

Sanco Trans Limited
Transcript of 45th Annual General Meeting
Thursday, July 31, 2025 from IST 10.30 to 11.20 A.M.

V. Upendran, Chairman:

Good morning everybody. Now the time is 10.30 A.M. The quorum is present and therefore order the meeting to order at 10.36 A.M.

Now I will introduce the directors present in the meeting. Let me introduce them one by one.

1. S. Sathyanarayanan, Managing Director.
2. Udayabhaskar Reddy U, Whole-Time Director.
3. S. R. Srinivasan, Finance Director and CFO.
4. P R Renganath, Independent Director and Chairman of Audit Committee.
5. Bharat Venkat Epur, Independent Director & Chairman of Stakeholder Relationship Committee and Nomination & Remuneration Committee.
6. Vikram Vijayaraghavan, Independent Director.
7. Ramya Badrinarayanan, Independent Director.
8. TR Chandrasekaran, Independent Director.

Mrs. S. Devaki, Director, is unable to attend the meeting due to illness.

Introducing Mr. Prasanna N, Company Secretary, Mr. M S Murali For M/s. M. S. Krishnaswami and Rajan, Statutory Auditor & Mr. Krishnan For Sudarsanam Associates, Internal Auditors, Mr. Balu Sridhar, Secretarial Auditor and Scrutinizer of the Company.

The Notice of the 45th Annual General of Meeting are with the members and taken as read.

Good Morning to all and I welcome everyone to the 45th Annual General Meeting of your company.

Let me start with what is happening around our trade globally.

The EXIM trade seems to have settled to the reality that the uncertainties in the world economy is going to continue for couple of more years to come primarily because all the major Battles be it in Persian Gulf or the Russia-Ukraine conflict doesn't seem to stop, and the worst Trade war of the decade is waged by non-other than the United States by announcing various tariff's most of them which are still disturbing the world trade.

Increased tariffs and sanctions by the U.S are shifting the trade lanes and at times hitting a pause button by the exporters & importers who are not prepared to take the volume increase with unexpected costs around it.

Let me now focus on trade opportunities and challenges in our country.

Fairly the east of our country has been stable, and our own resilient economy has balanced the adverse happenings around us and helped us to keep the momentum of the growth trajectory. The World Bank report released during February 2025, projects our country to grow by the average of 7.8% every year for the next decade and reach our Country's aspiration to become a high-income status. This robust outlook and continuous push from the government by various policy initiatives to increase /improve the manufacturing activities has business sentiments having a positive outlook.

In the past three fiscal years India has accelerated its average growth rate to 7.2 percent. In order to maintain this acceleration and attain an average growth rate of 7.8 percent, the Country is focusing on:

1. Increasing investment.
2. Fostering an environment to create more and better jobs.
3. Promoting structural transformation, trade participation and technology adoption.
4. Enabling states to grow faster and together.

We are seeing the progress in all the four areas listed above reflecting in our area of business. There are clear signs of increased investments in the port related infrastructure by both the Central & State government in their respective domains. Centre has realized that the 4 container terminals in Chennai will reach its potential growth in the next 5 years and hence it has commissioned a study on the feasibility of constructing a new terminal in the outer anchorage of the Chennai Port.

We have been successful in garnering additional opportunity in all the three container terminals of Chennai and Ennore Port Authorities where we have been in operations for over a decade now and we expect increased volume and growth in the next financial year.

Our Company has registered a market share around 7.50% out of the total containers handled at Chennai ports. To meet the current demand of this region the Government of India has approved an addition of two more berths to handle ships/containers, one each at Kamarajar Port and Kattupalli Port. These will be functional from later part of financial year 2025-2026. This will contribute additional volume to our facilities.

The state government has indicated that they are going unveil a Warehouse Policy for inducing new and current operators in increasing/building the storage capacity from the current levels. Our company will also consider at the appropriate time and take suitable action to foray in the stand-alone warehousing activity.

The Board of Directors has recommended a dividend of 27% (Rs. 2.70/- per share) for the financial year ended March 31, 2025.

I thank all our stakeholders who have extended support in the growth of our company, and I look forward to their continuous support.

I would like to invite **Prasanna. N, Company Secretary**, to give an update on Independent Auditor's Report.

Company Secretary:

Thank you very much, Chairman, and welcome to all the shareholders.

The Independent Auditors' report have no qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the company.

The Compliance Certificate on Corporate Governance and Secretarial Auditors' report have a comment that The Board of Directors of the Company did not comprise with the required number of Independent Directors from 15.09.2024 to 17.01.2025 as prescribed under the LODR Regulations, 2015 and accordingly the strength of the Non-Executive Directors was less than 50% of the total strength as required under the LODR Regulations, 2015 during the period from 15.09.2024 to 20.11.2024. Upon receipt of Notice from the Stock Exchange for the non-compliance of Reg 17 of the SEBI (LODR), the Company had paid the fine.

The Board has appointed three Independent Directors to fill up the vacancies and the Company since complied with LODR Regulations, 2015. The Company has paid the fine amount for non-compliance period.

Thank you and over to the Chairman.

Chairman:

Thank You Prasanna.

I now invite questions from the members registered as speakers, on the Annual Report of the Company for the year ended March 31, 2025.

The Company Secretary will list out the names of the registered speaker one by one.

Company Secretary:

Thank you, Sir. We now invite our first speaker, Mr. Santhosh Kumar Saraf.

Moderator:

Sir, you are elevated to the panel, unmute and speak.

Santhosh Kumar Saraf, Shareholder:

Respected Chairman and other members of the board and my dear fellow shareholders, I am **Mr. Santhosh Kumar Saraf, Kolkatta.**

Now I want to know how many new visuals and containers are added in our Company. Second sir, what new technologies are added? What is the outcome of that new technology? What is your future CAPEX Plan. Requesting to conduct the meeting via video conferencing because I am able to attend the meeting from Kolkata.

With this, thank you so much. I wish you good health, so that health will be wealth. And also, a very happy festive season, because all the festivals are coming. With this, thank you so much.

Company Secretary:

Thank you Mr. Santhosh Kumar Saraf, We now invite our next speaker P.Gopal.

Moderator:

He has not joined, please move to next shareholder.

Company secretary:

We now invite our next speaker G.D. Vandana.

Moderator:

She has not joined, please move to next shareholder.

Company secretary:

We now invite our next speaker J.Abhishek.

Moderator:

Sir, you are elevated to the panel, unmute and speak.

P. Jai Chand, Shareholder:

Sir, Abhishek is attending another meeting. I am also a speaker registered shareholder. Please kindly allow me to speak from this device.

Thank you, I am P. Jai Chand, warm welcome to Chairman, Board of directors, Secretary and esteem and my fellow shareholders.

Congratulations to the management on the eve of this AGM. Sir, I and my family members are proud shareholder of the esteemed company. The management has put on great efforts and doing wonderful job. The only grievance of the shareholder is expecting better dividend and appreciation of share price, because the majority of our shareholders, particularly senior citizens, rely on it for their financial well-being.

I also request the management not to take away the maximum profits into reserves. I hope the management will not let down the shareholders who stood behind in thick and thin. I request the management to be cost effective wherever possible.

Sir, what are the future plans? How are we going to withstand the tough competition? Sir, I request the management to issue bonus shares, sir. If not the rights issue, sir, and make the shareholders happy, sir.

I support the management. I have cast all the votes in favour. I wish our company all success and will touch sky heights. I request the management to consider the special dividends to the shareholders, sir. I thank the management for giving me the opportunity, sir.

Sir, one more shareholder Mr. Manisundram, allow him to join from the same device sir. He is unable to join from his device sir.

Thank you very much sir.

Manisundram, Shareholder:

Very happy to attend this meeting via video conference.

I am very happy that this year the company has consistently provided dividends to the shareholders. I also extend a warm welcome to the Chairman, Board of Directors, Company Secretary, and all fellow shareholders. It is gratifying to see that we have not only given a good dividend this year but have also maintained a continuous track record of rewarding our shareholders. As senior citizens, we rely on the income from our investments in the company. I have invested in a very good company and am very happy with its performance. I kindly request the company to consider giving higher dividends and even a special dividend to the shareholders. We have high expectations for the business to grow further and for the market value to increase.

I appreciate the company's good corporate governance and am pleased to attend this meeting via video conference. We also request that next year, the meeting could be held in a hybrid or physical format, so long-term shareholders have the opportunity to meet the management in person.

Finally, I would like to thank the management for consistently rewarding shareholders. One more shareholder, Abhishek, will be joining via the same device due to technical difficulties.

We are always favor voting the all the resolutions favor to the board.

J.Abhishek, Shareholder:

Hello. Good morning. First of all, I congratulate the management on the eve of Annual general body meeting.

Sir, trust all is well with you and your family. In this challenging situation, a company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability, and becoming one of the strongest brand in the respective segment.

Sir, as of date, we can see that new players, small players have also come into logistic business. So how are we going to compete them in the coming future? I would like to know from you, sir. And what are the steps being taken by the management to improve the EPS, PE ratio and the return on equity?

I would like to know the followings from you, sir. Otherwise, the company is doing really well. You are giving a constant dividend to the shareholders every year. And we are really thankful to the entire board of directors for their sincere efforts in bringing the company to this particular extent and rewarding the minority shareholders in large numbers and nothing much to ask, some of my questions are sent by email also I should not repeat the same questions again in the interest of time and the company's secretary and their team are always available to resolve the queries of the shareholders so no further questions sir. I wish the company and the board of directors a great success and prosperity in the coming future and thank you for giving the opportunity sir hope to see you in the hybrid AGM next year thank you very much sir.

Company Secretary:

Thank you Shareholders, We now invite our next speaker Mr.Keshav Garg to share his thoughts and views with us.

Moderator:

Sir, you are elevated to the panel, unmute and speak.

Keshav Garg, Shareholder:

Sir, thank you for the opportunity. Sir, I have sent my list of questions, but I am also raising them for the benefit of other shareholders.

Sir, what is the outlook for FI 26 and FI 27 in terms of top line and bottom line? Sir, our EBITDA was in the 10 crore range in FI 22, but it has declined to 4 crore in FI 25. So, if you could it would be very helpful if you would explain why and what is the expected trajectory of our EBITDA going forward.

Sir, what is the steady state EBITDA margin your shareholders should expect going forward? Sir what is the total land that is available with the company and sir what is the total land that is a vacant and where we can use it for expansion of our container phase stations as well as the warehousing segment.

Sir are there any plans to utilize the vacant land holdings or land holdings that are given those low returns or monetize them. Sir, what is our current capacity in terms of CFS at our container free station in terms of TE use and sir, what are the utilization levels?

Sir, how is the competitive intensity at the ports where our CFS are present is? Sir, are we seeing a realization or margin pressure? And sir, what is expected IRR or payback period your shareholders should expect before the company goes for any capex or new investments.

And then where can we see our business growing over the next 3 to 5 years? Sir, it would be very helpful if you could answer these questions.

Company Secretary:

Thank you Mr.Keshav Garg, We now Invite Mr.Manjith Singh.

Moderator:

He has not joined. Please proceed your proceedings.

Company Secretary:

Thank you to all the shareholders for your valuable points and feedback. I now request the Chairman to respond to the shareholders' queries.

Chairman:

Thank you to all the shareholders who have given their opinion and their advises. Definitely we will consider which are relevant to us and which are able to take up to it. Definitely we will see that the best part of it and we will try to give in future good rate dividends and everything.

But some of the things I want to answer shareholder has asked for the growth theory. So, the company is about 7 percent year on year 24-25, a comparative 23-24. I think you expected the growth will be the same rate, the figures likely to be on warehousing and port operations.

And the cost cutting initiatives, we already achieved an optimum cost efficiency and with a limited scope for further cuts without impacting the performance. You will see take care of the performance also for this particular and the sustainability of the profit earning growth.

The management is optimistic of the growth and sustainability of the profit and the ratio and the ability that is there all the ratio, profitability ratios, 24-25 have improved compared to 23-24.

The details will be available in the report. In other current and non-current liabilities, somebody's made this point. I think we have given in the annual report note 14 to 19, the details of the current and non-current liabilities in the financial statements.

The details of the contingent liability is also given in item number 38. To reduce the other expenses, all the expenditures are in line with the company's size, operation and performance. This has to be taken into mind.

Policy related dividend. I mean dividends are determined based on the company's financial performance. Definitely, also it is factoring in the long term growth prospects, anticipated capital requirements and future cash flows.

And the industry in next three years as informed by me in the speech, we have an opportunity to grow in the container terminals and expect increased volumes in the coming years. Also, we are awaiting the state government to unveil a warehouse policy and company will take appropriate decision for developing suitable infrastructure facilities.

Outlook of financial year 26-27. The company is expected to grow at a rate of 7% p.a Year-on-Year. And In FY 2024-25 EBIDTA is Rs. 8.4 Crores against 11.74 crores in FY 2021-22. The decline in EBIDTA of Rs. 3.4 Crores in FY 2024-25 is mainly on account of decreased handling earnings in FY 2024-25 as compared to FY 2021-22.

One of the shareholder asked for the land available, the total of 12 acres of operation land is available with us. So, there are no plans of monetization. The current competitive scenario, Current capacity 8,500 TEUs Utilisation is around 70%.

The current comparative scenario is there are clear signs of increase in investment in port related infrastructure. Further, we are holding a market share of 7.5% out of the total containers handled at Chennai port & we continue to be one of the dominant players in the volume of containers handled at the port.

Any capital expenditure investment somebody was asking. Currently the Capex / investments is mainly on operating fleet / vehicles deployed in port terminals. Future capex will be decided based on business growth.

Now, I ask the company secretary to explain the voting procedure.

Company Secretary:

In accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the remote e-Voting facility was made available to the members for three days from 28th July, 2025 (09.00 AM) to 30th July, 2025 (05.00 PM).

In order to provide an opportunity to the Members attending the Meeting to cast their votes who had not cast their votes through remote e-Voting process, e-voting will be conducted for 15 minutes after the conclusion of the meeting.

The remote e-voting and e-voting at the AGM is conducted in a fair and transparent manner by the Scrutinizer Mr. Balu Sridhar.

The voting result will be declared within two working days of conclusion of the Meeting and the same along with Scrutinizer's Report will be uploaded in the Company's Website, stock exchange website and CDSL website and shall also be available at the Registered Office of the Company.

Thank you. Over to the chairman

Chairman:

Thank you Prasanna. Now, I declare the meeting has closed after the voting process completed as mentioned above.

Company Secretary:

So, with the confirmation from the chairman as well as the directors, we are concluding this meeting. Thank you all for joining. Have a great day. Thank you all.

The meeting concluded at IST 11.20 A.M after e-voting.

Disclaimer:

This transcript has been reviewed and edited to ensure factual accuracy, improve clarity, and enhance readability for a precise and reliable presentation of the content.