



Annual Report 2009

**SANCO TRANS LIMITED**



## Sanco Trans Limited

### NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of Sanco Trans Limited will be held at the conference hall of Hotel New Woodlands, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004 on Monday, the 7<sup>th</sup> September, 2009 at 12:00 hours to transact the following business.

#### Ordinary business

1. To consider and adopt the Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date together with the reports of the directors and auditors thereon.
2. To declare dividend.
3. To appoint a director in the place of Shri.N.Badrinarayanan who retires by rotation and is eligible for reappointment.
4. To appoint a director in the place of Dr.M.V.M.Alagappan who retires by rotation and is eligible for reappointment.
5. To appoint auditors and fix their remuneration.

#### Special Business

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:  
"Resolved that Sri T.R. Rajaraman, who was appointed by the Board of Directors as an additional director of the Company with effect from October 24, 2008, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act proposing the candidature for the office of a Director of the Company, be and is hereby appointed as a director of the Company whose period of office is subject to retirement by rotation".
7. To consider and, if thought fit, to pass, with or without modification, the following resolutions as special resolutions:
  - (i) RESOLVED that pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956('the Act') (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby accords its approval to the reappointment of Shri. V.Upendran as the Managing Director of the Company for a period of three years effective from April 1, 2009 on the terms and conditions of appointment and remuneration as mentioned in the explanatory statement annexed to the notice given to the members for the Twenty Ninth Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not to exceed the limits specified in Schedule XIII to the Act or any statutory modification(s) there of, as may be agreed to by the Board of Directors and Shri. V.Upendran.
  - (ii) RESOLVED that pursuant to the provisions of sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956('the Act') (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby accords its approval to the remuneration payable to Shri. S.Sathyanarayanan as the Deputy Managing Director of the Company for a period of one year effective from April 1, 2009 on the terms and conditions of remuneration as

# Sanco Trans Limited

## NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Continued)

mentioned in the explanatory statement annexed to the notice given to the members for the Twenty Ninth Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to alter and vary such terms of remuneration so as to not to exceed the limit specified in Schedule XIII to the Act or any statutory modification(s) thereof, as may be agreed to by the Board of Directors and Shri. S.Sathyananarayanan.

For and on behalf of the Board of Directors

Registered Office:  
46 Moore Street,  
Chennai 600 001.

V. Upendran  
Chairman & Managing Director

Date : 27<sup>th</sup> May 2009.

### Notes

1. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 In respect of special business is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of members of the Company will be closed from 1<sup>st</sup> September, 2009 to 7<sup>th</sup> September, 2009, (both days inclusive). The book closure would also determine the entitlement to dividend, if any, declared at the Annual General Meeting.
4. The Company has appointed M/s. Cameo Corporate Services Limited, Subramanian Building, No.1 Club Road, Chennai 600 002, Telephone No.2846 0390 (6 Lines) as Registrar and Share Transfer Agent. Shareholders are requested to send all requests for transfer of shares, dematerialisation of shares, change in address, etc. to the company's Registrar and Transfer Agent.



## **NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Continued)**

### **Explanatory Statement pursuant to items 6 and 7 of the Notice to the Twenty Ninth Annual General Meeting.**

#### **Item 6**

Shri. T.R. Rajaraman was appointed as an Additional Director of the Company on October 24, 2008 under section 260 of the Companies Act, 1956 (the Act) and consequently he will vacate his office at the forthcoming 29<sup>th</sup> Annual General Meeting. A notice in writing under section 257 of the Act has been received from a member proposing his name for the office of Director of the Company. Shri. T.Rajaram has been associated with the Company from 1985 till 2005 in various capacities. The Board of Directors recommends his appointment as a Director subject to retirement by rotation. Apart from Shri. T.R. Rajaraman no other Director is interested in his appointment.

#### **Item 7(i)**

The Board of Directors of the Company at its meeting held on May 27, 2009 reappointed Sri V.Upendran as Managing Director of the Company for a period of three years effective April 1, 2009. The remuneration committee of the Board of Directors had approved, by its resolution, the terms of the remuneration, payable to Sri V.Upendran and the same is in accordance with and within the ceiling of maximum remuneration permitted under Section II (1) (B) of Part II of Schedule XIII to the Act.

The Remuneration Committee of the Board has re-examined the remuneration package of Sri V.Upendran objectively taking into account the interest of the Company and the shareholders, the financial position of the Company, Sri V.Upendran's qualification, experience, past performance and past remuneration and had re-fixed his remuneration as under. The said resolution has also been approved by the Board of Directors of the Company. Wherever there is a change from the remuneration drawn by him earlier the same has been indicated in brackets.

#### **1. Minimum monthly remuneration**

Rs.2,00,000 (Rs.1,40,000) with such annual increments / increases as may be decided by the Remuneration Committee from time to time.

#### **2. Perquisites**

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

# Sanco Trans Limited

## NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Continued)

### 3. Valuation of perquisites

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

### 4. Minimum remuneration

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

### 5. Computation of ceiling

The following shall not be included in the computation of perquisites for the purpose of the ceiling of the remuneration viz. contribution to provident fund and superannuation fund referred to in para 2(i) above, gratuity payable as per para 2(ii) above and encashment of leave at the end of the tenure as per para 2(iii) above.

### 6. Other terms

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

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

#### I. General Information

- (1) Name of the industry : Logistics  
 (2) Date of commencement of business : 12<sup>th</sup> October 1979  
 (3) Financial Performance

#### Financial Highlights

(Rs. Lakhs)

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
Fixed assets	<b>7828.18</b>	2451.93	1224.34	996.29	891.54	828.55
Investments	<b>24.19</b>	24.19	0.00	0.00	0.00	0.00
Current assets – net	<b>872.27</b>	418.26	444.28	473.80	554.39	633.72
Total capital employed	<b>8724.64</b>	2894.38	1737.96	1470.09	1445.93	1462.27
Shareholders' funds	<b>6971.51</b>	1214.46	1038.84	818.35	698.77	673.24
Loan funds	<b>1634.80</b>	1610.87	628.06	548.54	645.63	674.24
Net worth per share (Rs.)	<b>375.64</b>	58.44	53.53	44.49	36.94	36.33
Gross income	<b>6170.62</b>	4302.57	3300.55	2512.88	2077.41	1856.53
Profit before interest and						
Depreciation	<b>1921.24</b>	897.65	556.86	362.15	228.78	172.02
Profit before tax	<b>1654.99</b>	735.57	410.89	258.81	99.94	10.91
Profit after tax	<b>1060.58</b>	467.23	276.06	179.10	67.11	20.61
Retained earnings	<b>965.81</b>	400.89	219.20	123.68	36.32	20.61
Dividend (%)	<b>45</b>	31.5	27	27	15	Nil
Earnings per share (Rs.)	<b>58.92</b>	25.96	15.34	9.95	3.73	1.14



## NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Continued)

Notes :

- (1) Total capital employed and net worth per share include share application money, wherever applicable but are after deduction of miscellaneous expenditure stated in the Balance Sheet;
- (2) Dividend for the financial year 2008-09 is as proposed by the Board of Directors.
- (3) Net worth per share for 2008-09 is inclusive of revaluation surplus of Rs 4859.84 lakhs.

II. Information about the appointee:

- (1) Background details : Sri V.Upendran, 63 years of age, is a graduate in Science from University of Madras. He became the Managing Director of the Company on January 1, 1986 and has the distinction of leading the Company since then. He has held important positions in various Chambers of Commerce, as Trustee in Chennai Port Trust and President of The Chennai Customs House Agents' Association and currently is President in National Association of Container Freight Stations and Vice President of Andhra Chamber of Commerce.
- (2) Past remuneration : Rs.1,40,000 per month with effect from April 1, 2006 plus perquisites such as House Rent Allowance, Medical reimbursement, gas, water and electricity, leave encashment, gratuity, club subscriptions and other usual perquisites.
- (3) Recognition and awards :
  - (i) Had held important positions in various chambers of commerce.
  - (ii) Was Trustee of Chennai Port Trust
  - (iii) Was President of The Chennai Customs House Agents' Association.
  - (iv) Currently President of National Association of Container Freight Stations and Vice President of Andhra Chamber of Commerce.
- (4) (i) Job profile : As Managing Director, he is in charge of the management of the affairs of the Company.  
(ii) His suitability : His experience for the last 24 years as Managing Director of the company makes him ideally suitable for the said position.
- (5) Remuneration Proposed : Rs. 2,00,000 per month with perquisites and other terms as mentioned supra.
- (6) Comparative remuneration profile with respect to industry : Information not available.
- (7) Pecuniary relationship with the company or relationship with the managerial personnel, if any. : Sri V.Upendran holds 79,900 Equity Shares of Rs.10 each in the company. He is related to Srimathi S.Devaki, Director, Sri S. Sathyanarayanan, Deputy Managing Director and Sri. U.Udayabhaskar Reddy, Wholetime Director.

# Sanco Trans Limited

## NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Continued)

The proposed remuneration of Sri V.Upendran as Managing Director is subject to the approval of the shareholders by way of special resolution at the ensuing 29<sup>th</sup> Annual General Meeting of the Company.

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

### Item 7(ii)

The Remuneration Committee of the Board of Directors of the Company at its meeting held on May 27, 2009 had approved by its resolution the terms of remuneration payable to Sri S Sathyanarayanan, Deputy Managing Director of the Company for a period of one year effective April 1, 2009 and the same is in accordance with and within the ceiling of maximum remuneration permitted under Section II .1 (B) of Part II of Schedule XIII to the Act.

The Remuneration Committee of the Board has re-examined the remuneration package of Sri S Sathyanarayanan objectively taking into account the interest of the Company and the shareholders, the financial position of the Company, Sri S Sathyanarayanan's qualification, experience, past performance and past remuneration and had fixed his remuneration as under. The said resolution has also been approved by the Board of Directors of the Company. Wherever there is a change from the remuneration drawn by him earlier the same has been indicated in brackets.

#### 1. Minimum monthly remuneration

Rs. 1,35,000(Rs.1,04,615) with such annual increments / increases as may be decided by the Remuneration Committee from time to time.

#### 2. Perquisites

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

#### 3. Valuation of perquisites

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

#### 4. Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the appointee shall, subject to the approval of the central government, if required, be paid remuneration by



## NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Continued)

way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule XIII to the Companies Act, 1956, from time to time.

### 5. Computation of ceiling

The following shall not be included in the computation of perquisites for the purpose of the ceiling of the remuneration viz. contribution to provident fund and superannuation fund referred to in para 2(i) above, gratuity payable as per para 2(ii) above and encashment of leave at the end of the tenure as per para 2(iii) above.

### 6. Other terms

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

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

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Retained earnings	<b>965.81</b>	400.89	219.20	123.68	36.32	20.61
Dividend (%)	<b>45</b>	31.5	27	27	15	Nil
Earnings per share (Rs.)	<b>58.92</b>	25.96	15.34	9.95	3.73	1.14



# Sanco Trans Limited

## NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Continued)

Notes :

- (1) Total capital employed and net worth per share include share application money, wherever applicable but are after deduction of miscellaneous expenditure stated in the Balance Sheet;
- (2) Dividend for the financial year 2008-09 is as proposed by the Board of Directors.
- (3) Net worth per share for 2008-09 is inclusive of revaluation surplus of Rs 4859.84 lakhs.

II. Information about the appointee:

- (1) Background details : Sri S Sathyanarayanan, 35 years of age, is a graduate in Business (Shipping) Management from the Australian Maritime college, Tasmania and also a Post Graduate in Transport management from the University of Sydney. He was appointed as Director of the Company in August 1995 and Wholetime Director of the Company in March 2000. He was appointed as Deputy Managing Director for a period of five years effective April 1,2005 and has the distinction of leading the Company since then.
- (2) Past remuneration : Rs.1,04,615 per month with effect from April 1, 2006 plus perquisites such as House Rent Allowance, Medical reimbursement, gas, water and electricity, leave encashment, gratuity, club subscriptions and other usual perquisites.
- (3) Recognition and award : Executive Committee Member of Indo-Australian Chamber of Commerce
- (4) (i) Job profile : As Deputy Managing Director, he is in charge of the management of the Company.  
(ii) His suitability : His experience for the last 9 years as Wholetime Director of the company and for the last 4 years as Deputy Managing Director makes him ideally suitable for the position with the said remuneration.
- (5) Remuneration Proposed : Rs.1,35,000 per month with the perquisites and other terms as mentioned supra.
- (6) Comparative remuneration profile with respect to industry : Information not available.
- (7) Pecuniary relationship with the company or relationship with the managerial personnel, if any. : Sri S Sathyanarayanan holds 1,51,200 Equity Shares of Rs.10 each in the company. He is related to Srimathi S.Devaki, Director, Sri V Upendran, Managing Director and Sri. U.Udayabhaskar Reddy, Wholetime Director.

The proposed remuneration of Sri S Sathyanarayanan as Deputy Managing Director is subject to the approval of the shareholders by way of special resolution at the ensuing 29<sup>th</sup> Annual General Meeting of the Company.

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



## CORPORATE INFORMATION

### Board of Directors

- Sri R . Vijayaraghavan - Chairman upto October 7,2008  
Sri V. Upendran - Chairman & Managing Director from October 24, 2008  
Sri N. Badrinarayanan - Director - Finance  
Sri S. Sathyanarayanan - Deputy Managing Director  
Sri U. Udayabhaskar Reddy - Wholetime Director  
Srimathi S. Devaki  
Dr. M.V.M. Alagappan  
Sri T. Ananthanarayanan  
Sri R. Perumalswamy - upto October 20,2008  
Sri T.R. Rajaraman - from October 24,2008

### Bankers

Bank of India  
Indian Bank  
Indian Overseas Bank  
H D F C Bank

### Auditors

M. S. Krishnaswami and Rajan, Chennai.

### Website

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

### Registrar & Share Transfer Agent

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

### Listing of Equity Shares

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

### Investor Email ID

[mail@sancotrans.com](mailto:mail@sancotrans.com)  
[sfd@sancotrans.com](mailto:sfd@sancotrans.com)

### Registered Office

46, Moore Street,  
Chennai - 600 001.  
Tel.: 91-44-25231124 (5 lines)  
Fax: 91-44-25231133

### Branch Offices

Bangalore, Chennai (Container Freight Station,  
Dock Office), Jaipur, Mumbai, New Delhi,  
Pondicherry, Ranipet, Salem, Tirupur, Trichy,  
Tuticorin, Visakhapatnam.

### Annual General Meeting

September 7, 2009

At 12.00 hours at Hotel New Woodlands,  
Dr. Radhakrishnan Salai, Chennai - 600 004.

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



## DIRECTORS' REPORT

Your directors have pleasure in presenting their annual report and the financial statements for the year ended March 31, 2009.

### 1. Financial Highlights

	2009	2008
	(Rs. Lakhs)	
Gross income from operations	6170.62	4302.5
Expenditure		
Hire charges	1422.91	1181.49
Handling charges	1999.29	1503.31
Human resources	583.14	512.62
Others excluding interest	244.04	207.50
Profit before interest, depreciation and tax (PBDIT)	1921.24	897.65
Interest paid - net of income	160.38	91.12
Cash profit (PBDT)	1760.86	806.53
Depreciation	105.87	70.96
Profit before tax (PBT)	1654.99	735.57
Taxation-Current income-tax, fringe benefit tax and deferred tax	594.41	268.34
Profit after tax	1060.58	467.23
Profit brought forward	34.46	83.90
Profit available for appropriation	1095.04	551.13
Appropriation		
Transfer to General reserve	868.60	450.33
Proposed dividend	81.00	56.70
Corporate tax on proposed dividend	13.77	9.64
Profit carried forward	131.67	34.46

### Important performance ratios

	2009	2008
(1) Debt/Equity ratio	0.52	0.86
(2) Current assets/current liabilities ratio	1.18	0.90
(3) Operating income/Total assets ratio	1.60	1.48
(4) Operating profit (PBDIT)/Capital employed ratio	54.33%	33.71%
(5) Profit before tax (PBT) / Net worth ratio	91.85%	69.93%
(6) Profit before tax (PBT) / Operating income ratio	26.84%	17.12%
(7) Profit before tax (PBT) / Fixed assets ratio	50.64%	30.00%

**Note :** Networth on 2009 is exclusive of Revaluation Reserve

## DIRECTORS' REPORT (continued)

### 2. Management discussion and analysis

#### Operating results

The financial highlights and the performance ratios stated in 1 above will reflect the significant growth achieved by your Company. The said result should be considered all the more commendable in view of the dampening recessionary trend set in generally in the industrial, service and financial sectors in the country during the later half of the year under report. The positive growth achieved by your Company was mainly due to the proactive steps taken by your Company's management to address the various issues facing the Company on a long term basis and also to implement its expansion scheme to meet the increased competition which will keep the Company in good stead in meeting future challenges.

During the year under report your Company incurred major Capital expenditure to an extent of Rs.790.22 lakhs. Apart from this, your Company incurred major expenditure on an ongoing basis to maintain its container yard and warehouses and its operating fleet and equipments of Rs.231.81 lakhs. The abovestated major initiatives on facilities and its upgradation will have a positive effect on improving the customer satisfaction in the long run.

#### Strategies and future plans

The meltdown of the global economy has impacted the Indian logistics industry as well. The industry was expected to grow at 15-20 percent as per earlier projections but now it is expected to slowdown. A recent report has projected that Container logistics growth will dip from 16 percent yoy to about 4 percent.

The said trend is likely to continue at least till the end of the current year. However, your Company's management is taking necessary steps proactively to contain the adverse effect of the said trend and hence your directors are hopeful to maintain its operational performance in the current year as well.

#### Finance

During the year, your Company, in order to fund its Capital expenditure involved in the expansion of its Container Freight Station operations and operating equipment and fleet capacity, raised funds in the form of loans and deferred payment facilities from its bankers to an extent of Rs 427.84 lakhs.

Your Company follows a prudent financial policy and aims to maintain optimum financial gearing at all times. The Company's total Debt to Equity Ratio was 0.52 as at March 31, 2009.

#### Revaluation of net assets

The net assets of the Company were revalued so as to present the fair value of the assets as on March 31,2009 which valuation exercise will become mandatory by March 31,2011. The surplus on the said revaluation of Rs 4859.84 lakhs has been credited to the Revaluation reserve and disclosed as part of the Company's reserves and surplus as of March 31,2009.

#### Cautionary note

Statements in this Report discloses forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statements contain forward-looking statements that set our anticipated results based on the managements plans and assumptions.

We have tried wherever possible to identify such statements by using words such as "expected", "projections", "likely" "hopeful", and words of similar substance in connection with any discussion of future performance.

The Company cannot, of course, guarantee that these forward-looking statements will be realised, 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 materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

*The company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*



## **DIRECTORS' REPORT (continued)**

### **3. Dividend**

Your directors, after due consideration of the necessity to conserve the available resources for the Company's expansion plans and for the repayment of the borrowings for the acquisitions made in the last two years, are pleased to recommend for approval of the shareholders a dividend on the Company's paid up Equity share capital at 45 % which will absorb Rs 94.77 Lakhs including the Corporate dividend tax.

### **4. Directors**

Sri R Vijayaraghavan and Sri R Perumalswamy, directors, resigned from the board on 07.10.2008 and on 20.10.2008 respectively. Your directors wish to place on record the valuable contribution made by them during their tenure as directors. Sri T Rajaram was co-opted as additional director and consequently he will hold office as director upto the ensuing Annual General Meeting.

### **5. Directors' responsibility statement**

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

### **6. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

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

During the year your company earned foreign exchange to an extent of Rs 7.03 lakhs (2008- Rs 0.28 lakh) and expended in foreign currency to an extent of Rs 348.04 lakhs(2008-Rs 195.86 lakhs).

### **7. Auditors' and their report**

Sarvasri M S Krishnaswami & Rajan, Chartered Accountants retire as auditors of the Company at the conclusion of the ensuing annual general meeting of the Company and have confirmed their eligibility and willingness to accept the office of auditors, if appointed.

With reference to the remarks of the auditors regarding internal audit system we have to state that the same was due to operational reasons and the necessary action in this regard is being taken in the current year.

### **8. Industrial relation**

Industrial relations remained cordial and harmonious throughout the year. Your Company had in the past ushered in the voluntary separation plan as part of its restructuring exercise to right size the workforce and this measure has enabled your Company to obtain the optimum utilization of the existing workforce and increase its level of productivity.

### **9. Acknowledgements**

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

**For and on behalf of the Board of Directors**

**Place: Chennai**  
**Dated: May 27,2009**

**V Upendran**  
Chairman & Managing Director

# Sanco Trans Limited

## AUDITORS' REPORT TO THE MEMBERS

- 1 We have audited the attached Balance Sheet of **SANCO TRANS LIMITED** as at March 31, 2009 and the relative Profit and loss account and Cash flow statement for the year ended that date signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We have conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  - 2.1 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the notes to the Accounts, give the information required by the Companies Act, 1956 (the Act) in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, (i) in the case of the Balance sheet, of the state of the Company's affairs as at March 31, 2009, (ii) in the case of the Profit and loss account, of its profit for the year ended that date and (iii) in the case of the Cash flow statement, of the cash flows for the year ended that date.
  - 2.2 We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - 2.3 In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of the books.
  - 2.4 The balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and, in our opinion, they comply in all material respects with the accounting standards referred to in Section 211 (3C) of the Act.
  - 2.5 On the basis of the written representations received from the directors and taken on record by the Board of the Directors, we report that none of the Directors is disqualified from being appointed as a director in terms of Section 274(1)(g) of the Act as on March 31, 2009.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
  - 3.1 The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management and no material discrepancies have been noticed on such verification. During the year, in our opinion, substantial part of fixed assets has not been disposed off by the Company.
  - 3.2 The inventory of the company has been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
  - 3.3 The company has taken unsecured loans from Companies, firms or other parties covered in the register maintained under section 301 of the Act numbering 2 and involving Rs. 42.50 lakhs. The rate of interest and other terms and conditions of the said loans are, in our opinion, prima facie not prejudicial to the interest of the Company.



## AUDITORS' REPORT TO THE MEMBERS

- 3.4 The company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the Act .
- 3.5 The payment of the principal amount and interest in respect of the loans mentioned in 3.3 above, wherever stipulated, are regular and there are no overdue amounts in excess of one lakh in respect of the said loans.
- 3.6 In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. We have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in internal control systems.
- 3.7 In our opinion, the particulars of contracts or arrangements, referred to in section 301 of the Act have been entered in the register required to be maintained under the said section; further, in our opinion there are no such transactions exceeding rupees five lakhs each which have been made at prices, which are not reasonable having regard to the prevailing market prices for such goods, materials or services at the relevant time.
- 3.8 In our opinion, the company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58-A and 58 AA of the Act or any other relevant provisions of the Act and the rules framed there under, where applicable, with regard to deposits accepted from the public and no order under the aforesaid sections has been passed by the Company Law Board or any other authority on the Company.
- 3.9 *The Company has an internal audit system which covers major portion of the company's activities. In our opinion, the said system requires improvement in matters of coverage and follow up and to include operational audit. We are informed that the same was due to operational reasons and that necessary action in this regard is being taken in the current year.*
- 3.10 Maintenance of cost records has not been prescribed by the Central Government under section 209 (1)(d) of the Act in regard to any of the operations of the Company.
- 3.11 In our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, customs duty, excise duty, cess and any other statutory dues have been regularly deposited by the Company during the year with the appropriate authorities.
- 3.12 There were no disputed dues on account of sales tax, income tax, custom duty, wealth tax, service tax, excise duty or cess which have not been deposited except for Rs.30,190 towards income tax which is pending in appeal before the Commissioner of Income Tax (Appeals), Chennai and in respect of which stay for payment of tax has been granted.
- 3.13 The company has neither accumulated losses as at March 31, 2009 nor has it incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- 3.14 The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- 3.15 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 3.16 The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the company.

# Sanco Trans Limited

## AUDITORS' REPORT TO THE MEMBERS

- 3.17 The company is not dealing or trading in shares, securities, debentures and other investments.
- 3.18 The company has not given any guarantees for loans taken by others from banks or financial institutions.
- 3.19 In our opinion, the term loan taken by the Company has been applied for the purpose for which the same was raised.
- 3.20 On an overall examination of the financial statements of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- 3.21 The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- 3.22 No debentures were issued by the Company during the year.
- 3.23 The company has not raised any money by public issue during the year.
- 3.24 No fraud on or by the Company has been noticed or reported during the year.

For **M S Krishnaswami & Rajan**  
*Chartered Accountants*

**M K Rajan - Partner**  
*Membership No.4059*

Place : Chennai  
Date : May 27, 2009





## COMPLIANCE CERTIFICATE

**CIN: L 60220 TN 1979 PLC 007970**

To,

The Members,

**M/s. SANCO TRANS LIMITED**

We have examined the registers, records, books and papers of **M/s. SANCO TRANS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ending 31<sup>st</sup> March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and wherever required entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Chennai, within the time prescribed / with late fees, as applicable, under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of directors met FIVE times on 30.05.2008, 30.07.2008, 24.09.2008, 24.10.2008, & 23.01.2009 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 18.09.2008 to 24.09.2008 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2008 was held on 24.09.2008 after giving notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. According to information and explanations given to us, the Company has complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The duly constituted Committee of Directors has approved the issue of duplicate Share Certificates.
13. The Company has:
  - (i) not made any allotment of securities during the financial year under review. The Company has delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) deposited the amount of dividend declared in a separate Bank Account on 26.09.2008 and dispatched the dividend warrants within 30 days from the date of declaration of dividends.

# Sanco Trans Limited

## COMPLIANCE CERTIFICATE

- (iii) posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company.
  - (iv) transferred the amounts in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v) Generally, complied with the requirements of Section 217 of the Act.
14. The Board of directors of the Company is duly constituted and the appointment of additional directors / directors have been duly made. There was no appointment of alternate directors and directors to fill casual vacancy during the financial year. The Company is advised to file Form 32 for the appointment of Shri T.R. Rajaraman as Additional Director w.e.f.24.10.2008.
  15. The Company has passed Special Resolution in its Annual General Meeting held on 24.09.2008 for appointment of Mr. U Udaybhaskar as a whole time director of the Company for a period of Five years effective from 01.08.2008 and filed the relevant forms with the Registrar of Companies, Chennai.
  16. The Company has not appointed any sole -selling agents during the financial year.
  17. The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
  18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
  19. The Company has not issued any shares, debentures or other securities during the financial year.
  20. The Company has not bought back any shares during the financial year.
  21. The Company has not issued any Preference shares / debentures, hence the question of redeeming any Preference shares / debentures does not arise.
  22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has complied with provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted amounting to Rs.95.82 Lakhs as on 31.03.2008 and the Company has filed the copy of the Advertisement / Statement in lieu of Advertisement / necessary particulars as required with the Registrar of Companies, Chennai on 17.10.2008.
  24. The amount borrowed by the Company from directors, members, Public, financial institutions, banks and others during the financial year ending 31.03.2009 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened annual general meeting held on 28.09.2006.
  25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
  26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
  27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.



## COMPLIANCE CERTIFICATE

28. The Company has not altered the provisions of the memorandum with respect to the name of the Company.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under review.
31. According to information and explanations given to us,
  - a) the Company has received a letter from office of the Regional Director, Ministry of Corporate Affairs, in connection with inspection carried on by them u/s.209 A of the Companies Act, 1956 seeking clarification for violations of provisions of Companies Act, 1956 and reply for the same was given by the Company on 09.10.2008.
  - b) the Company has received a letter from Registrar of Companies dated 15.01.2009 seeking clarification on a compliant made by a shareholder of the Company and reply for the same was given by the Company on 23.01.2009.
32. The Company has not received any money as security from its employees during the financial year.
33. According to information and explanations given to us, the Company has not constituted its own Provident Fund Trust for its employees, therefore provisions of Section 418 of the Act is not applicable to the Company. However, the Company is regular in depositing both employee's and employer's contribution to Provident Fund with prescribed authorities.

**For BALU SRIDHAR & CO.**

Company Secretaries

Place : CHENNAI

Date : 27.05.2009

**BALU SRIDHAR**

C.P.No.3550

# Sanco Trans Limited

## ANNEXURE A

### Registers as maintained by the Company

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

## ANNEXURE B

Forms and Returns as filed by the Company . during the financial year ending on 31<sup>st</sup> March, 2009 with the Registrar of Companies, Chennai:

1. e Form 8 for Creation of charge dt. 19.02.2008 in favour of HDFC Bank, HDFC House Senapati Bapat Marg, Lower Parel W, Mumabi - 400 013, filed U/s 125/127/135 with additional fees on 04.06.2008. (SRN: A 38892543).
2. e Form 62 for Return of Deposits for the financial year 01.04.2007 to 31.03.2008 filed with additional fees on 09.07.2008 (SRN: A 41057662)
3. e Form No.32 for appointment / changes among directors w.e.f. 07.06.2007, filed u/s 303(2) with additional fees on 16.07.2008. (SRN: A 41471848)
4. e Form 8 for Creation of charge dt. 16.06.2008 in favour of HDFC Bank, HDFC House Senapati Bapat Marg, Lower Parel W, Mumbai - 400 013, filed U/s 125/127/135 with additional fees on 17.07.2008. (SRN: A 41497876)
5. e Form 8 for Creation of charge dt. 23.06.2008 in favour of HDFC Bank, HDFC House Senapati Bapat Marg, Lower Parel W, Mumabi - 400 013, filed U/s 125/127/135 on 17.07.2008 (SRN: A 41500067)
6. e Form No.32 for appointment / changes among directors w.e.f. 26.09.2007, filed u/s 303(2) with additional fees on 19.07.2008. (SRN: A 41652504)
7. e Form No.32 for appointment / changes among directors w.e.f. 28.05.2008, filed u/s 303(2) with additional fees on 19.07.2008 (SRN: A 41652116)
8. e Form 8 for Creation of charge dt. 26.06.2008 in favour of ICICI Bank limited filed U/s 125/127/135 with additional fees on 30.07.2008. (SRN: A 42331967)
9. e Form No.32 for appointment of Additional Director w.e.f. 30.07.2008, filed u/s 303(2) on 28.08.2008. (SRN: A 43936368)
10. e Form 8 for Creation of charge dt. 12.09.2008 in favour of HDFC Bank, HDFC House Senapati Bapat Marg, Lower Parel W, Mumabi - 400 013, filed U/s 125/127/135 with additional fees on 14.10.2008. (SRN: A 46924080).



## ANNEXURE B

11. e Form 62 for Text of Advertisement inviting / renewing fixed deposits filed on 17.10.2008 (SRN: A 47409081)
12. e Form No.32 for appointment of additional director w.e.f. 30.07.2008, filed u/s 303(2) with additional fees on 20.10.2008. (SRN: A 47665336)
13. e form No.23B filed on 24.10.2008. (A 48084644).
14. e Form 66 - Compliance Certificate for the year ending 31.03.2008 filed u/s 383A on 24.10.2008. (SRN: P 23380116).
15. e Form 23AC & 23ACA - Profit & Loss a/c and Balance Sheet for the year ending 31.03.2008 filed u/s 220 with additional fees on 30.10.2008. (SRN: P 24630303).
16. e Form No. 23 for Registration of Resolution(s) passed in the meeting of Board of Directors held on 30.07.2008, filed u/s 192 with additional fees on 07.11.2008. (SRN: A 49534852).
17. e form 25C for Return of Appointment of Whole-Time Director for the resolution passed in the Meeting of the Board of Directors held on 30.07.2008 w.e.f. 01.08.2008 filed u/s.269 on 07.11.2008. (SRN: A 49534928).
18. e Form No.32 for appointment of Whole Time director w.e.f. 24.09.2008, filed u/s 303(2) with additional fees on 16.12.2008. (SRN: A 52276623).
19. e Form 20B - Annual Return - Schedule V made up to 24.09.2008 filed u/s 159 with additional fees on 19.12.2008. (SRN: P 28473338).
20. e Form No.32 for cessation among directors w.e.f. 24.10.2008, filed u/s 303(2) with additional fees on 19.12.2008. (SRN: A 52573110).
21. e Form No.32 for cessation among directors w.e.f. 24.10.2008, filed u/s 303(2) with additional fees on 17.01.2009. (SRN: A 54335823)
22. e Form 8 for Creation of charge Dt. 16.02.2009 in favour of AXIS Bank, filed U/s 125/127/135 on 16.03.2009. (SRN: A 58009077).

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# Sanco Trans Limited

## BALANCE SHEET AS AT MARCH 31, 2009

	Schedules	Rs. Lakhs	2009 Rs.Lakhs	2008 Rs.Lakhs
<b>I Sources of funds</b>				
<b>(1) Shareholders' funds</b>				
(i) Capital	1	<b>180.00</b>		180.00
(ii) Reserves and surplus	2	<b>6791.51</b>	<b>6971.51</b>	1034.46
				<u>1214.46</u>
<b>(2) Loan funds</b>				
(i) Secured loans	3	<b>1441.05</b>		1270.04
(ii) Unsecured loans	4	<b>193.75</b>		340.83
			<b>1634.80</b>	<u>1610.87</u>
<b>(3) Deferred tax - Liability</b>			<b>328.25</b>	231.64
			<u>8934.56</u>	<u>3056.97</u>
<b>II Application of funds</b>				
<b>(1) Fixed assets</b>				
(i) Gross block	5	<b>8376.42</b>		3092.38
(ii) Less Depreciation		<b>664.14</b>		670.91
(iii) Net block		<b>7712.28</b>		2421.47
(iv) Capital work-in-progress		<b>115.90</b>		30.46
			<b>7828.18</b>	<u>2451.93</u>
<b>(2) Investments</b>	6		<b>24.19</b>	24.19
<b>(3) Current assets, loans and advances</b>				
(i) Inventories - Stores and spares		<b>33.76</b>		1.61
(ii) Sundry debtors	7	<b>948.96</b>		702.53
(iii) Cash and bank balances	8	<b>817.74</b>		266.89
(iv) Other current assets	9	<b>172.56</b>		127.64
(v) Loans and advances	10	<b>154.55</b>		238.06
		<b>2127.57</b>		<u>1336.73</u>
Less				
<b>(4) Current liabilities and provisions</b>				
(i) Liabilities	11	<b>1028.82</b>		852.13
(ii) Provisions	12	<b>226.48</b>		66.34
		<b>1255.30</b>		<u>918.47</u>
Net current assets			<b>872.27</b>	<u>418.26</u>
<b>(5) Miscellaneous expenditure</b>				
Deferred revenue expenditure	13		<b>209.92</b>	162.59
			<u>8934.56</u>	<u>3056.97</u>
Notes to the accounts	20			
Statement on accounting policies and Schedules referred to above form an integral part of the Balance sheet.				

Per our report of even date  
for **M S Krishnaswami & Rajan**  
Chartered Accountants

**M K Rajan - Partner**

Place : Chennai

Date : May 27, 2009

**N Badrinarayanan**  
Director-Finance

For and on behalf of the Board

**V Upendran**  
Chairman & Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

	Schedules	2009 Rs.Lakhs	2008 Rs.Lakhs
<b>I. Income</b>			
(1) Operating income	14	6166.52	4296.36
(2) Other income			
- Profit on disposal of capital assets		4.10	6.21
		<u>6170.62</u>	<u>4302.57</u>
<b>II. Expenditure</b>			
(1) Equipment hire		1422.91	1181.49
(2) Handling charges incurred	15	1999.29	1503.31
(3) Human resources	16	583.14	512.62
(4) Other expenses	17	404.42	298.62
(5) Depreciation	18	105.87	70.96
		<u>4515.63</u>	<u>3567.00</u>
<b>III. Profit</b>			
(1) Profit before taxation		1654.99	735.57
(2) Provision for taxation	19	594.41	268.34
(3) Profit after taxation		<u>1060.58</u>	<u>467.23</u>
(4) Profit brought forward		34.46	83.90
(5) Profit available for appropriation		<u>1095.04</u>	<u>551.13</u>
<b>IV. Appropriation</b>			
(1) General reserve		868.60	450.33
(2) Proposed dividend		81.00	56.70
(3) Corporate tax on proposed dividend		13.77	9.64
(4) Profit carried forward		131.67	34.46
		<u>1095.04</u>	<u>551.13</u>
<b>V. Earnings per share - Basic</b>			
		58.92	25.96
Notes to the accounts	20		
Statement on accounting policies and Schedules referred to above form an integral part of the Profit and loss account.			

Per our report of even date  
for **M S Krishnaswami & Rajan**  
Chartered Accountants

**M K Rajan** - Partner

Place : Chennai

Date : May 27, 2009

**N Badrinarayanan**  
Director-Finance

For and on behalf of the Board

**V Upendran**  
Chairman & Managing Director

# Sanco Trans Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	2009	2008
	Rs.Lakhs	Rs.Lakhs
<b>I Cash flows from operating activities</b>		
(1) Net profit before tax	1654.99	735.57
(2) Adjustments for:		
(i) Depreciation not considered as cash outflow	105.87	70.96
(ii) Profit on disposal of capital assets considered under investment activities	(4.10)	(6.21)
(iii) Interest paid(net) considered under financing activities	160.38	91.12
(iv) Deferred revenue expenditure -amortised not considered as cash outflow -incurred considered as cash outflow	114.37 (161.70)	48.59 (135.95)
(3) Operating Profit before working capital changes	1869.81	804.08
(4) Adjustments for changes in:		
(i) Inventories	(32.16)	(0.55)
(ii) Trade and other receivables	(327.64)	(220.63)
(iii) Trade and other payables	166.93	235.91
(5) Net cash from operating activities	1676.94	818.81
(6) Direct taxes paid	(359.68)	(171.36)
(7) Cash generated from operating activities	1317.26	647.45
<b>II Cash flows from investment activities</b>		
(1) Payments for acquisition of fixed assets		
(i) Additions to fixed assets as per schedule 5	(839.84)	(1272.03)
(ii) Adjustment for changes in Capital work in progress	(85.44)	(26.99)
	(925.28)	(1299.02)
(2) Payment for acquisition of Investment	-	(24.19)
(3) Proceeds on disposal of capital assets	7.11	6.69
(4) Cash outflow from investment activities	(918.17)	(1316.52)
<b>III Cash flows from financing activities</b>		
(1) Borrowings		
(i) Raised - Long term	427.84	1245.90
- Short term	14.83	-
(ii) Repaid - Long term	(307.17)	(171.83)
- Short term	(161.91)	-
(2) Repayment of Share application money	-	(240.00)
(3) Interest paid		
(i) As in I.2 (iii) above	(160.38)	(91.12)
(ii) Adjustment for changes in interest accrued on loans	2.06	2.54
(4) Dividend and corporate dividend tax paid	(66.34)	(56.86)
(5) Cash outflow from financing activities	(251.07)	688.63
<b>IV Net Cash inflow</b>	<b>148.02</b>	<b>19.56</b>
	<b>I+II+III</b>	





## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	2009	2008
	Rs. Lakhs	Rs. Lakhs
<b>V Represented by movement in cash and cash equivalents</b>		
(1) At beginning		
(i) Cash and bank balances		
- As per Schedule 8	266.89	216.49
- Less Bank deposits with maturity of more than six months considered under Trade receivables	142.50	13.01
	<u>124.39</u>	<u>203.48</u>
(ii) Secured loans(Cash credit ) as per Schedule 3	<u>(13.14)</u>	<u>(111.79)</u>
	<u>111.25</u>	<u>91.69</u>
(2) At end		
(i) Cash and bank balances		
- As per Schedule 8	817.74	266.89
- Less Bank deposits with maturity of more than six months considered under Trade receivables	492.47	142.50
	<u>325.27</u>	<u>124.39</u>
(ii) Secured loans(Cash credit ) as per Schedule 3	<u>(66.00)</u>	<u>(13.14)</u>
	<u>259.27</u>	<u>111.25</u>
(3) Movement (increase) in cash and cash equivalents (2)-(1)	<u>148.02</u>	<u>19.56</u>

Per our report of even date  
for **M S Krishnaswami & Rajan**  
Chartered Accountants

**M K Rajan** - Partner

Place : Chennai  
Date : May 27, 2009

**N Badrinarayanan**  
Director-Finance

For and on behalf of the Board

**V Upendran**  
Chairman & Managing Director

# Sanco Trans Limited

## STATEMENT ON ACCOUNTING POLICIES

### **It is corporate policy**

#### **Convention**

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

#### **Basis of accounting**

To prepare financial statements in accordance with the historical cost convention on the concept of going concern and as per accrual basis of accounting.

#### **Use of estimates**

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

#### **Fixed assets**

To capitalise cost of assets with certain limits on economic life and cost. Cost (less cenvat, if any) will include inward freight, duties, taxes and borrowing costs incurred on qualifying assets and other incidental expenses related to acquisition.

#### **Depreciation / impairment**

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

To review the carrying amount of assets at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Provision for impairment will be reviewed periodically and amended depending on changes in circumstances.

#### **Inventories**

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

#### **Investments**

To state long term investments at cost less provision for diminution, other than temporary, if any.



## **STATEMENT ON ACCOUNTING POLICIES - continued**

### **Revenue recognition**

To reckon the income (i) on executed work, at contracted rates, (ii) on other work yet to be completed, at estimated net realisable value, (iii) from warehousing operations, at estimated net realisable value and (iv) in respect of container freight station operations, at estimated net realisable value. To reckon Operating earnings net of the relevant expenses and losses claimable from the constituents.

### **Amortisation of deferred revenue expenditure**

To amortise the major expenditure (i) by way of planned replacement of worn out parts of machinery and equipments, (ii) on leased assets, and (iii) as compensation under voluntary separation plan, over the estimated period the benefit from such expenditure is expected to enure in the case of (i) and (ii) above and over thirty six months in the case of (iii) above.

### **Employee benefits**

To recognize the charge in respect of (i) Short term employee benefits-On an estimated basis and provide for the said obligations ; (ii) Past employment benefits and other long term employee benefits - (1) Deferred contribution plans- Company's contribution to provident fund, employee state insurance and other funds-On determination of the liability under the relevant schemes and charge to revenue; (2) Gratuity and other retirement benefits- On the basis of actuarial determination of the Company's liability towards the said benefits at each balance sheet date using the project unit credit method; actuarial gains and losses are recognized in the revenue.

### **Taxation**

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

### **Provisions and contingencies**

To recognize a provision when (i) the company has a present obligation as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation that may, but probably will not, require outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **Foreign currency transactions**

To record foreign currency transactions at the rates prevailing on the date of the transaction. To translate monetary assets and liabilities in foreign currency at year end rates and to recognize in the revenue the exchange difference arising on settlement of transactions and translation of monetary items.

# Sanco Trans Limited

## SCHEDULES TO THE ACCOUNTS

1 Capital	2009		2008			
	Rs.Lakhs		Rs.Lakhs			
Authorised						
70,00,000 Equity shares of Rs.10 each		700.00		700.00		
Issued, subscribed and paid-up						
18,00,000 Equity shares of Rs.10 each		180.00		180.00		
<b>2 Reserves and surplus</b>						
Revaluation reserve		4859.84		-		
General reserve		1800.00		1000.00		
Surplus - Balance in Profit and loss account		131.67		34.46		
		<u>6791.51</u>		<u>1034.46</u>		
<b>3 Secured loans</b>						
Loans and advances from banks						
Term loan		1365.13		1232.01		
Others-Cash credit		66.00		13.14		
		<u>1431.13</u>		<u>1245.15</u>		
Other loans and advances						
Deferred liability under hire purchase		9.92		24.89		
		<u>1441.05</u>		<u>1270.04</u>		
<b>4 Unsecured loans</b>						
Fixed deposits		96.82		95.82		
Short term loans and advances						
From other than banks		96.93		245.01		
		<u>193.75</u>		<u>340.83</u>		
<b>5 Fixed assets</b>						
	Cost		Depreciation	Written down value		
	At	Additions/	At	/Impairment	At	At
	2008	(Deductions)	2009	to-date	2009	2008
	(Rupees)		(Lakhs)			
Land	1065.35	111.88	5203.73	-	5203.73	1065.35
- on account of revaluation		4026.50				
Buildings	364.96	188.66	1086.97	39.09	1047.88	332.46
- on account of revaluation		533.35				
Operating fleet and equipments	1507.71	489.69	1976.89	599.46	1377.43	969.24
		(20.51)				
Machinery	15.63	9.57	25.20	9.58	15.62	7.06
Office vehicles	27.64	24.03	48.81	9.66	39.15	19.03
		(2.86)				
Furniture and office equipments	109.78	16.01	33.51	5.47	28.04	27.46
		(92.28)				
Intangible assets						
-Acquired	1.31	-	1.31	0.88	0.43	0.87
	3092.38	5399.69	8376.42	664.14	7712.28	2421.47
		(115.65)				
Previous year	1841.60	1272.03	3092.38	670.91	2421.47	1220.87
		(21.25)				



**SCHEDULES TO THE ACCOUNTS (continued)**

	<b>2009</b>	<b>2008</b>
	Rs. Lakhs	Rs. Lakhs
<b>6 Investments</b>		
12,09,600 Equity shares in Indfos Industries Limited		
Long term-unquoted	<u>24.19</u>	<u>24.19</u>
<b>7 Sundry debtors</b>		
(Unsecured, considered good)		
Over six months old	6.87	8.23
Other debts	<u>942.09</u>	<u>694.30</u>
	<u>948.96</u>	<u>702.53</u>
<b>8 Cash and bank balances</b>		
Cash on hand	4.60	4.71
Balance with scheduled banks		
In current accounts	68.14	58.72
In deposit accounts	719.37	189.03
Cheques on hand	25.63	14.43
	<u>817.74</u>	<u>266.89</u>
<b>9 Other current assets</b>		
(Unsecured, considered good)		
Security, earnest money and other deposits	148.46	109.01
Interest accrued on bank deposits and others	8.82	1.78
Prepaid expenses	15.28	16.85
	<u>172.56</u>	<u>127.64</u>
<b>10 Loans and advances</b>		
(Unsecured, considered good)		
Advances to suppliers, contractors, constituents and others	22.36	37.19
Loans and advances to employees	22.47	10.65
Advance for leasehold warehouses	107.78	113.35
Advance payments against taxes (net of provision)	-	75.00
Balance with customs, port trust, etc	1.94	1.87
	<u>154.55</u>	<u>238.06</u>
<b>11 Liabilities</b>		
Trade creditors and accrued charges	839.88	635.02
Advances and deposits for services	115.22	149.41
Other liabilities	69.12	67.69
Interest accrued but not due on loans	4.60	0.01
	<u>1028.82</u>	<u>852.13</u>
<b>12 Provisions</b>		
Proposed dividend	81.00	56.70
Corporate tax on proposed dividend	13.76	9.64
Provision for taxation- net of advance payments	131.72	-
	<u>226.48</u>	<u>66.34</u>

# Sanco Trans Limited

## SCHEDULES TO THE ACCOUNTS (continued)

	2009 Rs. Lakhs	2008 Rs. Lakhs
<b>13 Deferred revenue expenditure</b>		
Expenses on leasehold premises		
At the beginning	159.44	59.52
Incurring during the year	<u>161.70</u>	<u>135.95</u>
	321.14	195.47
Amortised during the year	<u>112.15</u>	<u>36.03</u>
At the end	<u>208.99</u>	<u>159.44</u>
Compensation under voluntary separation plan		
At the beginning	3.15	5.76
Incurring during the year	<u>-</u>	<u>-</u>
	3.15	5.76
Amortised during the year	<u>2.22</u>	<u>2.61</u>
At the end	<u>0.93</u>	<u>3.15</u>
Expenses on replacement parts of equipment		
At beginning	-	9.95
Amortised during the year	<u>-</u>	<u>9.95</u>
At the end	<u>-</u>	<u>-</u>
Expenditure to the extent not written off or adjusted	<u>209.92</u>	<u>162.59</u>
<b>14 Operating Income</b>		
Handling charges earned	2307.15	1760.18
Equipment and fleet hire charges earned	1092.30	822.90
Agency and other charges earned	176.26	136.23
Warehousing charges earned	<u>2590.81</u>	<u>1577.05</u>
	<u>6166.52</u>	<u>4296.36</u>
<b>15 Handling charges incurred</b>		
Expenses relating to Port, Customs and other operations	741.37	520.09
Stores and tools consumed	4.54	2.30
Labour charges to outside agencies	36.40	39.43
Rent for container yard and warehouses	411.98	238.62
Repairs to container yard and warehouses	181.15	256.11
Operating equipments upkeep		
Fuel	232.48	202.16
Repairs and replacements	227.81	150.54
Rates and taxes	6.15	6.89
Insurance	12.60	15.55
Loss/damage to cargo /leasehold warehouse	69.33	2.01
Consultancy charges	19.80	19.20
Security charges	36.58	32.74
Power and fuel	<u>19.10</u>	<u>17.67</u>
	<u>1999.29</u>	<u>1503.31</u>



**SCHEDULES TO THE ACCOUNTS (continued)**

	<b>2009</b>	<b>2008</b>
	Rs. Lakhs	Rs. Lakhs
<b>16 Human resources</b>		
Salaries, wages and bonus	<b>445.69</b>	409.71
Contribution to provident and other funds	<b>31.48</b>	24.38
Employees' welfare expenses	<b>105.97</b>	78.53
	<b>583.14</b>	512.62
<b>17 Selling, office and administration expenses</b>		
Power and fuel	<b>4.48</b>	3.68
Rent	<b>32.64</b>	33.69
Rates and taxes	<b>21.97</b>	10.41
Insurance	<b>4.21</b>	0.75
Repairs to leasehold premises	<b>5.17</b>	3.01
Repairs to machinery	<b>1.43</b>	0.91
Repairs to other assets	<b>4.22</b>	6.53
Travel and conveyance	<b>47.23</b>	40.28
Office vehicles upkeep		
Fuel	<b>10.36</b>	9.99
Repairs and replacements	<b>3.71</b>	2.92
Rates and taxes	<b>1.45</b>	0.69
Insurance	<b>1.00</b>	0.99
Printing and stationery	<b>17.50</b>	11.87
Communication expenses	<b>26.66</b>	28.98
Fees to auditors - For audit	<b>1.80</b>	1.26
Information technology and management information systems	<b>2.82</b>	2.34
Interest paid on		
Fixed loans	<b>124.57</b>	87.98
Advances and other accounts - net	<b>35.81</b>	3.14
Guarantee and finance charges	<b>3.68</b>	15.56
Miscellaneous expenses	<b>53.47</b>	33.16
Expenditure on leased assets amortised	<b>0.24</b>	0.48
	<b>404.42</b>	298.62
<b>18 Depreciation</b>		
Buildings	<b>6.59</b>	6.20
Operating fleet and equipments	<b>80.40</b>	57.20
Machinery	<b>1.00</b>	0.69
Office vehicles	<b>2.32</b>	2.10
Furniture and office equipments	<b>15.12</b>	4.33
Intangible assets-Acquired	<b>0.44</b>	0.44
	<b>105.87</b>	70.96
<b>19 Provision for taxation</b>		
Current taxation		
Income tax	<b>491.80</b>	178.00
Fringe benefit tax	<b>6.00</b>	5.00
Deferred taxation - Provision	<b>96.61</b>	85.34
	<b>594.41</b>	268.34

# Sanco Trans Limited

## SCHEDULES TO THE ACCOUNTS (continued)

### 20 Notes to the accounts

- (1) Issued and subscribed capital include 2,50,000 Equity shares allotted as fully paid-up by way of bonus shares by capitalisation of part of General reserve.
- (2) Movement in reserves -(i)Revaluation reserve- Surplus arising on the revaluation of the net assets as on March 31,2009 Rs 4859.84 lakhs (2008 Rs Nil), (ii) General reserve - Transfer from Profit and loss account Rs. 868.60 lakhs (2008 Rs.450.33 lakhs); Adjustment on account of provision for taxation and other balances : Charge(-)/Credit(+)- Rs. 68.60 lakhs (-) (2008, Rs.14.73 lakhs(+).
- (3) Nature of security for secured loans - (i) Term loan from banks is secured by a first charge by mortgage of certain immovable properties belonging to the Company and by a charge by hypothecation of certain operating equipments ; (ii) Cash credit facility is secured by a charge on book debts and further collaterally secured by mortgage of certain immovable properties belonging to the company; (iii) Deferred liability under hire purchase is secured by hypothecation of equipments acquired under the hire purchase scheme; (iv) Term loan and cash credit facilities are guaranteed by three directors. The liability stated at (iii) above is guaranteed by the Managing Director and Deputy Managing Director.
- (4) Unsecured loans include (i) Rs. 47.22 lakhs (2008 Rs.42.70 lakhs) repayable within twelve months from the end of the year and (ii) Rs. 4.40 lakhs (2008 Rs.4.40 lakhs) due to directors.
- (5) The net assets of the company were revalued as on March 31,2009 by an external valuer on the basis of (i) estimated prevailing market value for similarly located assets in the case of land and buildings, (ii) estimated depreciated replacement cost in the case of other fixed assets, (iii) estimated realizable value or cost whichever is lower in the case of inventories and (iv) estimated values which are likely to be realized /discharged in the case of other assets and liabilities. Depreciation in the case of fixed assets for the purpose of the said revaluation has been computed upto March 31,2009.The resulting net surplus on such revaluation aggregating Rs 4859.84 lakhs has been credited to Revaluation reserve.
- (6) There is no diminution, other than temporary in the value of the investments.
- (7) Deposits with banks in Schedule 8 include Rs. 65.65 lakhs (2008 Rs.52.61 lakhs) in respect of which lien in favour of banks has been created as security for the guarantee facilities extended by them to the Company.
- (8) There are no amounts remaining to be credited to the Investor Education and Protection Fund.
- (9) Capital expenditure commitments (net of advances) Rs. Nil(2008-Rs Nil).
- (10) Contingent liabilities - Claims against the Company not acknowledged as debts Rs.9.93 lakhs (2008 Rs.7.93 lakhs).
- (11) Directors' remuneration - (i) Managing Director, Deputy Managing Director, Director-Finance and Wholetime Director - Salary Rs. 43.89 lakhs (2008 Rs.38.64 lakhs), Allowances Rs.13.10 lakhs (2008 Rs.11.52 lakhs), Contribution to Provident fund Rs. 5.26 lakhs (2008 Rs.4.63 lakhs), Perquisites Rs. 0.32 lakh (2008 Rs.0.32 lakh). Total Rs. 62.57 lakhs(2008 Rs. 55.11 lakhs); (ii) Sitting fees to directors Rs 1.45 lakhs (2008 Rs.1.07 lakhs).
- (12) Repairs to container yard and warehouses in Schedule 15 include Rs. 111.91 lakhs (2008 Rs.35.55 lakhs) being amortised expenses on leasehold premises. Repairs and replacements in the said Schedule include Rs. Nil (2008 Rs.9.95 lakhs) being amortised expenditure on replacement of parts of equipment.





## SCHEDULES TO THE ACCOUNTS (continued)

- (13) Human resources include Rs. 2.22 lakhs (2008 Rs.2.61 lakhs) being amortisation of compensation under voluntary separation plan.
- (14) Interest paid on advances and other accounts is net of interest income of Rs. 23.39 lakhs (2008 Rs.12.08 lakhs) and the tax deducted at source thereon is Rs. 4.82 lakhs (2008 Rs.2.60 lakhs).
- (15) Foreign exchange and foreign currency transactions and derivatives - (i) Imports -Rs. 338.64 lakhs (2008 - Rs.190.20 lakhs); (ii) Other expenditure in foreign currency Rs. 9.40 lakhs (2008 Rs.5.66 lakhs); (iii) Other earnings in foreign exchange Rs. 7.03 lakhs (2008 Rs. 0.28 lakh); (iv) There was no remittance in foreign currencies on account of dividend to non-resident shareholders; (v) Net exchange difference debited to Profit and loss account Rs. 0.01 lakh (2008 Rs.0.04 lakh); (vi) Derivatives - Company has not so far used derivative financial instruments such as forward contracts, currency swap to hedge currency exposures, present and anticipated. However, currency exposure not hedged by derivative instrument are as under: Amount receivable on account of services rendered, advances, etc. US\$2375.44, Euro 4969.01, GBP Nil (2008 US\$1377.34, Euro 1171.05, GBP 177.15 ) equivalent Rs. 4.26 lakhs (2008 Rs. 1.36lakhs); Amount payable on account of services obtained US\$368.46 (2008 US\$ 5332) equivalent Rs 0.18 lakhs (2008 Rs. 2.17 lakhs ), GBP 1165.41 (2008 GBP Nil) equivalent Rs 0.93 lakhs.
- (16) Computation of earnings per share : (i)Profit after taxation Rs 1060.58 lakhs (2008- Rs 467.23 lakhs); (ii)Equity shares outstanding 18,00,000(2008-18,00,000); (iii)Earnings per share - Basic(i)/(ii) Rs. 58.92 (2008-Rs 25.96).
- (17) Deferred tax-liability comprises tax effect of (i) timing differences relating to depreciation Rs. 241.51 lakhs (2008 Rs.176.38 lakhs); (ii) others Rs. 86.74 lakhs (2008 Rs.55.26 lakhs).
- (18) (i) The company has complied with the revised Accounting Standard 15-Employee benefits issued by the Institute of Chartered Accountants of India. Accordingly provision of Rs 40.51 lakhs has been made for the incremental liability towards gratuity for the year ended March 31,2009 (2008-Rs.19.71 lakhs).
- (ii) Deferred benefit plan- Gratuity : As per actuarial valuation on March 31,2009. The disclosures required in the said Accounting standard regarding computation of the said benefit plan have not been furnished since the said information is not considered as material.
- (iii) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year for the returns over the entire life of the related obligation.
- (iv) During the year the Company has recognized the following amounts in the Profit and loss account in Schedule 16 to the accounts- Contribution to provident and other funds includes provident fund Rs 31.48 lakhs (2008 Rs 24.38 lakhs; 2007-Rs 22.83 lakhs) and gratuity fund Rs 40.51 lakhs ( 2008-Rs 19.71 lakhs; 2007-Rs 18.69 lakhs). Employees' welfare expenses include contribution to employees' state insurance plan Rs 7.65 lakhs (2008-Rs 13.21 lakhs; 2007-Rs 6.52 lakhs).
- (19) Segment information - The Company is principally engaged in a single business segment viz. Logistics.
- (20) Related party transactions
- (1) Related party - Key management personnel
- |                              |   |                          |
|------------------------------|---|--------------------------|
| (i). Shri V Upendran         | - | Managing Director        |
| (ii). Shri S Sathyanarayanan | - | Deputy Managing Director |

# Sanco Trans Limited

## SCHEDULES TO THE ACCOUNTS (continued)

	<b>2009</b>	<b>2008</b>
	Rs.Lakhs	Rs.Lakhs
(2) Transactions with key management personnel		
(i) Interest payments	0.02	0.02
(ii) Remuneration	38.27	38.27
(iii) Outstanding balances under Fixed deposit	0.20	0.20
(iv) Outstanding balances under short term loans and advances received	0.25	10.25
(v) Short term loans and advances taken	-	12.67
(vi) Repayment of short term loans and advances	10.00	-
(21) 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.		
(22) Comparative figures relating to previous year have been reclassified to conform to the classification adopted this year.		

For and on behalf of the Board

**N Badrinarayanan**  
Director-Finance

**V Upendran**  
Chairman & Managing Director

Place : Chennai  
Date : May 27, 2009



**INFORMATION UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**Balance sheet abstract and Company's business profile**

**I. Registration Details**

Registration No - 7970 State Code - 18  
 Balance Sheet - 31.03.2009

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

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

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

**Total liabilities** 893456 **Total assets** 893456

**Sources of funds**

Paid up Capital 18000  
 Reserve and Surplus 679151  
 Share application money -  
 Secured loans 144105  
 Unsecured loans 19375  
 Deferred tax liability 32825

**Application of Funds**

Net Fixed assets 782818  
 Investments 2419  
 Net Current assets 87227  
 Miscellaneous expenditure 20992  
 Accumulated Losses -

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

Operating and Other Income 617062  
 Total expenditure 451563  
 Profit (+) / Loss (-) before tax 1654.99 (+)  
 Profit (+) / Loss (-) after tax 1060.58 (+)  
 Earnings per share Rs. 58.92  
 Dividend rate 45%

**V. Generic names of three principal products**

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

For and on behalf of the Board

**N Badrinarayanan**  
 Director-Finance

**V Upendran**  
 Chairman & Managing Director

Place : Chennai  
 Date : May 27, 2009



# Sanco Trans Limited

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

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

No. of Shares held .....

I hereby record my presence at the TWENTY NINTH ANNUAL GENERAL MEETING at CONFERENCE HALL, HOTEL NEW WOODLANDS, Dr. Radhakrishnan Salai, Chennai - 600 004 on Monday, 7<sup>th</sup> September, 2009 at 12:00 Hours

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

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

For Office Use

# Sanco Trans Limited

Registered Office : 46 Moore Street, Chennai - 600 001

## PROXY FORM

I/We .....of .....

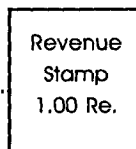
being a Member(s) of the above named Company, hereby appoint-----

of .....or failing him .....

..... as my / our Proxy to vote for me / us on my / our behalf at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company to be held at 12:00 Hours. on Monday, the 7<sup>th</sup> September , 2009, and at any adjournment thereof.

Signed..... day of .....2009

Signature .....



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

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To

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**SANCO TRANS LIMITED**

46, Moore Street,  
Chennai - 600 001.