Clearance Limited	4.05	-	-
<b>Total Non - Current Investments</b>	<b>5.95</b>	<b>10.00</b>	<b>10.00</b>

Notes :

3.1 Aggregate value of investments as on April 1,2016

Rs. In Lakhs

	Carrying Amount as per previous GAAP	Fair Value adjustments	Carrying Amount as per Ind AS
- In Equity Instruments of subsidiaries	10.00	-	10.00

3.2 The Company has elected the previous GAAP carrying amount of Investments as at April 1,2016 (transition date) as deemed cost and has accordingly accounted for the above Investments at cost.

3.3 Investments are fully paid - up.

3.4 Refer Note. 35.2

**4 Non - Current Financial Assets - Loans**

(Unsecured, considered good unless otherwise stated)

Loans to related parties (Refer Note . 39 and 41)

Considered good	387.53	418.49	590.64
	<b>387.53</b>	<b>418.49</b>	<b>590.64</b>

4.1 The above loans are carried at amortised cost.

**5 Non - Current Financial Assets - Others**

Unsecured, considered good

(a) Security deposits	35.01	36.38	43.52
(b) Interest accrued on fixed deposits	1.73	8.77	3.56
(c) Bank deposits with remaining maturity of more than 12 months	0.46	79.77	26.48
(d) Other advances			
- Rent deposit	95.99	98.76	128.90
- Earnest money deposit	21.17	18.41	9.22
	<b>154.36</b>	<b>242.09</b>	<b>211.68</b>

5.1 The above assets carried at amortised cost.



**Notes to the Standalone Financial Statements - Part B**

Rs. In Lakhs

	<b>As at March 31,2018</b>	As at March 31,2017	As at April 1,2016
<b>6 Other Non - Current Assets</b>			
Unsecured, considered good			
(a) Advance Income tax-net of provisions	936.70	851.88	612.46
(b) Capital Advance	-	-	37.16
(c) Prepaid expenses	24.50	31.39	49.74
(d) Taxes paid under Protest	13.86	5.96	5.96
	<b>975.06</b>	<b>889.23</b>	<b>705.32</b>
<b>7 Current Assets - Inventories</b>			
Stores and spares	10.48	13.01	11.17
	<b>10.48</b>	<b>13.01</b>	<b>11.17</b>
<b>8 Current Financial Assets - Trade Receivables</b>			
Trade receivables - unsecured, considered good			
(a) Related parties (Refer Note . 39)	750.29	631.87	133.48
(b) Others	1,301.11	1,181.54	1,079.33
	<b>2,051.40</b>	<b>1,813.41</b>	<b>1,212.81</b>
<b>9.1 Cash and cash equivalents</b>			
(a) Balance with banks			
- in current account	78.13	226.41	31.60
(b) Cheques on hand	18.80	26.89	-
(c) Cash on hand	2.62	1.26	5.86
	<b>99.55</b>	<b>254.56</b>	<b>37.46</b>
<b>9.2 Bank Balances other than 9.1 above</b>			
(a) Earmarked bank balances - Unclaimed Dividend account	12.50	13.70	14.71
(b) Balance with banks held as Margin money	64.72	72.17	62.86
(c) Bank deposits with original maturity between 3 to 12 months	426.48	388.51	366.91
	<b>503.70</b>	<b>474.38</b>	<b>444.48</b>
<b>10 Current Financial Assets - Others</b>			
Unsecured, considered good			
(a) Interest accrued :			
- Loans to related parties (Refer Note . 39 and 41)	0.89	1.01	-
- Fixed deposits with banks	30.01	18.63	22.40
(b) Unbilled revenue	158.15	247.73	282.36
(c) Advances to others	36.34	49.63	26.52
(d) Employee advance	3.47	5.63	5.62
(e) Bank deposits with remaining maturity less than 12 months	117.89	32.76	77.99
	<b>346.76</b>	<b>355.39</b>	<b>414.89</b>





**Notes to the Standalone Financial Statements - Part B**

	As at March 31,2018	As at March 31,2017	Rs. In Lakhs As at April 1,2016
<b>11 Other Current Assets</b>			
Unsecured, considered good			
(a) Advances to suppliers, contractors and others			
- Related party	44.46	-	-
- Others	70.50	66.43	72.46
(b) Prepaid expenses	46.24	43.11	21.08
(d) Balance with government authorities	0.65	5.47	2.92
	<b>161.85</b>	<b>115.01</b>	<b>96.46</b>

**12 Equity Share Capital**

**Authorised**

70,00,000 ( March31,2017 and April 1, 2016: 70,00,000 )

700.00                      700.00                      700.00

Equity shares of Rs. 10 each with voting rights

700.00                      700.00                      700.00

**Issued and Subscribed and fully paid up**

18,00,000 ( March 31,2017 and April 1,2016: 18,00,000) Equity

180.00                      180.00                      180.00

Shares of Rs.10 each with voting rights

180.00                      180.00                      180.00

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

Name of the shareholder	As at March 31,2018		As at March 31,2017		As at April 1,2016	
	No. of shares held	% of shares held	No. of shares held	% of shares held	No. of shares held	% of shares held
Srimathi. Devaki S	2,12,750	11.82	2,12,750	11.82	2,12,750	11.82
Sri. Sathyanarayanan S	1,99,400	11.08	1,97,600	10.98	1,97,600	10.98
Sudharsan Logistics Private Ltd	4,63,583	25.75	4,63,583	25.75	4,96,883	27.60
Sanco Estates and Farms Private Ltd	1,50,100	8.34	1,50,100	8.34	1,50,100	8.34
<b>Total</b>	<b>10,25,833</b>	<b>56.99</b>	<b>10,24,033</b>	<b>56.89</b>	<b>10,57,333</b>	<b>58.74</b>

12.2 Reconciliation of number of shares

	As at March 31,2018	As at March 31,2017	As at April 1,2016
Opening	18.00	18.00	18.00
Additions/Deletions	-	-	-
Closing	18.00	18.00	18.00

12.3 Rights, Preferences and Restrictions attached to shares The holders of Equity shares are entitled to vote at the General Meeting and also to the dividend declared/paid in proportion to the Shares held by them. Apart from the above, their rights, preferences and restrictions are governed by the terms of their issue under the provisions of the Companies Act, 2013

**13 Other Equity**

Rs. In Lakhs

	Note	As at March 31,2018	As at March 31,2017	As at April 1,2016
General Reserve	A	4,731.08	4,731.08	4,712.39
Retained Earnings	B	4,919.62	4,836.30	4,772.48
		<b>9,650.70</b>	<b>9,567.38</b>	<b>9,484.87</b>

Refer "Statement of Changes in Equity" for additions/ deletions in each reserve



**Notes to the Standalone Financial Statements - Part B**

Notes :

- A. General reserve is created from time to time by transferring profits from retained earnings can be utilised for the purpose such as dividend payout, bonus issue, etc..
- B. In respect of the year ended March 31,2018, the Board of Directors has proposed a dividend of Rs. 0.9 per equity share subject to approval by the shareholders at the ensuing Annual General Meeting. Revaluation reserve of Rs. 4,660.00 lakhs transferred to retained earnings on transition date (April 1,2016) in terms of Ind AS 101 may not be available for distribution of dividend.

	As at March 31,2018	As at March 31,2017	Rs. In Lakhs As at April 1,2016
<b>14 Non - Current Financial Liabilities - Borrowings</b>			
Term loans from Banks - Secured			
(i) Loan for construction of warehouse	-	-	122.94
(ii) Loan for acquisition of Land and building - Head Office	664.77	800.97	913.47
(iii) Loan for acquisition of Capital assets under deferred payment Scheme	69.77	223.27	420.89
	<b>734.54</b>	<b>1,024.24</b>	<b>1,457.30</b>

Notes:

14.1 Refer Note. 20(a) for current maturities of non - current borrowings.

14.2 Security details for borrowings in Note 14 and 20(a)

- (a) Loan sanctioned of Rs .900 Lakhs for construction of warehouse was secured by Land belonging to an enterprise which has a significant influence on the company and is further secured by personal guarantee of three directors.
- (b) Loan Sanctioned of Rs. 1,383 lakhs from Bank for acquisition of Land and building - Head Office is secured by the said immovable property and guaranteed by three directors
- (c) Loan for acquisition of capital assets under deferred payment scheme is secured by hypothecation of related capital assets and guaranteed by Deputy Managing Director.

14.3 For other terms of the borrowings ; Refer Note .50

**15 Non - Current Financial Liabilities - Others**

Rental Deposit	46.38	40.53	37.82
	<b>46.38</b>	<b>40.53</b>	<b>37.82</b>

Note : These are carried at amortised cost.

**16 Non - Current Liabilities - Others**

Rental received in advance	15.22	18.37	21.29
	<b>15.22</b>	<b>18.37</b>	<b>21.29</b>

**17 Deferred Tax Liabilities (Net)**

(a) Deferred tax liabilities	362.52	487.82	593.09
(b) Deferred tax asset	18.51	49.51	49.23
	<b>344.01</b>	<b>438.31</b>	<b>543.86</b>
c) MAT credit entitlement	(94.92)	-	-
	<b>249.09</b>	<b>438.31</b>	<b>543.86</b>

Note: Refer note. 32 details of deferred tax liabilities and assets



**Notes to the Standalone Financial Statements - Part B**

	<b>As at March 31,2018</b>	As at March 31,2017	Rs. In Lakhs As at April 1,2016
<b>18 Current Financial Liabilities - Borrowings</b>			
Loans repayable on demand - Secured			
- From Banks - cash credit facilities	1,433.13	1,397.94	1,038.76
	<b>1,433.13</b>	<b>1,397.94</b>	<b>1,038.76</b>

Notes:

18.1 Security details :

- Cash credit facility is secured by first charge on the book debts and other movable assets both current and future of the company, land and structures thereon at Container Freight Station and guaranteed by three Directors.

**19 Current Financial Liabilities - Trade payables**

Trade payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	775.21	708.54	491.44
	<b>775.21</b>	<b>708.54</b>	<b>491.44</b>

19.1 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.

**20 Current Financial Liabilities - Others**

(a) Current maturities of long term debt - Secured	598.93	649.07	765.46
(b) Interest accrued	21.16	22.09	18.29
(c) Creditors for expenses	1,222.00	1,084.05	850.85
(d) Employee benefits	52.24	49.19	48.31
(e) Capital Creditors	11.64	16.86	28.33
(f) Unclaimed dividend	12.50	13.70	14.71
(g) Due to directors	50.22	49.46	31.83
(h) Other payables	25.20	13.98	33.76
	<b>1,993.89</b>	<b>1,898.40</b>	<b>1,791.54</b>

20.1 Security and other details for current maturities of long term debt: Refer Note 14.2

**21 Other Current Liabilities**

a) Advance from customers	127.62	224.71	193.42
b) Statutory dues	90.22	27.87	45.04
c) Rent received in advance	3.15	2.93	2.73
	<b>220.99</b>	<b>255.51</b>	<b>241.19</b>

**22 Provisions**

(a) Provision for employee benefits			
- Bonus	60.00	58.06	60.00
(b) Property tax	-	102.16	88.92
	<b>60.00</b>	<b>160.22</b>	<b>148.92</b>



**Notes to the Standalone Financial Statements - Part B**

Notes	Rs. In Lakhs		
	Opening	Additions(net)	Closing
22.1 Movement in Property tax is as follows			
- March 2018	102.16	(102.16)	-
- March 2017	88.92	13.24	102.16

Notes	Rs. In Lakhs		
	Opening	Additions(net)	Closing
22.1 Movement in Property tax is as follows			
- March 2018	58.06	1.94	60.00
- March 2017	60.00	(1.94)	58.06

	Rs. In Lakhs	
	Year ended March 31,2018	Year ended March 31,2017
<b>23 Revenue from Operations</b>		
Sale of Services		
(a) Handling earnings	4,619.05	4,062.97
(b) Equipment and fleet hire earnings	2,778.53	3,078.23
(c) Warehouse earnings	277.16	793.01
(d) Agency and other earnings	322.95	294.24
	<b>7,997.69</b>	<b>8,228.45</b>

23.1 Warehouse earnings is net of incentives/ rebates/ trade discounts of Rs. 977.31. lakhs (2016-17 Rs.796.76 lakhs)

23.2 Tax deducted at source on Revenue from operations Rs. 210.04 lakhs (2016-17 Rs 57.44 lakhs);

**24 Other Income**

(a) Interest Income	150.39	167.08
(b) Other non - operating income		
(i) Net gain on disposal of property, plant and equipment	0.14	-
(ii) Rent received	90.26	83.18
(iii) Net gain on foreign currency transaction and translation	-	0.76
(iv) Others	5.95	2.06
(v) Provisions no longer required written back	112.53	-
	<b>359.27</b>	<b>253.08</b>

24.1 Tax deducted at source on Interest income Rs. 1.80 lakhs (2016-17 Rs 6.23 lakhs).

**25 Operating expenses**

(a) Handling expenses	1,547.25	1,301.16
(b) Container repairs	242.95	290.92
(c) Hired equipments upkeep	83.91	73.83
(d) Operating equipments upkeep	1,328.03	1,094.42
(e) Others	86.75	67.99
	<b>3,288.89</b>	<b>2,828.32</b>

**26 Employee Benefits Expense**

(a) Salaries, wages and bonus	793.32	738.17
(b) Contribution to provident and other funds	76.65	62.59
(c) Staff welfare expenses	195.12	243.90
	<b>1,065.09</b>	<b>1,044.66</b>



**Notes to the Standalone Financial Statements - Part B**

26.1 Contribution to Defined Contribution Plans, recognised as expense for the year is as under

- a) Employer's Contribution towards provident fund Rs. 58.50 lakhs (2016-17, 51.27 lakhs)
- b) Employee's welfare expenses includes contribution to Employee's Sate Insurance Plan Rs. 12.55 Lakhs (2016-17 Rs. 9.64 lakhs)

	<b>Year ended March 31,2018</b>	Rs. In Lakhs Year ended March 31,2017
<b>27 Finance costs</b>		
(a) Interest expenses	261.62	340.83
(b) Other borrowing costs		
- Guarantee Charges	9.19	11.94
	<b>270.81</b>	<b>352.77</b>
<b>28 Other expenses</b>		
(a) Consumption of Stores and tools	7.75	6.78
(b) Power and fuel	58.25	64.20
(c) Rent		
- Warehouse	376.07	491.39
- Others	46.78	51.52
(d) Repairs to buildings		
- Warehouse	43.40	25.45
- Others	35.77	13.40
(e) Repairs to machinery and office vehicles	3.23	8.52
(f) Fuel for office vehicles	12.72	12.63
(g) Insurance		
- Office vehicles	9.70	1.56
- Others	2.02	9.61
(h) Rates and taxes	31.33	32.21
(i) Travel and conveyance	97.72	122.90
(j) Security Services	91.98	98.79
(k) Loss on sale of property, plant and equipment	-	17.91
(l) Diminution in value of investments	4.05	
(l) Others	181.43	210.05
	<b>1,002.20</b>	<b>1,166.92</b>

28.1 Others include :

<b>Payment to auditors</b>		
Statutory Audit fee	3.00	2.50
Taxation matters	3.00	2.50
certification fees and other services	2.00	1.00



**Notes to the Standalone Financial Statements - Part B**

**29 FIRST TIME IND AS ADOPTION RECONCILIATIONS**

**29.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2017 and 1st April, 2016**

Rs. In Lakhs

<b>Particulars</b>	<b>Note No.</b>	<b>Previous GAAP As at March 31,2017</b>	<b>Transition Effect As at March 31,2017</b>	<b>Ind AS As at March 31,2017</b>	<b>Previous GAAP As at April 1,2016</b>	<b>Transition Effect As at April 1,2016</b>	<b>Ind AS As at April 1,2016</b>
<b>(1) ASSETS</b>							
<b>Non - current assets</b>							
(a) Property, Plant and Equipment		10,680.91	-	10,680.91	11,286.21		11,286.21
(b) Capital work - in - progress		416.73	-	416.73	413.92		413.92
(c) Intangible assets		6.23	-	6.23	1.95		1.95
(d) Financial Assets		-					
(i) Investments		10.00		10.00	10.00		10.00
(ii) Loans		418.49		418.49	590.64		590.64
(iii) Others		267.86	(25.77)	242.09	243.49	(31.81)	211.68
(e) Other non - current assets		869.94	19.29	889.23	679.55	25.77	705.32
<b>Total non - current assets</b>		<b>12,670.16</b>	<b>(6.48)</b>	<b>12,663.68</b>	<b>13,225.76</b>	<b>(6.04)</b>	<b>13,219.72</b>
<b>(2) Current assets</b>							
(a) Inventories		13.01		13.01	11.17		11.17
(b) Financial Assets							
(i) Trade receivables		1,813.41		1,813.41	1,212.81		1,212.81
(ii) Cash and cash equivalents		254.56		254.56	37.46		37.46
(iii) Bank balances other than (ii) above		474.38		474.38	444.48		444.48
(iv) Others		355.39		355.39	414.89		414.89
(c) Other current assets	<b>30 F</b>	112.64	2.37	115.01	95.39	1.07	96.46
<b>Total current assets</b>		<b>3,023.39</b>	<b>2.37</b>	<b>3,025.76</b>	<b>2,216.20</b>	<b>1.07</b>	<b>2,217.27</b>
<b>Total assets</b>		<b>15,693.55</b>	<b>(4.11)</b>	<b>15,689.44</b>	<b>15,441.96</b>	<b>(4.97)</b>	<b>15,436.99</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share capital		180.00	-	180.00	180.00		180.00
(b) Other Equity	<b>30 B,C</b>	9,745.91	(178.53)	9,567.38	9,732.89	(248.02)	9,484.87
<b>Total Equity</b>		<b>9,925.91</b>	<b>(178.53)</b>	<b>9,747.38</b>	<b>9,912.89</b>	<b>(248.02)</b>	<b>9,664.87</b>



**Notes to the Standalone Financial Statements - Part B**

Particulars	Note No.	Previous GAAP	Transition Effect	Ind AS	Previous GAAP	Transition Effect	Ind AS
		As at March 31,2017	As at March 31,2017	As at March 31,2017	As at April 1,2016	As at April 1,2016	As at April 1,2016
<b>(1) Liabilities</b>							
<b>Non - current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		1,024.24	-	1,024.24	1,457.30		1,457.30
(ii) Other financial liabilities		61.83	(21.30)	40.53	61.83	(24.01)	37.82
(b) Other non -current liabilities		-	18.37	18.37	-	21.29	21.29
(c) Deferred tax liabilities (Net)	<b>30 C</b>	244.36	193.95	438.31	261.82	282.04	543.86
<b>Total non - current liabilities</b>		<b>1,330.43</b>	<b>191.02</b>	<b>1,521.45</b>	<b>1,780.95</b>	<b>279.32</b>	<b>2,060.27</b>
<b>(2) Current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		1,397.94		1,397.94	1,038.76	-	1,038.76
(ii) Trade payables		708.54	-	708.54	491.44	-	491.44
(iii) Other financial liabilities		1,898.40	-	1,898.40	1,791.54		1,791.54
(b) Other current liabilities		252.59	2.92	255.51	238.46	2.73	241.19
(c) Provisions	<b>30 B</b>	179.74	(19.52)	160.22	187.92	(39.00)	148.92
<b>Total current liabilities</b>		<b>4,437.21</b>	<b>(16.60)</b>	<b>4,420.61</b>	<b>3,748.12</b>	<b>(36.27)</b>	<b>3,711.85</b>
<b>Total Liabilities</b>		<b>5,767.64</b>	<b>174.42</b>	<b>5,942.06</b>	<b>5,529.07</b>	<b>243.05</b>	<b>5,772.12</b>
<b>Total Equity and Liabilities</b>		<b>15,693.55</b>	<b>(4.11)</b>	<b>15,689.44</b>	<b>15,441.96</b>	<b>(4.97)</b>	<b>15,436.99</b>

**29.2 Effect of Ind AS adoption on the standalone Statement of Profit and Loss as at 31st March, 2017 and 1st April,2016**

Rs. in lakhs

Particulars	Note No.	Previous GAAP	Transition Effect	Ind AS
		Year ended March 31,2017	Year ended March 31,2017	Year ended March 31,2017
<b>Income</b>				
I Revenue from Operations		8,228.45	-	8,228.45
II Other Income		244.33	8.75	253.08
III Total Income (I+II)		8,472.78	8.75	8,481.53
<b>IV Expenses</b>				
Equipment and fleet hire		2,472.96		2,472.96
Operating expenses		2,828.32		2,828.32



**Notes to the Standalone Financial Statements - Part B**

Particulars	Note No.	Previous GAAP	Transition Effect	Ind AS
		Year ended March 31,2017	Year ended March 31,2017	Year ended March 31,2017
Employee benefits expense	<b>30 D</b>	1,050.58	(5.92)	1,044.66
Finance costs		350.92	1.85	352.77
Depreciation and amortization expense (Refer Note 1,2 to the Balance Sheet)	<b>1,2</b>	583.88		583.88
Other expenses		1,160.88	6.04	1,166.92
Total expenses (IV)		8,447.54	1.97	8,449.51
V Profit/(loss) before exceptional items and tax(I-IV)		25.24	6.78	32.02
VI Exceptional items		-	-	-
VII Profit/(loss) before tax (V-VI)		25.24		32.02
VIII <b>Tax expense :</b>				
Current tax	<b>30 E</b>	14.22	1.83	16.05
Prior year tax		(4.07)		(4.07)
Deferred tax	<b>30 C</b>	(17.45 )	(30.51)	(47.96)
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		32.54		68.00
X Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
- Remeasurement of Defined Benefits Plan	<b>30 E</b>	-	5.91	(5.91)
(ii) Income tax relating to items above	<b>30 E</b>		-1.83	1.83
(B) (i) Items that will reclassified to profit or loss		-	-	-
(ii) Income tax relating to items above				-
XI Total Other Comprehensive Income for the period		-	4.08	(4.08)
XIII Total Comprehensive Income for the period (IX + XI)		32.54		63.92

**29.3. Reconciliation of Net Profit and Equity as reported under previous GAAP and Ind AS is as under**

Rs. in lakhs

Particulars	Net Profit Reconciliation	Equity Reconciliation	
	Year ended March 31,2017	As at March 31,2017	As at April 1,2016
Net Profit /Equity as per previous Indian GAAP	32.54	9,925.91	9,912.89
Adjustments for proposed dividend (including tax there on)	-	19.52	39.00
Remeasurement of defined benefit plan	5.91		
Others	0.86	(4.11)	(4.97)
Deferred Taxes	30.53	(193.94)	(282.05)
Net Profit for the period as per Ind AS	69.84	-	-
Other Comprehensive Income (net of tax)	(5.91)	-	-
Total Comprehensive Income/ Equity as per Ind AS	63.92	9,747.38	9,664.87





**Notes to the Standalone Financial Statements - Part B**

**30. Notes :**

- A Under previous GAAP, the fixed assets of the Company were revalued and revaluation reserve was created. Under Ind AS, the company has adopted previous GAAP carrying values as deemed cost for PPE as on transition date and accordingly revaluation reserve has been transferred to retained earnings.
- B Under previous GAAP, proposed dividends were recognised as a provision in the financial statements, even if declared after the balance sheet date. Under Ind AS, dividends are recognised when declared. This resulted in a timing difference and has been reflected in total equity of the relevant financial year.
- C Under Ind AS, deferred taxes are recognised relating to Ind AS adjustments including deferred taxes measured using balance sheet approach. The effect of these are reflected in total equity and profit or loss.
- D Under previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.
- E Under previous GAAP, there was no separate record in the financial statements for Other Comprehensive Income (OCI). Under Ind AS, specified items of income, expense, gains and losses are presented under OCI.
- F Under previous GAAP, unamortised loan raising expenses are disclosed under other current assets. Under Ind AS, balance remaining as on April 1,2016 has been transferred to retained earnings.

**31 Income tax expense (income) for the year reconciled to accounting profit (loss):**

	<b>Year ended March 31,2018</b>	Year ended March 31,2017
Profit /(loss) before tax	(101.46)	32.02
(i) Applicable Income tax rate	26.00%	30.90%
(ii) Income tax expense calculated at above rates	(26.38)	9.89
(iii) Effect of concessions/deductions(80IA etc..)	(3.91)	(28.86)
(iv) Effect of timing difference on account of expense		
(v) Effect of reversal of deferred tax liability other than that pertaining to revalued assets	(48.36)	(47.68)
(vi) Others	(46.07)	28.84
Income tax expense recognised in statement of profit and loss	<b>(124.72)</b>	<b>(37.81)</b>

**32 Analysis of deferred tax assets/liabilities**

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other equity	Closing balance
<b>March 31,2018</b>					
Deferred tax (liabilities) assets in relation to :					
PPE and intangible assets	(434.60)	48.37	-	47.62	(338.61)
Land	(53.21)	-	-	29.27	(23.94)
Provisions	49.50	(30.96)	-	-	18.54
	<b>(438.31)</b>	<b>17.41</b>	<b>-</b>	<b>76.89</b>	<b>(344.01)</b>
<b>March 31,2017</b>					
Deferred tax (liabilities) assets in relation to :					
PPE and intangible assets	(503.30)	47.69	-	21.01	(434.60)
Land	(89.79)	-	-	36.58	(53.21)
Provisions	49.23	0.27	-	-	49.50
	<b>(543.86)</b>	<b>47.96</b>	<b>-</b>	<b>57.59</b>	<b>(438.31)</b>



**Notes to the Standalone Financial Statements - Part B**

**33.** Deferred tax liability on 01.04.2016 on immovable property revalued as at March 31,2009 was recognised by adjustment in Retained Earnings. Consequently, the reversal to the extent of such liability in FY 2016-17 is also recognised in Retained Earnings in terms of Paragraph 61A of Ind AS 12. No deferred tax asset on such other immovable property is recognised given that lands may never be sold or sold in the very distant future by which time either tax laws may have changed or the company may have tax losses with the benefit of indexation not being realised.

**34. Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

	March 31,2018	March 31,2017	April 1, 2016
Unused tax credit	331.01	425.93	415.07

Rs. in lakhs

These will expire in the years from financial year 2025 -26 to 2031 -32

**35. Events after the Reporting Period**

The Board of Directors have recommended dividend of Rs. 0.90 per fully paid up equity share of Rs. 10 each, aggregating Rs. 16.2 lakhs for the financial year 2017-18, which is based on relevant share capital as on March 31,2018. The actual dividend amount will be dependent on relevant share capital outstanding as on the record date/ book closure.

**35.2. Business Combinations :** There is a proposal to merge a 100% subsidiary( Sanco Transport Limited) with the Company with the Appointed date as March 1, 2018. The Merger Scheme will be given effect to upon requisite approvals being obtained.

**36.1 Earnings per share**

	Year Ended March 31,2018	Year Ended March 31,2017
Basic earnings per share	1.21	3.78
Diluted earnings per share	1.21	3.78
Face value per share		

Rs. in lakhs

**36.2 Basic and diluted earnings per share**

	Year Ended March 31,2018	Year Ended March 31,2017
Profit (loss) for the year attributable to equity shareholders	21.80	68.00
Diluted earnings per share	1.21	3.78
Face value per share	10	10
	Nos in lakhs	Nos in lakhs
Weighted average number of equity shares used in calculation of basic earnings per share	18	18
Weighted average number of equity shares used in calculation of diluted earnings per share	18	18

Rs. In Lakhs

**37. Segment information** - The Company's Operating segment is identified based on nature of services, risks, returns and the internal business reporting System. The Company is primarily engaged in Logistics - Operating Segment.

**38. Information about major customers** - Disclosure of amount of revenues from transactions with single customer amount to 10 % or more of Company revenue.

Revenue from one Customer	1,159.26
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Rs. In Lakhs



**Notes to the Standalone Financial Statements - Part B**

**39. Related Parties as per Ind AS 24 with whom the company has had transactions #**

**(i) List of Related Parties**

**(a) Key Management Personnel (KMP)**

Shri V Upendran	-	Managing Director
Shri S Sathyanarayanan	-	Deputy Managing Director
Shri U Udayabhaskar Reddy	-	Whole time Director
Shri S R Srinivasan	-	Director - Finance

**(b) Enterprise where significant influence is exercised on the Company**

Sudharsan Logistics Private Limited (SLPL)

**(c) Fully owned Subsidiaries**

Sanco Transport Limited  
Sanco Clearance Limited

**(d) Entity which is Post Employment Benefit Plan :**

Sanco Trans Limited Employees Group Gratuity Trust Fund

**(e) Entities in which KMP has control**

Sakthi Hitech Constructions Pvt Ltd

**(f) Relative of KMP**

Srimathi - Devaki Santhanam

**(ii) Related Party Transactions and Closing balance**

Rs. In Lakhs

	<b>Year ended March 31,2018</b>	<b>Year ended March 31,2017</b>
<b>(a) Key Management Personnel</b>		
Remuneration*		
Short term employee benefits	126.00	125.73
Rent Payment	1.42	1.42
Amounts due at year end	50.22	49.46
<b>(b) Enterprise where significant influence is exercised on the Company</b>		
Tractor/Trailer hire charges paid	189.09	154.18
Tractor/Trailer hire charges earned	-	442.76
Lease rent paid	29.43	28.55
Operating and maintenance charges earned	1,159.26	674.90
Dividend paid	4.17	8.94
Trade Receivables	750.29	631.87
Other Receivables	-	293.37
Trade Payable	26.71	-
Rent advance outstanding	5.00	5.00
<b>(c) Fully owned Subsidiaries</b>		
Tractor/Trailer hire charges paid	170.72	113.18
Interest received	50.46	65.14
Loan given	-	9.00
Loan Repaid	30.95	172.15
Trade payable	-	-
Trade receivable	-	46.77
Advance to Supplier	44.46	-
Loan due from subsidiary companies	387.54	418.49
Interest receivable	0.89	1.01
Investment in subsidiaries	5.95	10.00



**Notes to the Standalone Financial Statements - Part B**

	<b>Year ended March 31,2018</b>	Rs. In Lakhs Year ended March 31,2017
<b>(d) Post Employment Benefit Plan</b>		
Contribution towards gratuity	14.41	11.32
Other Comprehensive Income	(5.61)	5.91
Prepaid expenses	4.71	-
<b>(e) Entities over which KMP has control</b>		
Handling earnings	0.38	-
Equipment hire earnings	0.09	-
Warehouse earnings	0.34	-
<b>(f) Relative of KMP</b>		
Sitting fees	0.50	0.40

\* Managerial Remuneration above does not include gratuity benefit since the same is actuarially computed for all the employees and the amount attributable to the managerial personnel cannot be ascertained separately.

# The above transactions do not include reimbursement of expenses

As per section 149(6) of the Companies Act,2013, Independent Directors are not considered as “Key Managerial Personal”. Also considering the roles and functions of independent directors stated under Schedule IV of the Companies Act, 2013, they have not been disclosed as KMP for the purpose of disclosure requirements of Ind AS -24 “Related - Parties”

**40. Related Parties with whom the company has not had any transactions**

- (i) Entities in which KMP has control : 1. Premium Mint and Herb Pvt Ltd , 2. Sanco Estates and Farms Pvt Ltd , 3. Shreyas Wheels Pvt Ltd, 4. The Nellikuppam Industires,5. Sri Sathyanaraynan & Co.

**41. Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of the Companies Act,2013.**

Particulars	<b>As at March 31,2018</b>	As at March 31,2017	Rs. In Lakhs Purpose
a) Loans outstanding			
- Sanco Transport Limited	380.15	409.49	Funding for operations
- Sanco Clearance Limited	7.39	9.00	Funding for operations
b) Investments	5.95	10.00	

**42. Contingent Liabilities**

Particulars	<b>As at March 31,2018</b>	As at March 31,2017	Rs. In Lakhs As at April 1,2016
(a) Claims against the company not acknowledged as debts			
(i) Income Tax	19.81	47.99	115.63
(ii) Service Tax	46.00	46.00	46.00
(iii) Others	34.37	53.93	35.88
(b) Bank guarantees	685.38	683.89	556.60

Note : Future cash outflows in respect of above are determinable only on receipt of judgement / decisions pending with various forums / authorities.



**Notes to the Standalone Financial Statements - Part B**

**43. Corporate Social Responsibility (CSR) Obligation:**

The Provisions of section 135 of Companies Act 2013,(Corporate Social Responsibility) are not applicable to the company for current and previous financial year.

**44. Foreign Currency Transactions**

Foreign exchange and foreign currency transactions and derivatives - (i) Imports – Rs. 3.48 lakhs (2016-17 Rs 9.28 lakhs); (ii) Other expenditure in foreign currency Rs. 1.26 lakhs (2016-17 Rs. 2.45 lakhs); (iii) Other earnings in foreign exchange Rs. 83.51 lakhs (2016-17 Rs.31.85 lakhs); (iv) There was no remittance in foreign currencies on account of dividend to non-resident shareholders; (v) Derivatives – Company has not so far used derivative financial instruments such as forward contracts, currency swap to hedge currency exposures, present and anticipated. However, currency exposure not hedged by derivative instruments are as under:

Amount receivable on account of services rendered, advances, etc. US\$ . 17,382.71 equivalent Rs. 11.33 lakhs (March 31, 2017 US \$ 8,673.15 equivalent Rs 5.52 lakhs); Amount payable on account of services obtained US \$ . 3,541.64 equivalent Rs. 2.31lakhs (March 31,2017 US \$ 3,827.66 equivalent Rs. 2.48 lakhs).

**45. The Company has taken land under operating lease for which lease rent of Rs.275.64 lakhs paid has been included in Other expenses note no. 28**

Rs. in Lakhs

Particulars	Minimum Future Lease rentals		
	Due with in 1 year	Due later 1 year and not later than 5 years	Due later than 5 years
Lease rental	275.64	-	-

The Company has purchased vehicles on hire purchase loan, Details of Repayments are as follows:

Particulars	Minimum Future Lease rentals		
	Due with in 1 year	Due later 1 year and not later than 5 years	Due later than 5 years
(i) Principal Repayments	294.59	734.53	-
(ii) Interest Repayments	14.87	2.35	-

**46. Net debt reconciliation**

	<b>As at March 31, 2018</b>
1. Cash and cash equivalents	99.55
2. Liquid investments	-
3. Current borrowings	(1,444.26)
4. Non-current borrowings	(1,343.50)
<b>Net debt</b>	<b>(2,688.21)</b>

	Other assets		Liabilities from financing activities			Total
	Cash and bank overdraft	Liquid investments	Finance lease obligations	Non-current borrowings	Current borrowings	
<b>Net debt as at March 31, 2017</b>	<b>254.56</b>	-	-	<b>(1,686.30)</b>	<b>(1,407.04)</b>	<b>(2,838.78)</b>
Cash flows	(155.01)	-	-	339.84	(35.19)	149.65
Acquisition - finance leases	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	(148.10)	(113.52)	(261.62)
Interest paid	-	-	-	151.06	111.49	262.52
Other non-cash movements	-	-	-	-	-	-
- Acquisitions / disposals	-	-	-	-	-	-
- Fair value adjustments	-	-	-	-	-	-
<b>Net debt as at March 31, 2018</b>	<b>99.55</b>	-	-	<b>(1,343.50)</b>	<b>(1,444.26)</b>	<b>(2,688.21)</b>



**Notes to the Standalone Financial Statements - Part B**

Note:

Assets to be represented by positive numbers

Liabilities to be represented by negative numbers

**47. Financial risk management objectives and policies**

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments.

The Company is exposed to market risk, credit risk, and liquidity risk. The Company's risk management is undertaken by the senior management under the guidelines and framework approved by the financial risk committee. The committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives which is reviewed and adopted by The Board of Directors for managing each of these risks, which are summarised below.

**A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include Long term borrowings, Advances and deposits.

**i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Since the value of foreign currency exposed risk is not material, the Company has natural hedging where applicable.

Financial Year	Net exposure on the currency		Net overall exposure on the currency
	Liabilities	Assets	
2018	3,541.64	17,382.71	13,841.07
2017	3,827.66	8,673.15	4,845.49
2016	2,339.58	5,860.87	3,521.29

USD

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Currency impact	Rs. in Lakhs		
	2018	2017	2016
Profit/Loss	0.18	0.06	0.04
Equity	-	-	-

**ii) Interest rate risk**

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. If interest rates had been 25 basis points higher/ lower, the Company's profit for the year ended March 31, 2018 would decrease/ increase by Rs. 0.65 lakhs (2016-17: decrease/ increase by Rs. 0.85 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.



**Notes to the Standalone Financial Statements - Part B**

**iii) Other Price risk**

There is no security price risk since there are only investments in wholly owned subsidiaries.

**B) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, resulting in a financial loss to the Company. Credit risk arises from outstanding trade receivables and from its financing activities, including deposits with banks and institutions and investments.

Customer credit risk is managed by each business unit based on the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The Company has customer base across diverse industries.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company makes an allowance for doubtful debts using expected credit loss model and on a case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**C) Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans . Rs. 598.33 lakhs of the Company's borrowing will mature in less than one year at 31 March 2018 (31 March 2017: 649.07 lakhs; 01 April 2016: Rs. 765.46 lakhs ) based on the carrying value of borrowings reflected in the financial statements. The Company has obtained fund and non-fund based working capital limits from banks. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018.

	Rs. In Lakhs		
<b>Year ended</b>	<b>On demand</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>
Borrowings	1,433.13	598.93	734.54
Other financial liabilities	-	1,394.97	46.38
Trade and other payables	-	775.21	-
<b>Total</b>	<b>1,433.13</b>	<b>2,769.11</b>	<b>780.92</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2017.

	Rs. In Lakhs		
<b>Year ended</b>	<b>On demand</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>
Borrowings	1,397.94	649.07	1,024.24
Other financial liabilities	-	1,249.33	40.53
Trade and other payables	-	708.54	-
<b>Total</b>	<b>1,397.94</b>	<b>2,606.94</b>	<b>1,064.77</b>

**D) Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to ensure their ability to continue as going concern, so that they can leverage maximise returns for shareholders and benefits of other stakeholders; and to maintain an optimal capital structure to reduce cost of capital. Capital management and funding requirements is met through equity, internal accruals and long and short term debt instruments. The Company monitors capital management though gearing ratio which considers Debt (net of cash and cash equivalents) and equity.



**Notes to the Standalone Financial Statements - Part B**

Particulars	Rs. In Lakhs		
	March 31,2018	March 31,2017	March 31,2016
Borrowings	<b>2,766.60</b>	3,071.25	3,261.52
Less : cash and cash equivalents and Bank Balances	<b>(603.25)</b>	(724.22)	(481.94)
Net debt	<b>2,163.35</b>	2,347.03	2,779.58
Equity	<b>9,830.70</b>	9,747.37	9,664.87
Equity and net debt	<b>11,994.05</b>	12,094.40	12,444.45
Gearing ratio	<b>0.22</b>	0.24	0.29

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

**Post Employment Obligations:**

**48.a. Defined Contribution plan**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for the employees at the rate of 12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation so the company is restricted to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the period towards defined contribution plans Rs. 58.50 lakhs

**48.b. Defined benefit plans**

**Gratuity**

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and present value of the defined benefit obligation were carried out as at March 31,2018. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. The following table sets forth the status of Gratuity Plan of the Company and the amount recognised in the Balance Sheet and the Statement of Profit and Loss. The Company provides the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provide the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Company is exposed to various risks in providing the above gratuity benefit which are follows.

Risk	Particulars
Interest Rate Risk	The Plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability (as shown in the financial statements)
Investment Risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Salary Escalation Risk	The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine present value of obligation will have bearing on the plan's liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.





**Notes to the Standalone Financial Statements - Part B**

49.(i) The principal assumptions used for the purpose of the actuarial valuation were as follows:

	<b>As at March 31,2018</b>	As at March 31,2017
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	5.00%	5.00%
Attrition rate fixed by Enterprise	1-3%	1-3%

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

(ii) Amounts recognised in total comprehensive income in respect of defined benefit plans are as follows:

	<b>Year ended March 31,2018</b>	Rs. In Lakhs Year ended March 31,2017
<b>Gratuity</b>		
Current service cost	13.39	12.64
Net Interest on Net Defined Benefit Obligations	26.07	25.56
Expected Return on Plan Assets	(25.05)	(26.88)
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>14.41</b>	<b>11.32</b>
Remeasurement on the net defined benefit liability comprising :		
Actuarial (gain) loss for year - obligation	(5.61)	5.91
Actuarial (gain) loss for year - plan assets	-	
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(5.61)</b>	<b>5.91</b>
<b>Total</b>	<b>8.80</b>	<b>17.23</b>

The current service cost and the net interest on Net Defined Benefit Obligations for the year are included in contribution to provident and other funds" under employment benefits expense in profit or loss (Refer Note. 24 (b))

(iii) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit obligations (funded)

	<b>As at March 31,2018</b>	Rs. In Lakhs As at March 31,2017
<b>Gratuity</b>		
Present Value of defined benefit obligation	333.23	325.92
Fair Value of Plan Assets	337.37	336.63
<b>Net liability arising from defined benefit obligation (funded)</b>	<b>4.14</b>	<b>(10.71)</b>



**Notes to the Standalone Financial Statements - Part B**

(iv) Movement in present value of defined benefit obligation in the current year were as follows:

**Gratuity -**

Present value of defined benefit obligation as at the beginning	325.92	319.56
Interest Cost	26.07	25.57
Current service cost	13.40	12.65
Past service cost	-	-
Benefits paid	(26.55)	(36.61)
Actuarial loss/(gain) on obligation	(5.61)	4.75
Present value of defined benefit obligation as at the end	<b>333.23</b>	<b>325.91</b>

(v) Movement in fair value of the plan assets in the current year were as follows :

	As at March 31,2018	As at March 31,2017
<b>Gratuity -</b>		
<b>Fair value of plan assets as at the beginning of the period</b>	<b>336.63</b>	<b>346.18</b>
Expected return on plan assets	25.05	25.25
Contributions	2.24	1.33
Benefits paid	(26.55)	(37.76)
Actuarial gain/(loss) on plan assets [balancing figure]	0	1.62
<b>Fair value of plan assets as at the end of the period</b>	<b>337.37</b>	<b>336.63</b>

(vi) The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan assets.

The actual return on plan assets was Rs.25.05 lakhs (2016-17 Rs. 25.25 lakhs)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

**50. Details of terms of Secured Loans**

LOAN A/C	LOAN AMOUNT (IN LACS)		NO. OF INSTALMENTS		INTEREST RATE RANGE		INSTALMENT RANGE (IN LACS)		LOAN CLOSURE DATE	
	As ON March 31,2018	As ON March 31,2017	As ON March 31,2018	As ON March 31,2017	As ON March 31,2018	As ON March 31,2017	As ON March 31,2018	As ON March 31,2017	As ON March 31,2018	As ON March 31,2017
LA 17	---	54.88	---	5	---	12.00%	---	9.55-11.20	---	07.08.17
LA 18	805.86	913.47	57	57	9.90%	10.00%	10.75-13.10	8.33-20.83	15.12.22	15.12.22
LA 22	---	5.40	---	8	---	10.50%	---	0.67	---	20.11.17
LA 23	---	2.16	---	8	---	10.50%	---	0.27	---	20.11.17
LA 26	---	68.07	---	5	---	12.00%	---	13.34-13.89	---	07.08.17
LA 27	---	1.47	---	2	---	10.15%	---	0.73-0.74	---	07.05.17
LA 28	304.34	216.00	---	---	9.15%	11.30%	---	---	---	---
LA 29	8.29	54.94	02	14	11.25%	11.25%	3.70-4.17	3.70-4.17	20.05.18	20.05.18
LA 30	180.28	280.27	19	31	10.04%	10.04%	7.96-10.22	7.96-10.22	15.10.19	15.10.19
LA 31	34.70	76.65	09	21	11.26%	11.26%	3.70-4.17	3.32-5.16	20.12.18	20.12.18
<b>TOTAL</b>	<b>1333.47</b>	<b>1673.31</b>								



**Notes to the Standalone Financial Statements - Part B**

**51. Revenue from Contract with Customers - IND AS 115**

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch – up approach)

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

- The Company will adopt the standard on April 1, 2018 by using the cumulative catch – up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS is expected to be insignificant.

**52. Foreign currency transactions and advance consideration - Appendix B to Ind AS 21**

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

**For and on behalf of the Board**

For **R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE MEMBERS OF SANCO TRANS LIMITED**

**Report on the Consolidated Ind AS Financial Statements**

1. We have audited the Consolidated Ind AS financial statements of **SANCO TRANS LIMITED** ("Holding Company") and its subsidiaries (herein after referred to as "the Group") , comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the Significant Accounting Policies and Other Explanatory Information (herein after referred to as "Consolidated Ind AS Financial Statements").

**Management's Responsibility for the Statement of Consolidated Ind AS Financial Statements**

2. The Board of Directors of the Holding Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including Other Comprehensive Income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us the aforesaid Consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at March 31, 2018, and consolidated loss (financial performance including Other Comprehensive Income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**Other Matters**

8. The comparative financial information of the Company for the year ended March 31, 2017 and the transition opening balance sheet as at April 1, 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion. The comparative financial information for the year ended March 31, 2017 and the opening balance sheet as at April 1, 2016 has been adjusted for the differences in the accounting principles/policies (refer note 30) adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

9. Financial Statements of the two subsidiaries which reflect the Total Assets of Rs.364.98 lakhs, Total assets (net) of Rs.(503.83 lakhs) as at March 31, 2018, Total Revenue of Rs.963.59 lakhs and Net Cash Flows amounting to Rs.32.10 lakhs for the year ended on that date, have been audited by us.

**Report on Other Legal and Regulatory Requirements**

10. As required by Section 143(3) of the Companies Act, 2013, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A" which is based on our audit of the Holding Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's and subsidiary companies incorporated in India internal financial controls over financial reporting.

11. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Group has in accordance with generally accepted accounting practices disclosed the impact of pending litigations on its consolidated financial position in its Consolidated Ind AS Financial Statements. Refer Note No.42 to the Consolidated Ind AS Financial Statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

**For R. Sundararajan Associates**

Chartered Accountants  
Registration No. 008282S

Chennai  
29<sup>th</sup> May, 2018

**S. Krishnan - Partner**  
Membership No. 26452



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 9(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of **SANCO TRANS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of March 31, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting based on criteria established by respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's and its subsidiaries' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports issued by us.

**For R. Sundararajan Associates**

Chartered Accountants  
Registration No. 008282S

Chennai  
29<sup>th</sup> May, 2018

**S. Krishnan - Partner**  
Membership No. 26452



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31,2018**

Particulars	Note No. in Part B	As at March 31,2018 Rs. in Lakhs	As at March 31,2017 Rs. in Lakhs	As at April 1, 2016 Rs. in Lakhs
<b>ASSETS</b>				
<b>Non - current assets</b>				
(a) Property, Plant and Equipment	1	10,394.77	11,052.04	11,743.59
(b) Capital work - in - progress	1	464.52	416.73	413.92
(c) Intangible assets	2	14.72	6.23	1.95
(d) Financial Assets - Others	3	155.39	243.10	212.67
(e) Other non - current assets	4	1,009.30	903.32	870.00
<b>Total non - current assets</b>		<b>12,038.70</b>	<b>12,621.42</b>	<b>13,242.13</b>
<b>Current assets</b>				
(a) Inventories	5	10.48	13.01	11.17
(b) Financial Assets				
(i) Trade receivables	6	2,125.78	1,857.19	1,267.98
(ii) Cash and cash equivalents	7.1	137.47	255.39	53.46
(iii) Bank balances other than (ii) above	7.2	503.70	479.38	444.48
(iv) Others	8	345.85	386.97	426.65
(c) Other current assets	9	123.34	119.05	96.46
<b>Total current assets</b>		<b>3,246.62</b>	<b>3,110.99</b>	<b>2,300.20</b>
<b>Total assets</b>		<b>15,285.32</b>	<b>15,732.41</b>	<b>15,542.33</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	10	180.00	180.00	180.00
(b) Other Equity	11	9,141.32	9,156.79	9,319.55
<b>Equity attributable to owners of Sanco Trans Limited</b>		<b>9,321.32</b>	<b>9,336.79</b>	<b>9,499.55</b>
Non - controlling interests		-	-	-
<b>Total Equity</b>		<b>9,321.32</b>	<b>9,336.79</b>	<b>9,499.55</b>
<b>Liabilities</b>				
<b>Non - current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	12	766.27	1,148.71	1,511.22
(ii) Other financial liabilities	13	46.38	40.53	37.82
(b) Other non -current liabilities	14	15.22	18.37	21.29
(c) Deferred tax liabilities (Net)	15	249.09	438.31	543.86
<b>Total non - current liabilities</b>		<b>1,076.96</b>	<b>1,645.92</b>	<b>2,114.19</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	1,433.13	1,397.94	1,038.76
(ii) Trade payables	17	967.43	922.04	658.32
(iii) Other financial liabilities	18	2,193.45	2,012.60	1,839.92
(b) Other current liabilities	19	233.03	256.90	242.67
(c) Provisions	20	60.00	160.22	148.92
<b>Total current liabilities</b>		<b>4,887.04</b>	<b>4,749.70</b>	<b>3,928.59</b>
<b>Total Liabilities</b>		<b>5,964.00</b>	<b>6,395.62</b>	<b>6,042.78</b>
<b>Total Equity and Liabilities</b>		<b>15,285.32</b>	<b>15,732.41</b>	<b>15,542.33</b>

The accompanying notes in Part A and Part B form an integral part of the Consolidated financial statements  
This is the Consolidated Balance Sheet referred to in our report of even date.

**For and on behalf of the Board**

**For R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408





**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2018**

Particulars	Note No. in Part B	Year ended March 31,2018 Rs. in Lakhs	Year ended March 31,2017 Rs. in Lakhs
<b>Income</b>			
I Revenue from Operations	21	8,790.57	8,991.50
II Other Income	22	331.54	188.65
III <b>Total Income (I+II)</b>		<b>9,122.11</b>	<b>9,180.15</b>
<b>IV Expenses</b>			
Equipment and fleet hire		2,745.63	2,918.72
Operating expenses	23	3,565.22	3,212.45
Employee benefits expense	24	1,070.45	1,048.76
Finance costs	25	288.58	369.58
Depreciation and amortization expense	1,2	650.71	670.14
Other expenses	26	1,001.77	1,173.75
<b>Total expenses (IV)</b>		<b>9,322.36</b>	<b>9,393.40</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>(200.25)</b>	<b>(213.25)</b>
VI Exceptional items			-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(200.25)</b>	<b>(213.25)</b>
<b>VIII Tax expense :</b>			
Current tax		3.75	16.05
Prior year tax		(14.68)	(4.07)
Deferred tax		(112.33)	(47.96)
<b>IX Profit/(Loss) for the year (VII-VIII)</b>		<b>(76.99)</b>	<b>(177.27)</b>
<b>X Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined Benefits Plan		5.61	(5.91)
(ii) Income tax relating to items above		(1.46)	1.83
B (i) Items that will reclassified to profit or loss			-
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>XI Total Other Comprehensive Income for the year</b>		<b>4.15</b>	<b>(4.08)</b>
<b>XII Total Comprehensive Income for the year (IX+X)</b>		<b>(72.84)</b>	<b>(181.35)</b>
XIII Earnings per equity share (Face value of Rs.10 each)			
- Basic and Diluted	34	(4.28)	(9.85)

The accompanying notes form an integral part of the Consolidated financial statements

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

**For and on behalf of the Board**

For **R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2018**

Particulars	Year ended March 31,2018 Rs. In lakhs	Year ended March 31,2017 Rs. In lakhs
<b>Cash flows from operating activities</b>		
Profit before tax for the year	(200.25)	(213.25)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	644.03	668.11
Amortisation and impairment of intangible assets	6.68	2.03
Gain/Loss on disposal of property, plant and equipment	(22.71)	17.91
Interest income	(100.09)	(102.66)
Interest expense	279.39	357.64
Movement in -		
(a) Other non current financial assets	5.53	(30.43)
(b) Other non current assets	(1.01)	205.51
(c) Other non current liabilities	(3.15)	(2.92)
(d) Other non current financial liabilities	5.85	2.71
Working capital adjustments:		
(a) Inventories	2.53	-3.09
(b) Trade receivables	(268.59)	(589.21)
(c) Other current assets	(4.29)	(22.59)
(d) Other current financial Assets	137.62	35.91
(d) Trade payables	45.39	257.82
(e) Other financial liabilities	223.25	222.76
(f) Other current liabilities	(23.87)	14.23
(g) Provisions	(100.22)	11.30
Cash generated from operations flow	626.09	831.78
Income tax paid	(94.04)	(205.72)
<b>Net cash flows from operating activities</b>	<b>(A) 532.05</b>	<b>626.06</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	97.21	22.72
Purchase of property, plant and equipment	(61.26)	(17.17)
Movement in Capital work in progress	(47.79)	(2.81)
Movements in Other Bank Balances	(30.15)	(34.90)
Purchase of Intangible assets	(15.17)	(6.31)
Interest received	95.75	72.98
<b>Net cash flows from investing activities</b>	<b>(B) 38.59</b>	<b>34.51</b>



# Sanco Trans Limited

Particulars	Year ended March 31,2018 Rs. In lakhs	Year ended March 31,2017 Rs. In lakhs
<b>Cash flows from financing activities</b>		
Interest Paid	(281.06)	(343.87)
Proceeds from borrowings	-	73.00
Repayment of borrowings	(387.98)	(168.25)
Dividends paid	(16.20)	(16.20)
Dividend distribution tax	(3.32)	(3.32)
<b>Net cash flows used in financing activities</b>	<b>(688.56)</b>	<b>(458.64)</b>
	<b>(C)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(117.92)</b>	<b>201.93</b>
	<b>(A+B+C)</b>	
Cash and cash equivalents at the beginning of the year	255.39	53.46
<b>Closing Cash and cash equivalents at year end</b>	<b>137.47</b>	<b>255.39</b>
(refer note 7.1 to the Part B of Financial Statements)		
<p>The accompanying notes form an integral part of the Consolidated financial statements  This is the Consolidated Cashflow statement referred to in our report of even date.</p>		
<b>For and on behalf of the Board</b>		
<p>For <b>R.Sundararajan &amp; Associates</b> Chartered Accountants</p>	<p><b>V Upendran</b> Chairman and Managing Director DIN: 00557511</p>	<p><b>S Sathyanarayanan</b> Deputy Managing Director DIN: 00446573</p>
<p><b>S.Krishnan</b> - Partner Partner Membership No. 26452 Place : Chennai Date : May 29,2018.</p>	<p><b>M V M Sundar</b> Company Secretary</p>	<p><b>S R Srinivasan</b> Director- Finance DIN: 03559408</p>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THE PERIOD ENDED MARCH 31,2018**

**A. Equity Share Capital**

Rs. In Lakhs

Balance at the beginning of April 1, 2016	Changes in equity share capital during the year	Balance at the end of March 31, 2017	Changes in equity share capital during the year	Balance at the end of March 31,2018
180.00	-	180.00	-	180.00

**B. Other Equity**

Rs. In Lakhs

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings		
<b>Balance at the beginning of April 1, 2016</b>	<b>4,712.39</b>	<b>4,607.16</b>		<b>9,319.55</b>
Profit for the year	-	(177.27)		(177.27)
Other comprehensive income	-	(4.08)		(4.08)
<b>Total Comprehensive Income for the year</b>	-	<b>(181.34)</b>	-	<b>(181.34)</b>
Tax Reversal /(Expenses) recognised in Retained Earnings	-	57.58	-	57.58
Dividend including tax thereon	-	(39.00)	-	(39.00)
Transfer from retained earnings	18.69	(18.69)	-	-
<b>Balance at the end of March 31, 2017</b>	<b>4,731.08</b>	<b>4,425.71</b>	-	<b>9,156.79</b>
Profit for the year	-	(76.99)	-	(76.99)
Other comprehensive income	-	4.15	-	4.15
<b>Total Comprehensive Income for the year</b>	-	<b>(72.84)</b>	-	<b>(72.84)</b>
Tax Reversal /(Expenses) recognised in Retained Earnings	-	76.89	-	76.89
Dividends including tax thereon	-	(19.52)	-	(19.52)
Transfer from retained earnings	-	-	-	-
<b>Balance at the end of March 31,2018</b>	<b>4,731.08</b>	<b>4,410.24</b>	-	<b>9,141.32</b>

The accompanying notes form an integral part of the Consolidated financial statements

This is the Consolidated Statement of changes in Equity referred to in our report of even date.

**For and on behalf of the Board**

For **R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408



## Notes to Consolidated Financial Statements - Part A

### 1. CORPORATE INFORMATION

Sanco Trans Limited ("The Group") is a listed Public Group and its wholly owned subsidiaries domiciled in India and are incorporated under the provisions of the Companies Act 2013 as applicable in India. The registered office headquartered in Chennai, India,

The Consolidated financial statements were approved by the Board of Directors on 29th May 2018.

The Group is principally engaged in providing specialised logistics services across multimodal transport operators and container freight station operations,

### 2. BASIS OF PREPARATION & PRESENTATION

Compliance with Indian Accounting Standard (Ind AS):

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2017, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

#### First-time adoption:

In accordance with Ind AS 101 on First time adoption of Ind AS, the Group has prepared its first Ind AS financial statements which include:

- (i) Three Balance sheets namely, the opening Balance sheet as at April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising assets or liabilities which are not permitted by Ind AS, by reclassifying assets and liabilities from previous GAAP as required by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities; and Balance sheets as at March 31, 2018 and 2017; and
- (ii) Two statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

The same accounting policies have been applied for all the periods presented except when the Group has made use of certain exceptions and/ or exemptions.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



## Notes to Consolidated Financial Statements - Part A

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the Act. 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 Group has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest lakhs, except where otherwise indicated.

The financial statements were approved for issue by the board of directors on May 29, 2018.

The significant accounting policies are detailed below.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue Recognition:

##### Rendering of Services:

Revenue is measured at the fair value of consideration received or receivable.

Revenue is primarily derived from (i) executed work, at contracted rates, (ii) other work yet to be completed, at estimated net realisable value, (iii) warehousing operations, at estimated net realisable value (net of incentives, discounts, rebates, etc), (iv) container freight operations, at estimated net realisable value and (v) 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. Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and amounts collected on behalf of third party.

The revenue from services is recognised based on the actual service provided till the end of the reporting period, provided that the same can be estimated reliably. When the outcome of the transactions involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of expenses recognised that are recoverable.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised where there is no uncertainty as to measurement or collectability of consideration.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in Profit or Loss in the period in which the circumstances that give rise to the revision become known by the management.

##### Dividend:

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

##### Interest Income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

#### 3.2 Foreign currency transactions:

The Group's financial statements are presented in INR, which is also its functional currency. Transactions in currencies other than the entity's functional currency are translated using the exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at that date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognized as profit or loss in the period in which they arise.



**Notes to Consolidated Financial Statements - Part A**

**3.3 Borrowing costs:**

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expense in the year in which it is incurred.

**3.4 Employee benefits:**

**Short term employee obligations:**

A liability is recognised for benefits accruing to employees in respect of salaries, wages, compensated absences, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Post-employment obligations and termination benefits:

The Group operates the following post-employment schemes-

- a. Defined Contribution plan such as provident fund, superannuation fund and Employee State Insurance
- b. Defined Benefit Plan such as gratuity and other retirement benefits.

**Defined contribution plan**

Payments to defined contribution plans i.e., Group's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees. The Group has no further payment obligations once the contributions have been paid.

**Defined benefit plan**

The cost of providing benefits under the defined benefit plan i.e. Gratuity (funded) and other retirement benefits is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

**Defined benefit costs are comprised of**

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. Re-measurement.

Re-measurement of net defined benefit liability/asset is reflected immediately in the balance sheet with a charge or credit in other comprehensive income in the period in which they occur and is not reclassified to profit or loss.

A liability for termination benefits is recognised at the earlier of when the Group can no longer withdraw the offer of termination benefit or when the Group recognises any related restructuring costs.

**3.5 Income Taxes:**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised directly in other comprehensive income or in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or in equity respectively.

**Current tax:**

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.



## Notes to Consolidated Financial Statements - Part A

### Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all unused tax credits, deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those unused tax credits, deductible temporary differences and unused losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- (a) in other comprehensive income, is recognised in other comprehensive income.
- (b) directly in equity, is recognised directly in equity

### 3.6 (a) Property, Plant and Equipment:

Property, Plant and equipment held for use in the supply of services, or for administrative purposes, are stated in the balance sheet at cost (net of eligible credit for duties and taxes) less accumulated depreciation and accumulated impairment losses, if any and inclusive of expenses attributable to bringing the asset to its working condition and also borrowing cost in respect of qualifying assets. Costs of civil works (including electrification and fittings is capitalised).

Depreciation on Property, Plant and Equipment is recognised from the date the assets are ready for their intended use so as to write off the cost of the assets less their residual values over their useful lives using the straight-line method.

The useful life of assets is estimated by the Management based on technical assessment. Estimated useful life of assets different from those prescribed under Schedule II to the 2013 Act are disclosed in the Notes to the financial statements.

Depreciation on Property, Plant and Equipment which are added/disposed off during the year, is provided on pro-rata basis with reference to the date of addition/ deletion.

When significant parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of Property, Plant and Equipment.

### Transition to IND AS

The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.





## Notes to Consolidated Financial Statements - Part A

Property, Plant and Equipment that are not ready for their intended use are carried at costs

Comprising direct costs and other incidental/attributable expenses and are reflected under Capital work in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.6 (b) Intangible Assets:

Intangible assets are capitalised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets comprising software acquired are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

The Group has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying values as its deemed cost as of the transition date.

### 3.7 Impairment of assets:

Plant, Property and Equipment and intangible assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group's of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.



## Notes to Consolidated Financial Statements - Part A

### 3.9 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. Costs also include all other costs incurred in bringing the inventory to their present condition.

### 3.10 Cash and Cash Equivalents:

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### 3.11 Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is management's best estimate of the consideration required to settle the present obligation at the end of the reporting period. When a provision is measured using the cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed in case of:

- A present obligation arising out of past events, when it is not probable that there will be an outflow of resources that will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.
- Provisions, Contingent liabilities, Contingent assets and commitments are reviewed at each Balance sheet date.
- Provision for litigation related obligation represents liabilities expected to materialise in respect of matters in appeal.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

### 3.12 Exceptional Items:

On certain occasions, the size, the type or incidence of an item of expense or income, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, In that event such income or expense is classified as an exceptional item and accordingly disclosed in notes to the financial statements.

### 3.13 Financial instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.



## Notes to Consolidated Financial Statements - Part A

### A. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Classification of financial assets:

Financial instruments that meet the following conditions are subsequently measured at amortised cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at FVTOCI if the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets which are not classified in any of the above categories are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

#### Investments in equity instruments of subsidiaries

The Group measures its investments in equity instruments of subsidiaries at cost in accordance with Ind AS 27. At transition date, the Group has elected to continue with the carrying value of such investments measured as per the previous GAAP and use such carrying value as its deemed cost.

#### Impairment of financial assets:

The Group applies expected credit loss model for recognising impairment loss on financial assets not designated as at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

#### De-recognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

The Group has applied the de-recognition requirements of financial assets prospectively for transactions occurring on or after April 1, 2016. (the transition date).

#### Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest is the rate that exactly discounts estimated future cash receipts.



## Notes to Consolidated Financial Statements - Part A

### B. Financial liabilities and equity instruments

#### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

#### Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading, may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other expense' line item.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

#### 3.14 Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs" line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured (if not designated as at Fair value though profit or loss) at the higher of:

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.



## Notes to Consolidated Financial Statements - Part A

### 3.15 De-recognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Group has applied the de-recognition requirements of financial liabilities prospectively for transactions occurring on or after April 1, 2016. (the transition date).

### 4. Critical Accounting Judgments and key sources of estimation uncertainty:

#### 4.1 Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the period.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements and or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 4.2 Critical accounting estimates:

##### a. Revenue recognition:

The revenue from services is recognised based on the actual service provided till the end of the reporting period, provided that the same can be estimated reliably. When the outcome of the transactions involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of expenses recognised that are recoverable.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised where there is no uncertainty as to measurement or collectability of consideration.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in Profit or Loss in the period in which the circumstances that give rise to the revision become known by the management.

##### b. Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.



Notes to the Consolidated Financial Statements - Part B

2017-18 Rs. In Lakhs

Note 1 Property Plant and Equipment and Capital Work in Progress

Property Plant and Equipment (PPE)	Gross carrying amount			Accumulated depreciation				Net carrying amount
	Balance as at 1 April, 2017	Additions	Disposals	Balance as at 31 March, 2018	Depreciation / amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 March, 2018	Balance as at 31 March, 2018
(a) Land - Freehold	₹ 6,356.71	-	-	₹ 6,356.71	-	-	-	₹ 6,356.71
(b) Buildings	₹ 3,387.74	₹ 56.28	-	₹ 3,444.02	₹ 211.16	-	₹ 421.97	₹ 3,022.05
(c) Operating fleet/equipments	₹ 1,812.11	₹ 0.33	₹ 122.61	₹ 1,689.83	₹ 389.12	₹ 48.11	₹ 750.80	₹ 939.03
(d) Machinery	₹ 37.42	-	-	₹ 37.42	₹ 3.55	-	₹ 7.09	₹ 30.32
(e) Office Vehicles	₹ 42.66	-	-	₹ 42.66	₹ 14.94	-	₹ 31.63	₹ 11.04
(f) Furniture	₹ 6.83	-	-	₹ 6.83	₹ 1.41	-	₹ 2.81	₹ 4.02
(g) Office equipment	₹ 74.50	₹ 4.65	-	₹ 79.15	₹ 23.85	-	₹ 47.55	₹ 31.60
<b>Total</b>	<b>₹ 11,717.97</b>	<b>₹ 61.26</b>	<b>₹ 122.61</b>	<b>₹ 11,656.62</b>	<b>₹ 644.03</b>	<b>₹ 48.11</b>	<b>₹ 1,261.85</b>	<b>₹ 10,394.77</b>
<b>Capital work - in - progress</b>								<b>₹ 464.52</b>

Notes:

(a) Details of assets given as security for borrowings - Refer Note 12.2 and 16.1

(b) Amount of contractual commitments(net of advances) for acquisition of property, plant and equipment - Rs. Nil ( March 31,2017 Rs. Nil)

Note 2 Intangible Assets

2017-18 Rs. In Lakhs

Intangible Assets	Gross carrying amount			Accumulated depreciation				Net carrying amount
	Balance as at 1 April, 2017	Additions	Disposals	Balance as at 31 March, 2018	Depreciation / amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 March, 2018	Balance as at 31 March, 2018
Software acquired	₹ 8.26	₹ 15.17	-	₹ 23.43	₹ 6.68	-	₹ 8.71	₹ 14.72
<b>Total</b>	<b>₹ 8.26</b>	<b>₹ 15.17</b>	<b>-</b>	<b>₹ 23.43</b>	<b>₹ 6.68</b>	<b>-</b>	<b>₹ 8.71</b>	<b>₹ 14.72</b>

Note: Amount of contractual commitments for acquisition of intangible assets - Rs. Nil ( March 31,2017 Rs. Nil)



Notes to the Consolidated Financial Statements - Part B

2016-17 Rs. In Lakhs

Note 1 Property Plant and Equipment and Capital Work in Progress

Property Plant and Equipment (PPE)	Gross carrying amount			Accumulated depreciation				Net carrying amount	
	Deemed cost as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Deemed cost as at 1 April, 2016	Depreciation / amortisation expense for the year	Disposals/ Adjustments		Balance as at 31 March, 2017
	₹	₹	₹	₹	₹	₹	₹		₹
(a) Land - Freehold	6,356.71	-	-	6,356.71	-	-	-	6,356.71	
(b) Buildings	3,386.59	1.15	-	3,387.74	-	210.81	-	3,176.93	
(c) Operating fleet/equipments	1,854.91	-	42.80	1,812.11	-	411.97	2.18	1,402.32	
(d) Machinery	37.42	-	-	37.42	-	3.55	-	33.87	
(e) Office Vehicles	42.66	-	-	42.66	-	16.68	-	25.98	
(f) Furniture	6.60	0.23	-	6.83	-	1.40	-	5.43	
(g) Office equipment	58.71	15.79	-	74.50	-	23.70	-	50.80	
<b>Total</b>	<b>11,743.60</b>	<b>17.17</b>	<b>42.80</b>	<b>11,717.97</b>	-	<b>668.11</b>	<b>2.18</b>	<b>11,052.04</b>	
<b>Capital work - in - progress</b>	<b>413.92</b>							<b>416.73</b>	

Notes:

- (a) The Company has elected the previous GAAP carrying amount( i.e. Gross Cost less accumulated depreciation) of PPE as at April 1,2016 (transition date) as deemed cost and has accordingly disclosed the same as above.
- (b) Details of assets pledged as security for borrowings - Refer Note 12.2 and 16.1
- (c) Amount of contractual commitments(net of advances) for acquisition of property, plant and equipment - Rs. Nil (April 1,2016 Rs. Nil)

Note 2 Intangible Assets

2016-17 Rs. In Lakhs

Intangible Assets	Gross carrying amount			Accumulated depreciation				Net carrying amount	
	Deemed cost as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Deemed cost as at 1 April, 2016	Depreciation / amortisation expense for the year	Disposals/ Adjustments		Balance as at 31 March, 2017
	₹	₹	₹	₹	₹	₹	₹		₹
Software acquired	1.95	6.31	-	8.26	-	2.03	-	6.23	
<b>Total</b>	<b>1.95</b>	<b>6.31</b>	<b>-</b>	<b>8.26</b>	<b>-</b>	<b>2.03</b>	<b>-</b>	<b>6.23</b>	

Notes:

- (a) The Company has elected the previous GAAP carrying amount(i.e. Gross Cost less accumulated depreciation/amortisation and impairment) of intangible assets as at April 1,2016 (transition date) as deemed cost and has accordingly disclosed the same as above.
- (b) Amount of contractual commitments for acquisition of intangible assets - Rs. Nil (April 1,2016 Rs. Nil)



**Notes to the Consolidated Financial Statements - Part B**

Rs. In Lakhs

	<b>As at March 31,2018</b>	As at March 31,2017	As at April 1,2016
<b>3 Non - Current Financial Assets - Others</b>			
Unsecured, considered good			
(a) Security deposits	35.01	36.38	43.52
(b) Interest accrued on fixed deposits	1.75	8.77	3.56
(c) Bank deposits with remaining maturity of more than 12 months	0.47	79.78	26.47
(d) Other advances			
- Rent deposit	96.99	99.76	129.90
- Earnest money deposit	21.17	18.41	9.22
	<b>155.39</b>	<b>243.10</b>	<b>212.67</b>
Note:			
3.1 The above assets carried at amortised cost.			
<b>4 Other Non - Current Assets</b>			
Unsecured, considered good			
(a) Advance Income tax-net of provisions	970.94	865.97	627.14
(b) Capital Advance	-	-	37.16
(c) Prepaid expenses	24.50	31.39	49.74
(d) Trade Advance - Related Party	-	-	150.00
(e) Taxes paid under Protest	13.86	5.96	5.96
	<b>1,009.30</b>	<b>903.32</b>	<b>870.00</b>
<b>5 Current Assets - Inventories</b>			
- Stores and spares	10.48	13.01	11.17
	<b>10.48</b>	<b>13.01</b>	<b>11.17</b>
<b>6 Current Financial Assets - Trade Receivables</b>			
Trade receivables - unsecured, considered good			
(a) Related parties (Refer Note. 37)	750.29	585.10	133.48
(b) Others	1,375.49	1,272.09	1,134.50
	<b>2,125.78</b>	<b>1,857.19</b>	<b>1,267.98</b>
<b>7.1 Cash and cash equivalents</b>			
(a) Balance with banks			
- in current account	92.35	226.54	36.84
(b) Cheques on hand	42.46	27.39	10.69
(c) Cash on hand	2.66	1.46	5.93
	<b>137.47</b>	<b>255.39</b>	<b>53.46</b>
<b>7.2 Bank Balances other than 7.1 above</b>			
(a) Earmarked bank balances - unclaimed Dividend account	12.50	13.70	14.71
(b) Balance with banks held as Margin money	64.72	72.17	62.86
(c) Bank deposits with original maturity between 3 to 12 months	426.48	393.51	366.91
	<b>503.70</b>	<b>479.38</b>	<b>444.48</b>





**Notes to the Consolidated Financial Statements - Part B**

Rs. In Lakhs

	<b>As at March 31,2018</b>	As at March 31,2017	As at April 1,2016
<b>8 Current Financial Assets - Others</b>			
Unsecured, considered good			
(a) Interest accrued :			
- Fixed deposits with banks	29.99	18.63	22.40
(b) Unbilled revenue	158.15	278.05	294.11
(c) Advances to Others	36.34	49.63	26.52
(d) Earnest Money Deposit	-	1.00	-
(e) Employee advance	3.47	6.90	5.62
(f) Bank deposits with remaining maturity less than 12 months	117.90	32.76	78.00
	<b>345.85</b>	<b>386.97</b>	<b>426.65</b>
<b>9 Other Current Assets</b>			
Unsecured, considered good			
(a) Advances to suppliers, contractors and others	70.51	66.32	72.46
(b) Prepaid expenses	52.18	46.13	21.08
(c) Balance with government authorities	0.65	6.60	2.92
	<b>123.34</b>	<b>119.05</b>	<b>96.46</b>
<b>10 Equity Share Capital</b>			
<b>Authorised</b>			
70,00,000 ( March31,2017 and April 1, 2016: 70,00,000 )	700.00	700.00	700.00
Equity shares of Rs. 10 each with voting rights	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>
<b>Issued and Subscribed and fully paid up</b>			
18,00,000 ( March 31,2017 and April 1,2016: 18,00,000) Equity	180.00	180.00	180.00
Shares of Rs.10 each with voting rights	<b>180.00</b>	<b>180.00</b>	<b>180.00</b>

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

Name of the shareholder	As at March 31,2018		As at March 31,2017		As at April 1,2016	
	No. of shares held	% of shares held	No. of shares held	% of shares held	No. of shares held	% of shares held
Srimathi. Devaki S	2,12,750	11.82	2,12,750	11.82	2,12,750	11.82
Sri. Sathyanarayanan S	1,99,400	11.08	1,97,600	10.98	1,97,600	10.98
Sudharsan Logistics Private Ltd	4,63,583	25.75	4,63,583	25.75	4,96,883	27.60
Sanco Estates and Farms Private Ltd	1,50,100	8.34	1,50,100	8.34	1,50,100	8.34
<b>Total</b>	<b>10,25,833</b>	<b>56.99</b>	<b>10,24,033</b>	<b>56.89</b>	<b>10,57,333</b>	<b>58.74</b>

Rs. In Lakhs

10.2 Reconciliation of number of shares	<b>As at March 31,2018</b>	As at March 31,2017	As at April 1,2016
Opening	18.00	18.00	18.00
Additions/Deletions	-	-	-
Closing	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>



**Notes to the Consolidated Financial Statements - Part B**

10.3 Rights, Preferences and Restrictions attached to shares The holders of Equity shares are entitled to vote at the General Meeting and also to the dividend declared/paid in proportion to the Shares held by them. Apart from the above, their rights, preferences and restrictions are governed by the terms of their issue under the provisions of the Companies Act, 2013

**11 Other Equity**

Rs. In Lakhs

	Note	As at March 31,2018	As at March 31,2017	As at April 1,2016
General Reserve	A	4,731.08	4,731.08	4,712.39
Retained Earnings	B	4,410.24	4,425.71	4,607.16
		<b>9,141.32</b>	<b>9,156.79</b>	<b>9,319.55</b>

Refer " Statement of Changes in Equity" for additions/ deletions in each reserve

Notes :

- A. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for the purpose such as dividend payout, bonus issue, etc..purpose such as dividend payout, bonus issue, etc..
- B. In respect of the year ended March 31,2018, the Board of Directors has proposed a dividend of Rs. 0.90 per equity share subject to approval by the shareholders at the ensuing Annual General Meeting. Revaluation reserve of Rs. 4,660.00 lakhs transferred to retained earnings on transition date (April 1,2016) in terms of Ind AS 101 may not be available for distribution of dividend.

**12 Non - Current Financial Liabilities - Borrowings**

	As at March 31,2018	As at March 31,2017	As at April 1,2016
Term loans from Banks - Secured			
(i) Loan for construction of warehouse	-	-	122.94
(ii) Loan for acquisition of Land and building - Head Office	664.77	800.97	913.47
(iii) Loan for acquisition of Capital assets under deferred payment scheme	101.50	347.74	474.81
	<b>766.27</b>	<b>1,148.71</b>	<b>1,511.22</b>

Notes:

12.1 Refer Note. 18(a) for current maturities of non - current borrowings.

12.2 Security details for borrowings in Note 12 and 18(a)

- (a) Loan sanctioned of Rs .900 Lakhs for construction of warehouse was secured by Land belonging to an enterprise which has a significant influence on the company and is further secured by personal guarantee of three directors.
- (b) Loan Sanctioned of Rs. 1,383 lakhs from Bank for acquisition of Land and building - Head Office is secured by the said immovable property and guaranteed by three directors
- (c) Loan for acquisition of capital assets under deferred payment scheme is secured by hypothecation of related capital assets and guaranteed by Deputy Managing Director.

12.3 For other terms of the borrowings; Refer Note .47

**13 Non - Current Financial Liabilities - Others**

Rental Deposit	46.38	40.53	37.82
	<b>46.38</b>	<b>40.53</b>	<b>37.82</b>

Note : These are carried at amortised cost

**14 Non - Current Liabilities - Others**

Rental received in advance	15.22	18.37	21.29
	<b>15.22</b>	<b>18.37</b>	<b>21.29</b>



**Notes to the Consolidated Financial Statements - Part B**

Rs. In Lakhs

	<b>As at March 31,2018</b>	As at March 31,2017	As at April 1,2016
<b>15. Deferred Tax Liabilities (Net)</b>			
(a) Deferred tax liabilities	362.52	487.82	593.09
(b) Deferred tax asset	18.51	49.51	49.23
	<b>344.01</b>	<b>438.31</b>	<b>543.86</b>
c) MAT credit entitlement	(94.92)	-	-
	<b>249.09</b>	<b>438.31</b>	<b>543.86</b>

Note: Refer note. 30 details of deferred tax liabilities and assets

**16 Current Financial Liabilities - Borrowings**

Loans repayable on demand - Secured	1,433.13	1,397.94	1,038.76
	<b>1,433.13</b>	<b>1,397.94</b>	<b>1,038.76</b>

Notes:

16.1 Security details :

Cash credit facility is secured by first charge on the book debts and other movable assets both current and future of the company, land and structures thereon at Container Freight Station and guaranteed by three Directors.

**17 Current Financial Liabilities - Trade payables**

Trade payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	967.43	922.04	658.32
	<b>967.43</b>	<b>922.04</b>	<b>658.32</b>

17.1 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.

**18 Current Financial Liabilities - Others**

(a) Current maturities of long term debt - Secured	692.12	732.85	787.47
(b) Interest accrued	21.16	22.83	18.29
(c) Creditors for expenses	1,222.29	1,113.39	876.89
(d) Employee benefits	52.24	49.53	48.64
(e) Capital creditors	11.64	16.86	28.33
(f) Unclaimed dividend	12.50	13.70	14.71
(g) Due to directors	50.22	49.46	31.83
(h) Advance for purchase of PPE - Related Party	106.08	-	-
(i) Other payables	25.20	13.98	33.76
	<b>2,193.45</b>	<b>2,012.60</b>	<b>1,839.92</b>

18.1 Security and other details for current maturities of long term debt: Refer Note 15.3

**19 Other Current Liabilities**

a) Advance from customers	127.62	224.71	193.42
b) Statutory dues	102.26	29.26	46.52
c) Rent received in advance	3.15	2.93	2.73
	<b>233.03</b>	<b>256.90</b>	<b>242.67</b>



**Notes to the Consolidated Financial Statements - Part B**

Rs. In Lakhs

	As at March 31,2018	As at March 31,2017	As at April 1,2016
<b>20 Provisions</b>			
(a) Provision for employee benefits			
- Bonus	60.00	58.06	60.00
(b) Property tax	-	102.16	88.92
	<b>60.00</b>	<b>160.22</b>	<b>148.92</b>

Notes

**20.1 Movement in Property tax is as follows**

	Opening	Additions(net)	Closing
- March 2018	102.16	(102.16)	-
- March 2017	88.92	13.24	102.16

**20.2 Movement in Bonus is as follows**

	Opening	Additions(net)	Closing
- March 2018	58.06	1.94	60.00
- March 2017	60.00	(1.94)	58.06

**21 Revenue from Operations**

Sale of Services

	Year ended March 31,2018	Year ended March 31,2017
(a) Handling earnings	4,619.05	4,062.96
(b) Equipment and fleet hire earnings	3,571.40	3,841.29
(c) Warehouse earnings	277.16	793.01
(d) Agency and other earnings	322.96	294.24
	<b>8,790.57</b>	<b>8,991.50</b>

21.1 Warehouse earnings is net of incentives/ rebates/ trade discounts of Rs. 977.31. lakhs (2016-17 Rs.796.76 lakhs)

**22 Other Income**

(a) Interest Income	100.09	102.66
(b) Other non - operating income		
(i) Net gain on disposal of property, plant and equipment	22.71	-
(ii) Rent received	90.26	83.17
(iii) Net gain on foreign currency transaction and translation	-	0.76
(iv) Others	5.95	2.06
(v) Provisions no longer required written back	112.53	-
	<b>331.54</b>	<b>188.65</b>

22.1 Tax deducted at source on Interest income Rs. 1.80 lakhs (2016-17 Rs 6.23 lakhs).

**23 Operating expenses**

(a) Handling expenses	1,653.91	1,470.55
(b) Container repairs	242.95	290.92
(c) Hired equipments upkeep	83.91	73.83
(d) Operating equipments upkeep	1,497.70	1,309.16
(e) Others	86.75	67.99
	<b>3,565.22</b>	<b>3,212.45</b>



**Notes to the Consolidated Financial Statements - Part B**

Rs. In Lakhs

	<b>Year ended March 31,2018</b>	Year ended March 31,2017
<b>24 Employee benefits expense</b>		
(a) Salaries, wages and bonus	798.60	742.13
(b) Contribution to provident and other funds	76.65	62.60
(c) Staff welfare expenses	195.20	244.03
	<b>1,070.45</b>	<b>1,048.76</b>

24.1 Contribution to Defined Contribution Plans, recognised as expense for the year is as under

- a) Employer's Contribution towards provident fund Rs. 58.50 lakhs (2016-17 51.27 lakhs)
- b) Employee's welfare expenses includes contribution to Employee's State insurance Plan Rs. 12.55 Lakhs (2016-17 Rs. 9.64 lakhs)

**25 Finance costs**

(a) Interest expenses	279.39	357.64
(b) Other borrowing costs		
- Guarantee Charges	9.19	11.94
	<b>288.58</b>	<b>369.58</b>

**26 Other expenses**

(a) Consumption of Stores and tools	9.29	10.60
(b) Power and fuel	58.25	64.20
(c) Rent		
- Warehouse	376.07	497.43
- Others	48.10	46.87
(d) Repairs to buildings		
- Warehouse	43.40	25.45
- Others	35.77	13.40
(e) Repairs to machinery and office vehicles	3.23	7.43
(f) Fuel for office vehicles	12.72	12.63
(g) Insurance		
- Office vehicles	9.70	1.56
- Others	2.02	9.61
(h) Rates and taxes	31.65	29.37
(i) Travel and conveyance	97.92	123.90
(j) Security Services	91.98	98.79
(k) Loss on sale of property, plant and equipment	-	17.91
(l) Others *	181.67	214.60
	<b>1,001.77</b>	<b>1,173.75</b>

26.1 Others include :

**Payment to auditors**

Statutory Audit fee	3.46	2.68
Taxation matters	3.00	2.68
Certification fees and other services	2.00	1.00



Notes to the Consolidated Financial Statements - Part B

27 FIRST TIME IND AS ADOPTION RECONCILIATIONS

27.1 Effect of Ind AS adoption on the consolidated balance sheet as at 31st March, 2017 and 1st April, 2016

Particulars	Note No.	Rs. in lakhs					
		Previous GAAP	Transition Effect	Ind AS	Previous GAAP	Transition Effect	Ind AS
		As at March 31, 2017	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016	As at April 1, 2016	As at April 1, 2016
<b>(1) ASSETS</b>							
<b>Non - current assets</b>							
(a) Property, Plant and Equipment		11,052.04	-	11,052.04	11,743.59	-	11,743.59
(b) Capital work - in - progress		416.73	-	416.73	413.92	-	413.92
(c) Intangible assets		6.23	-	6.23	1.95	-	1.95
(d) Financial Assets							
(iii) Others		268.87	(25.77)	243.10	244.48	(31.81)	212.67
(e) Other non - current assets		884.03	19.29	903.32	844.23	25.77	870.00
<b>Total non - current assets</b>		<b>12,627.90</b>	<b>(6.48)</b>	<b>12,621.42</b>	<b>13,248.17</b>	<b>(6.04)</b>	<b>13,242.13</b>
<b>(2) Current assets</b>							
(a) Inventories		13.01	-	13.01	11.17	-	11.17
(b) Financial Assets							
(i) Trade receivables		1,857.19	-	1,857.19	1,267.98	-	1,267.98
(ii) Cash and cash equivalents		255.39	-	255.39	53.46	-	53.46
(iii) Bank balances other than (ii) above		479.38	-	479.38	444.48	-	444.48
(iv) Others		386.97	-	386.97	426.65	-	426.65
(c) Other current assets	27.4 F	116.68	2.37	119.05	95.39	1.07	96.46
<b>Total current assets</b>		<b>3,108.62</b>	<b>2.37</b>	<b>3,110.99</b>	<b>2,299.13</b>	<b>1.07</b>	<b>2,300.20</b>
<b>Total assets</b>		<b>15,736.52</b>	<b>(4.11)</b>	<b>15,732.41</b>	<b>15,547.30</b>	<b>(4.97)</b>	<b>15,542.33</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share capital		180.00	-	180.00	180.00	-	180.00
(b) Other Equity	27.4 B,C,F	9,335.37	(178.58)	9,156.79	9,567.59	(248.04)	9,319.55
<b>Equity attributable to owners of Sanco Trans Limited</b>		<b>9,515.37</b>	<b>(178.58)</b>	<b>9,336.79</b>	<b>9,747.59</b>	<b>(248.04)</b>	<b>9,499.55</b>
Non - controlling interests		-	-	-	-	-	-
<b>Total Equity</b>		<b>9,515.37</b>	<b>(178.58)</b>	<b>9,336.79</b>	<b>9,747.59</b>	<b>(248.04)</b>	<b>9,499.55</b>



**Notes to the Consolidated Financial Statements - Part B**

Rs. in lakhs

Particulars	Note No.	Previous GAAP	Transition Effect	Ind AS	Previous GAAP	Transition Effect	Ind AS
		As at March 31,2017	As at March 31,2017	As at March 31,2017	As at April 1,2016	As at April 1,2016	As at April 1,2016
<b>(1) Liabilities</b>							
<b>Non - current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		1,148.71	-	1,148.71	1,511.22	-	1,511.22
(ii) Other financial liabilities		61.78	(21.25)	40.53	61.83	(24.01)	37.82
(b) Other non -current liabilities		-	18.37	18.37	-	21.29	21.29
(d) Deferred tax liabilities (Net)	<b>27.4 C</b>	244.36	193.95	438.31	261.82	282.04	543.86
<b>Total non - current liabilities</b>		<b>1,454.85</b>	<b>191.07</b>	<b>1,645.92</b>	<b>1,834.87</b>	<b>279.32</b>	<b>2,114.19</b>
<b>(2) Current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		1,397.94	-	1,397.94	1,038.76	-	1,038.76
(ii) Trade payables		922.04	-	922.04	658.32	-	658.32
(iii) Other financial liabilities		2,012.60	-	2,012.60	1,839.92	-	1,839.92
(b) Other current liabilities		253.97	2.93	256.90	239.92	2.75	242.67
(c) Provisions	<b>27.4 B</b>	179.74	(19.52)	160.22	187.92	(39.00)	148.92
<b>Total current liabilities</b>		<b>4,766.29</b>	<b>(16.59)</b>	<b>4,749.70</b>	<b>3,964.84</b>	<b>(36.25)</b>	<b>3,928.59</b>
<b>Total Liabilities</b>		<b>6,221.15</b>	<b>174.48</b>	<b>6,395.62</b>	<b>5,799.71</b>	<b>243.07</b>	<b>6,042.78</b>
<b>Total Equity and Liabilities</b>		<b>15,736.52</b>	<b>(4.09)</b>	<b>15,732.41</b>	<b>15,547.30</b>	<b>(4.97)</b>	<b>15,542.33</b>

**27.2 Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss as at 31st March, 2017 and 1st April,2016**

Rs. in lakhs

Particulars	Note No.	Previous GAAP	Transition Effect	Ind AS
		Year ended March 31,2017	Year ended March 31,2017	Year ended March 31,2017
<b>Income</b>				
I Revenue from Operations		8,991.50		8,991.50
II Other Income		179.90	8.75	188.65
III Total Income (I+II)		9,171.40	8.75	9,180.15
<b>IV Expenses</b>				
Equipment and fleet hire		2,918.72		2,918.72
Operating expenses		3,212.45		3,212.45
Employee benefits expense	<b>27.4 D</b>	1,054.67	(5.91)	1,048.76
Finance costs		367.73	1.85	369.58
Depreciation and amortization expense (Refer Note 1,2 to the Balance Sheet)		670.14		670.14
Other expenses		1,167.71	6.04	1,173.75
<b>Total expenses (IV)</b>		<b>9,391.42</b>	<b>1.98</b>	<b>9,393.40</b>



**Notes to the Consolidated Financial Statements - Part B**

Particulars	Note No.	Previous GAAP	Transition Effect	Ind AS
		Year ended March 31,2017	Year ended March 31,2017	Year ended March 31,2017
V Profit/(loss) before exceptional items and tax(I-IV)		(220.02)	6.77	(213.25)
VI Exceptional items		-		-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(220.02)</b>		<b>(213.25)</b>
<b>VIII Tax expense :</b>				
Current tax		10.15	1.83	11.98
Deferred tax		(17.45)	(30.51)	(47.96)
<b>IX Profit/(Loss) for the year (VII-VIII)</b>		<b>(212.72)</b>		<b>(177.27)</b>
<b>X Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss				
- Remeasurement of Defined Benefits Plan	<b>27.4 D,E</b>	-	5.91	5.91
(ii) Income tax relating to items above			(1.83)	(1.83)
B (i) Items that will reclassified to profit or loss		-	-	-
(ii) Income tax relating to items above				-
<b>XI Total Other Comprehensive Income for the year</b>		<b>-</b>	<b>4.08</b>	<b>4.08</b>
<b>XIII Total Comprehensive Income for the period (IX + XI)</b>		<b>(212.72)</b>		<b>(181.35)</b>

**27.3. Reconciliation of Net Profit and Equity as reported under previous GAAP and Ind AS is as under**

Rs. in lakhs

Particulars	Net Profit Reconciliation	Equity Reconciliation	
	Year ended March 31,2017	As at March 31,2017	As at April 1,2016
Net Profit /Equity as per previous Indian GAAP	(212.72)	9,515.37	9,747.59
Adjustments for proposed dividend (including tax there on)	-	19.52	39.00
Remeasurement of defined benefit plan	5.92		
Others	0.86	(4.11)	(4.97)
Deferred Taxes	30.51	(193.99)	(282.07)
Net Profit for the period as per Ind AS	(175.43)	-	-
Other Comprehensive Income (net of tax)	(5.91)	-	-
<b>Total Comprehensive Income/ Equity as per Ind AS</b>	<b>(181.34)</b>	<b>9,336.79</b>	<b>9,499.55</b>

**27.4. Notes :**

- A Under previous GAAP, the fixed assets of the Company were revalued and revaluation reserve was created. Under Ind AS, the company has adopted previous GAAP carrying values as deemed cost for PPE as on transition date and accordingly revaluation reserve has been transferred to retained earnings.
- B Under previous GAAP, proposed dividends were recognised as a provision in the financial statements, even if declared after the balance sheet date. Under Ind AS, dividends are recognised when declared. This resulted in a timing difference and has been reflected in total equity of the relevant financial year.
- C Under Ind AS, deferred taxes are recognised relating to Ind AS adjustments including deferred taxes measured using balance sheet approach. The effect of these are reflected in total equity and profit or loss.





**Notes to the Consolidated Financial Statements - Part B**

- D Under previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.
- E Under previous GAAP, there was no separate record in the financial statements for Other Comprehensive Income (OCI). Under Ind AS, specified items of income, expense, gains and losses are presented under OCI.
- F Under previous GAAP, unamortised loan raising expenses are disclosed under other currents. Under Ind AS, balance remaining as on April 1,2016 has been transferred to retained earnings.

**28 Basis of Consolidation:**

- (i) The Consolidated Financial Statements relate to Sanco Trans Limited (the Holding Company) and its subsidiaries. The Holding company and its subsidiaries together constitute the 'Group'.
- (ii) Principles of Consolidation:
  - a) The Consolidated Financial Statements have been prepared in accordance with Ind AS 110 "Consolidated Financial Statements", specified under Section 133 of the Companies Act, 2013.
  - b) The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
  - c) The following subsidiary companies are considered in the Consolidated Financial Statements

S.No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest
1	Sanco Transport Limited	India	100%
2	Sanco Clearance Limited	India	100%

- (iii) Additional information as required under Schedule III of the Companies Act ,2013 of entities consolidated as subsidiaries:

S.No.	Name of the entity	Net Assets		Share in Profit or Loss	
		As a % of Consolidated Net Assets	Amount Rs. Lakhs	As a % of Consolidated Profit or loss	Amount Rs. Lakhs
	<b>Holding Company</b>				
1	Sanco trans Limited	105%	9,830.70	(28%)	21.80
	<b>Indian Subsidiaries</b>				
2	Sanco Transport Limited	(5%)	(499.78)	132%	(101.56)
3	Sanco Clearance Limited	0%	(4.05)	2%	(1.75)
	Sub Total	100%	9,326.87	106%	(81.51)
	Add: Effect of Intercompany adjustments/eliminations	0%	(5.54)	(6%)	4.50
	<b>TOTAL</b>	<b>100%</b>	<b>9,321.32</b>	<b>100%</b>	<b>(76.99)</b>

**29 Income tax expense (income) for the year reconciled to accounting profit (loss):**

Rs. in lakhs

	<b>Year ended March 31,2018</b>	Year ended March 31,2017
Profit (loss) before tax	(200.25)	(213.25)
(i) Applicable Income tax rate	26.00%	30.90%
(ii) Income tax expense calculated at above rates	(52.06)	(65.89)
(iii) Effect of concessions/deductions(80IA etc..)	(3.91)	(28.86)
(iv) Effect of timing difference on account of expense		
(v) Effect of reversal of deferred tax liability other than that pertaining to revalued assets	(48.36)	(47.68)
(vi) Others	(17.47)	104.63
Income tax expense recognised in statement of profit and loss	<b>(121.80)</b>	<b>(37.81)</b>



**Notes to the Consolidated Financial Statements - Part B**

**30. Analysis of deferred tax assets/liabilities**

Rs. in lakhs

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other equity	Closing balance
<b>March 31,2018</b>					
Deferred tax (liabilities) assets in relation to :					
PPE and intangible assets	(434.62)	48.39	-	47.62	(338.61)
Land	(53.21)	-	-	29.27	(23.94)
Provisions	49.51	(30.96)	-	-	18.54
<b>Total</b>	<b>(438.31)</b>	<b>17.43</b>	<b>-</b>	<b>76.89</b>	<b>(344.01)</b>
<b>March 31,2017</b>					
Deferred tax (liabilities) assets in relation to :					
PPE and intangible assets	(503.30)	47.69	-	21.00	(434.62)
Land	(89.79)	-	-	36.58	(53.21)
Provisions	49.23	0.27	-	-	49.51
<b>Total</b>	<b>(543.86)</b>	<b>47.96</b>	<b>-</b>	<b>57.58</b>	<b>(438.31)</b>

31. Deferred tax liability on 01.04.2016 on immovable property revalued as at March 31,2009 was recognised by adjustment in Retained Earnings. Consequently, the reversal to the extent of such liability in FY 2016-17 is also recognised in Retained Earnings in terms of Paragraph 61A of Ind AS 12. No deferred tax asset on such other immovable property is recognised given that lands may never be sold or sold in the very distant future by which time either tax laws may have changed or the company may have tax losses with the benefit of indexation not being realised.

**32. Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

Rs. in lakhs

Particulars	March 31,2018	March 31,2017	April 1, 2016
Unused tax credit	331.01	425.93	415.07

These will expire in the years from financial year 2025 -26 to 2031 -32

**33. Events after the Reporting Period**

33.1 The Board of Directors have recommended dividend of Rs. 0.90 per fully paid up equity share of Rs. 10 each, aggregating Rs. 16.2 lakhs for the financial year 2017-18, which is based on relevant share capital as on March 31,2018. The actual dividend amount will be dependent on relevant share capital outstanding as on the record date/ book closure.

33.2. Business Combinations : There is a proposal to merge a 100% subsidiary (Sanco Transport Limited) with the Company with the Appointed date as March 1, 2018. The Merger Scheme will be given effect to upon requisite approvals being obtained.

Rs. In Lakhs

	Year Ended March 31,2018	Year Ended March 31,2017
<b>34.1 Earnings per share</b>		
Basic earnings per share	(4.28)	(9.85)
Diluted earnings per share	(4.28)	(9.85)
Face value per share	10.00	10.00
<b>34.2 Basic and diluted earnings per share</b>		
Profit (loss) for the year attributable to equity shareholders	(76.99)	(177.27)
	Nos in lakhs	Nos in lakhs
Weighted average number of equity shares used in calculation of basic earnings per share	18	18
Weighted average number of equity shares used in calculation of diluted earnings per share	18	18



**Notes to the Consolidated Financial Statements - Part B**

- 35. Segment information** - The Company's Operating segment is identified based on nature of services, risks, returns and the internal business reporting System. The Company is primarily engaged in Logistics - Operating Segment.
- 36. Information about major customers** - Disclosure of amount of revenues from transactions with single customer amount to 10 % or more of Company revenue.

	Rs. In Lakhs
Revenue from one Customer	1,159.26

**37. Related Parties as per Ind AS 24 with whom the company has had transactions #**

**(i) List of Related Parties**

**(a) Key Management Personnel (KMP)**

- Shri V Upendran - Managing Director
- Shri S Sathyanarayanan - Deputy Managing Director
- Shri U Udayabhaskar Reddy - Whole time Director
- Shri S R Srinivasan - Director - Finance

**(b) Enterprise where significant influence is exercised on the Company**

Sudharsan Logistics Private Limited (SLPL)

**(c) Entity which is Post Employment Benefit Plan :**

Sanco Trans Limited Employees Group Gratuity Trust Fund

**(d) Entities in which KMP has control**

Sakthi Hitech Constructions Pvt Ltd

**(e) Relative of KMP**

Srimathi - Devaki Santhanam

**(ii) Related Party Transactions and Closing balance**

	Year ended March 31,2018	Year ended March 31,2017
<b>(a) Key Management Personnel</b>		
Remuneration*		
Short term employee benefits	126.00	125.73
Rent Payment	1.42	1.42
Amounts due at year end	50.22	49.46
<b>(b) Enterprise where significant influence is exercised on the Company</b>		
Tractor/Trailer hire charges paid	189.09	154.18
Tractor/Trailer hire charges earned	-	442.76
Lease rent paid	29.43	28.55
Operating and maintenance charges earned	1,159.26	674.90
Dividend paid	4.17	8.94
Trade Receivables	750.29	631.87
Other Receivables	-	293.37
Trade Payable	26.71	-
Rent advance outstanding	5.00	5.00
<b>(c) Post Employment Benefit Plan</b>		
Contribution towards gratuity	14.41	11.32
Other Comprehensive Income	-5.61	5.91
Prepaid expenses	4.71	-
<b>(d) Entities over which KMP has control</b>		
Handling earnings	0.38	-
Equipment hire earnings	0.09	-
Warehouse earnings	0.34	-
<b>(e) Relative of KMP</b>		
Sitting fees	0.50	0.40



**Notes to the Consolidated Financial Statements - Part B**

\* Managerial Remuneration above does not include gratuity benefit since the same is actuarially computed for all the employees and the amount attributable to the managerial personnel cannot be ascertained separately.

# The above transactions do not include reimbursement of expenses

As per section 149(6) of the Companies Act, 2013, Independent Directors are not considered as “Key Managerial Personal”. Also considering the roles and functions of independent directors stated under Schedule IV of the Companies Act, 2013, they have not been disclosed as KMP for the purpose of disclosure requirements of Ind AS -24 “Related - Parties”

**38. Related Parties with whom the company has not had any transactions**

(i) (i) Entities in which KMP has control : 1. Premium Mint and Herb Pvt Ltd , 2. Sanco Estates and Farms Pvt Ltd , 3. Shreyas Wheels Pvt Ltd, 4. The Nellikuppam Industries, 5. Sri Sathyanarayanan & Co.

**39. Contingent Liabilities**

Rs. In Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Claims against the company not acknowledged as debts			
(i) Income Tax	19.81	47.99	115.63
(ii) Service Tax	46.00	46.00	46.00
(iii) Others	34.37	53.93	35.88
(b) Bank guarantees	685.38	683.89	556.60

Note : Future cash outflows in respect of above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

**40. Corporate Social Responsibility (CSR) Obligation:**

The Provisions of section 135 of Companies Act 2013, (Corporate Social Responsibility) are not applicable to the company for current and previous financial year.

**41. Foreign Currency Transactions**

Foreign exchange and foreign currency transactions and derivatives - (i) Imports – Rs. 3.48 lakhs (2016-17 Rs 9.28 lakhs); (ii) Other expenditure in foreign currency Rs. 1.26 lakhs (2016-17 Rs. 2.45 lakhs); (iii) Other earnings in foreign exchange Rs. 83.51 lakhs (2016-17 Rs. 31.85 lakhs); (iv) There was no remittance in foreign currencies on account of dividend to non-resident shareholders; (v) Derivatives – Company has not so far used derivative financial instruments such as forward contracts, currency swap to hedge currency exposures, present and anticipated. However, currency exposure not hedged by derivative instruments are as under:

Amount receivable on account of services rendered, advances, etc. US\$ . 17,382.71 equivalent Rs. 11.33 lakhs (March 31, 2017 US \$ 8,673.15 equivalent Rs 5.52 lakhs); Amount payable on account of services obtained US \$ . 3,541.64 equivalent Rs. 2.31 lakhs (March 31, 2017 US \$ 3,827.66 equivalent Rs. 2.48 lakhs).

42. The Company has taken land and buildings under operating lease for which lease rent of Rs. 275.64 lakhs paid has been included in Other expenses note no. 26

Rs. In Lakhs

Particulars	Minimum Future Lease rentals		
	Due with in 1 year	Due later 1 year and not later than 5 years	Due later than 5 years
Lease rental	275.64	-	-

The Company has purchased vehicles on hire purchase loan, Details of Repayments are as follows:

Particulars	Minimum Future Lease rentals		
	Due with in 1 year	Due later 1 year and not later than 5 years	Due later than 5 years
(i) Principal Repayments	387.78	766.26	
(ii) Interest Repayments	23.54	3.69	



**Notes to the Consolidated Financial Statements - Part B**

**43. Net debt reconciliation**

Rs. Lakhs

	<b>As at March 31, 2018</b>
1. Cash and cash equivalents	137.47
2. Current borrowings	(1,444.26)
3. Non-current borrowings	(1,468.42)
<b>Net debt</b>	<b>(2,775.21)</b>

	Other assets		Liabilities from financing activities		Total
	cash and bank overdraft	Liquid investments	Non-current borrowings	Current borrowings	
<b>Net debt as at March 31, 2017</b>	<b>255.39</b>	-	<b>(1,895.29)</b>	<b>(1,407.04)</b>	<b>(3,046.94)</b>
Cash flows	(117.92)	-	423.17	(35.19)	270.06
Acquisition - finance leases	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-
Interest expense	-	-	(165.87)	(113.52)	(279.39)
Interest paid	-	-	169.57	111.49	281.06
Other non-cash movements					
- Acquisitions / disposals	-	-	-	-	-
- Fair value adjustments	-	-	-	-	-
<b>Net debt as at March 31, 2018</b>	<b>137.47</b>	-	<b>(1,468.42)</b>	<b>(1,444.26)</b>	<b>(2,775.21)</b>

Note: - Assets to be represented by positive numbers  
Liabilities to be represented by negative numbers

**44. Financial risk management objectives and policies**

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments.

The Company is exposed to market risk, credit risk, and liquidity risk. The Company's risk management is undertaken by the senior management under the guidelines and framework approved by the financial risk committee. The committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives which is reviewed and adopted by the Board of Directors for managing each of these risks, which are summarised below.

**A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include Long term borrowings, Advances and deposits.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Since the value of foreign currency exposed risk is not material, the company has natural hedging where applicable.



**Notes to the Consolidated Financial Statements - Part B**

USD

Financial Year	Net exposure on the currency		Net overall exposure on the currency
	Liabilities	Assets	
2018	3,541.64	17,382.71	13,841.07
2017	3,827.66	8,673.15	4,845.49
2016	2,339.58	5,860.87	3,521.29

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Rs. in Lakhs

Currency impact	2018	2017	2016
Profit/Loss	0.18	0.06	0.04
Equity	-	-	-

**B) Interest rate risk**

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. If interest rates had been 25 basis points higher/ lower, the Company's profit for the year ended March 31, 2018 would decrease/ increase by Rs. 0.70 lakhs (2016-17: decrease/ increase by Rs. 0.89 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**C) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, resulting in a financial loss to the Company. Credit risk arises from outstanding trade receivables and from its financing activities, including deposits with banks and institutions and investments.

Customer credit risk is managed by each business unit based on the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The Company has customer base across diverse industries.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company makes an allowance for doubtful debts using expected credit loss model and on a case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**D) Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. 692.12 lakhs of the Company's borrowing will mature in less than one year at 31 March 2018 (31 March 2017: 732.85 lakhs; 01 April 2016: 787.47 lakhs) based on the carrying value of borrowings reflected in the financial statements. The Company has obtained fund and non-fund based working capital limits from banks. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018.



**Notes to the Consolidated Financial Statements - Part B**

Year ended	Rs. In Lakhs		
	On demand	Less than 1 year	More than 1 year
Borrowings	1,433.13	692.12	766.27
Other financial liabilities	-	2,193.45	46.38
Trade and other payables	-	967.43	
<b>Total</b>	<b>1,433.13</b>	<b>3,853.00</b>	<b>812.65</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2017.

Year ended	Rs. In Lakhs		
	On demand	Less than 1 year	More than 1 year
Borrowings	1,397.94	732.85	1,148.71
Other financial liabilities	-	2,012.60	40.53
Trade and other payables	-	922.04	-
<b>Total</b>	<b>1,397.94</b>	<b>3,667.49</b>	<b>1,189.24</b>

**E) Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to ensure their ability to continue as going concern, so that they can leverage maximise returns for shareholders and benefits of other stakeholders; and to maintain an optimal capital structure to reduce cost of capital. Capital management and funding requirements is met through equity, internal accruals and long and short term debt instruments. The Company monitors capital management through gearing ratio which considers Debt (net of cash and cash equivalents) and equity.

Particulars	Rs. In Lakhs		
	March 31,2018	March 31,2017	April 1,2016
Borrowings	<b>2,891.52</b>	3,279.50	3,337.45
Less : cash and cash equivalents and Bank Balances	<b>(641.17 )</b>	(734.77)	(497.94)
Net debt	<b>2,250.35</b>	2,544.73	2,839.51
Equity	<b>9,321.32</b>	9,336.79	9,499.55
Equity and net debt	<b>11,571.67</b>	11,881.52	12,339.06
Gearing ratio	<b>0.24</b>	0.27	0.30

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.



**Notes to the Consolidated Financial Statements - Part B**

**45. Post Employment Obligations:**

**a. Defined Contribution plan**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for the employees at the rate of 12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation so the company is restricted to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the period towards defined contribution plans Rs. 58.50 lakhs

**b. Defined benefit plans**

**Gratuity**

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and present value of the defined benefit obligation were carried out as at March 31,2018. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. The following table sets forth the status of Gratuity Plan of the Company and the amount recognised in the Balance Sheet and the Statement of Profit and Loss. The Company provides the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provide the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Company is exposed to various risks in providing the above gratuity benefit which are follows..

Risk	Particulars
Interest Rate Risk	The Plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability (as shown in the financial statements)
Investment Risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Salary Escalation Risk	The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine present value of obligation will have bearing on the plan's liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**46.(i) The principal assumptions used for the purpose of the actuarial valuation were as follows:**

Particulars	As at March 31,2018	As at March 31,2017
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	5.00%	5.00%
Attrition rate fixed by Enterprise	1-3%	1-3%

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market





**Notes to the Consolidated Financial Statements - Part B**

(ii) Amounts recognised in total comprehensive income in respect of defined benefit plans are as follows:

	Rs. In Lakh	
	Year ended March 31,2018	Year ended March 31,2017
<b>Gratuity</b>		
Current service cost	13.39	12.64
Net Interest on Net Defined Benefit Obligations	26.07	25.56
Expected Return on Plan Assets	(25.05)	(26.88)
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>14.41</b>	<b>11.32</b>
Remeasurement on the net defined benefit liability comprising :		
Actuarial (gain) loss for year - obligation	(5.61)	5.91
Actuarial (gain) loss for year - plan assets	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(5.61)</b>	<b>5.91</b>
<b>Total</b>	<b>8.80</b>	<b>17.23</b>

The current service cost and the net interest on Net Defined Benefit Obligations for the year are included in “contribution to provident and other funds” under employment benefits expense in profit or loss (Refer Note.24(b))

(iii) The amount included in the balance sheet arising from the Company’s obligation in respect of its defined benefit obligations (funded)

	Rs. In Lakh	
	As at March 31,2018	As at March 31,2017
<b>Gratuity</b>		
Present Value of defined benefit obligation	337.37	325.92
Fair Value of Plan Assets	333.23	336.63
<b>Net liability arising from defined benefit obligation (funded)</b>	<b>4.14</b>	<b>(10.71)</b>

(iv) Movement in present value of defined benefit obligation in the current year were as follows:

<b>Gratuity</b>		
Present value of defined benefit obligation as at the beginning	325.92	319.56
Interest Cost	26.07	25.57
Current service cost	13.40	12.65
Past service cost	-	-
Benefits paid	(26.55)	(36.61)
Actuarial loss/(gain) on obligation	(5.61)	4.75
Present value of defined benefit obligation as at the end	<b>333.23</b>	<b>325.92</b>



**Notes to the Consolidated Financial Statements - Part B**

(v) Movement in fair value of the plan assets in the current year were as follows :

	As at March 31,2018	As at March 31,2017
<b>Gratuity</b>		
Fair value of plan assets as at the beginning of the period	336.63	346.18
Expected return on plan assets	25.05	25.25
Contributions	2.24	1.33
Benefits paid	(26.55)	(37.76)
Actuarial gain/(loss) on plan assets [balancing figure]	-	1.62
<b>Fair value of plan assets as at the end of the period</b>	<b>337.37</b>	<b>336.63</b>

(vi) The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan assets.

The actual return on plan assets was Rs.25.05 lakhs (2016-17 Rs. 25.25 lakhs)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

**47. Details of terms of Secured Loans**

LOAN A/C	LOAN AMOUNT (In Lakhs)		NO. OF INSTALMENTS		INTEREST RATE RANGE		INSTALMENT RANGE (In Lakhs)		LOAN CLOSURE DATE	
	As on March 31,2018	As on March 31,2017	As on March 31,2018	As on March 31,2017	As on March 31,2018	As on March 31,2017	As on March 31,2018	As on March 31,2017	As on March 31,2018	As on March 31,2017
LA 17	---	54.88	---	5	---	12.00%	---	9.55- 11.20	---	07.08.17
LA 18	805.86	913.47	57	57	9.90%	10.00%	10.75- 13.10	8.33- 20.83	15.12.22	15.12.22
LA 22	---	5.40	---	8	---	10.50%	---	0.67	---	20.11.17
LA 23	---	2.16	---	8	---	10.50%	---	0.27	---	20.11.17
LA 26	---	68.07	---	5	---	12.00%	---	13.34- 13.89	---	07.08.17
LA 27	---	1.47	---	2	---	10.15%	---	0.73- 0.74	---	07.05.17
LA 28	304.34	216.00	---	---	9.15%	11.30%	---	---	---	---
LA 29	8.29	54.94	02	14	11.25%	11.25%	3.70- 4.17	3.70- 4.17	20.05.18	20.05.18
LA 30	180.28	280.27	19	31	10.04%	10.04%	7.96- 10.22	7.96- 10.22	15.10.19	15.10.19
LA 31	34.70	76.65	09	21	11.26%	11.26%	3.70- 4.17	3.32- 5.16	20.12.18	20.12.18
LA 32	16.04	29.34	13	25	10.46%	10.46%	2.80- 3.44	2.80- 3.44	15.04.19	15.04.19
LA 33	13.45	24.57	13	25	10.46%	10.46%	2.32- 2.88	2.32- 2.88	15.04.19	15.04.19
LA 34	44.66	81.34	13	25	11.25%	11.25%	2.75- 3.63	2.75- 3.63	20.04.19	20.04.19
<b>LA 35</b>	<b>50.32</b>	<b>73.00</b>	23	35	10.01%	10.01%	0.84- 2.16	0.84- 2.16	20.02.20	<b>20.02.20</b>
<b>TOTAL</b>	<b>1457.94</b>	<b>1,881.56</b>								



**Notes to the Consolidated Financial Statements - Part B**

**48. Revenue from Contract with Customers - IND AS 115**

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch – up approach)

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

- The Company will adopt the standard on April 1, 2018 by using the cumulative catch – up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS is expected to be insignificant.

**49. Foreign currency transactions and advance consideration - Appendix B to Ind AS 21**

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

**For and on behalf of the Board**

For **R.Sundararajan & Associates**  
Chartered Accountants

**V Upendran**  
Chairman and  
Managing Director  
DIN: 00557511

**S Sathyanarayanan**  
Deputy Managing  
Director  
DIN: 00446573

**S.Krishnan** - Partner  
Partner  
Membership No. 26452  
Place : Chennai  
Date : May 29,2018.

**M V M Sundar**  
Company Secretary

**S R Srinivasan**  
Director- Finance  
DIN: 03559408



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