

Sical Logistics Ltd

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Chennai 600 001 India
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Ref.:SICAL/SD/2018

16th October, 2018

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.:C/1, G Block
Bandra – Kurla Complex
Bandra [East]
Mumbai :: 400 051

Dear Sirs,

Sub : Annual Report for the year 2017-18

Ref : Regulation 34 of the SEBI (LODR) Regulations, 2015

Kindly find attached the soft copy of the Annual Report of the Company for the financial year 2017-18 for your kind reference and records.

Thanking you,

Yours faithfully,
For Sical Logistics Limited

V. Radhakrishnan
Company Secretary

Encl : Annual Report



SICAL LOGISTICS LTD.

Annual Report **2017-2018**

Single Window for Integrated Logistics



To be the most Reliable, Trusted and Preferred logistics partner across Business, providing Cost Effective, Innovative and Best-Fit solutions for customers, ultimately enhancing value for all its Stakeholders.

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Disclaimer: The information and opinions contained in this document do not constitute an offer to buy any of Sical's securities, businesses, products, or services. The document might contain forward-looking statements qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit', and 'anticipates', that we believe to be true at the time of the preparation of the document. The actual events may differ from those anticipated in these statements because of risk, and uncertainty of the validity of our assumptions. Sical does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

QUICK INFORMATION

Board

R Ram Mohan	Chairman
Kush Desai	Joint Managing Director
Sunil Deshmukh	Director
Shweta Shetty	Director
HR Srinivasan	Independent Director
H Rathnakar Hegde	Independent Director
S. Ravinarayanan	Independent Director
Sudhir Kamath	Independent Director

REGISTERED OFFICE

South India House
73 Armenian Street
Chennai 600001
Voice: +91 44 66157071
Fax: +91 44 66157017
Email: secl@sical.com
Web: www.sical.in

BANKERS

Axis Bank
Bank of Baroda
Canara Bank
DCB Bank
IDFC Bank
IndusInd Bank
Kotak Mahindra Bank
RBL Bank
South Indian Bank
Standard Chartered Bank
YES Bank

AUDITORS

SRSV & Associates
Chartered Accountants
"Anmol Palani", Level-2, C-4, III Floor,
No.88, G.N.Chetty Road, T.Nagar,
Chennai 600 017

COMPANY SECRETARY

V Radhakrishnan

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R. Kamani Marg
Ballard Estate
Mumbai 400 001

BUSINESS SNAPSHOT

Port Operations

Handling of dry and liquid bulk cargo at various ports. Services include customs house agency, shipping agency and stevedoring.

Container Terminals

Handling of containers at Tuticorin container terminal in association with PSA International Pte Ltd.

CFS/ICD

Container freight stations at Chennai, Vizag and Tuticorin and ICD at Melpakkam

Road Logistics

Bulk (dry and liquid), project, ODC, fertilizer, metals and packaged goods transported across India.

Retail Supply Chain Solutions

Cold chain, warehousing and dry logistics across hospitality, pharma and FMCG industries

Bulk Terminals

Coal berth at Kamarajar Port
Coal Cum Iron ore terminal at Kamarajar Port.

Container Trains

Pan-India container rail operations
Being operated on pan-India basis for the movement of edible oil, glasses, pipes, scraps, cereals, granite, marbles, tiles and copper concentrates.

Mining Operations

Surface mining
Bulk handling solutions at mines
Mine developing and operating

Integrated Logistics

End to end integrated logistics solutions for bulk and containerized cargo

BUSINESS STRUCTURE

3% | Promoters
 54% | Co-promoters
 43% | Public

Sical Logistics

Port operations,
 Trucking and
 Warehousing

- **Sical Iron Ore Terminal (Mangalore) | 100%**
Iron ore terminal at Mangalore port
- **Bergen Offshore Logistics | 100%**
Offshore logistics
 - **Norsea Global Offshore | 100%**
Offshore logistics
- **Norsea Offshore India | 100%**
Offshore logistics
- **Sical Adams Offshore | 100%**
Offshore logistics
- **Sical Mining | 100%**
Mining Development and Operation
- **Sical Iron Ore Terminal | 63%**
Iron ore terminal also to handle coal at Ennore
- **Sical Infra Assets | 53.60%**
SPV for asset-intensive businesses
 - **Sical Multimodal and Rail Transport | 100%**
Pan-India container train operations and CFS/ICD
 - **Sical Sattva Rail Terminals | 50%**
Container terminal operations in JV with Sattva
 - **Sical Bangalore Logistics Park | 100%**
ICD operations at Bengaluru
- **Sical Saumya Mining | 65%**
Overburden removal at mines
- **PNX Logistics | 60%**
Express Logistics
- **Patchems | 51%**
Integrated Supply Chain
- **Develecto Mining | 51%**
Mining Development and Operation
- **PSA Sical | 37.50%**
Container terminal in JV with PSA International Pte. Ltd. at Tuticorin

END-TO-END INTEGRATED MULTIMODAL DELIVERY

Container Cargo

Sea



Port/terminal

CONTAINER TERMINAL at Tuticorin in JV with PSA International Pte. Ltd., Singapore.



ICD/CFS



CONTAINER FREIGHT STATIONS at Chennai, Vizag and Tuticorin, Value added services such as bagging, palletizing, strapping, and shrink packing.

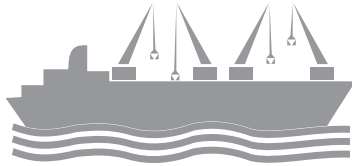
Multimodal transportation



Pan-India **CONTAINER TRAIN** operations with multiple rakes carrying exim and domestic cargo on the strategic north-south, east-north and east-west corridors.

customers

Bulk Cargo



SHIP AGENCY at all major and intermediate ports in India.



STEVEDORING, CUSTOMS CLEARING at Chennai, Tuticorin, Visakhapatnam, Kandla, Haldia, Paradip, Goa, Mangalore.

COAL CUM IRON ORE TERMINAL at Kamarajar Port.

COAL TERMINAL at Kamarajar Port.



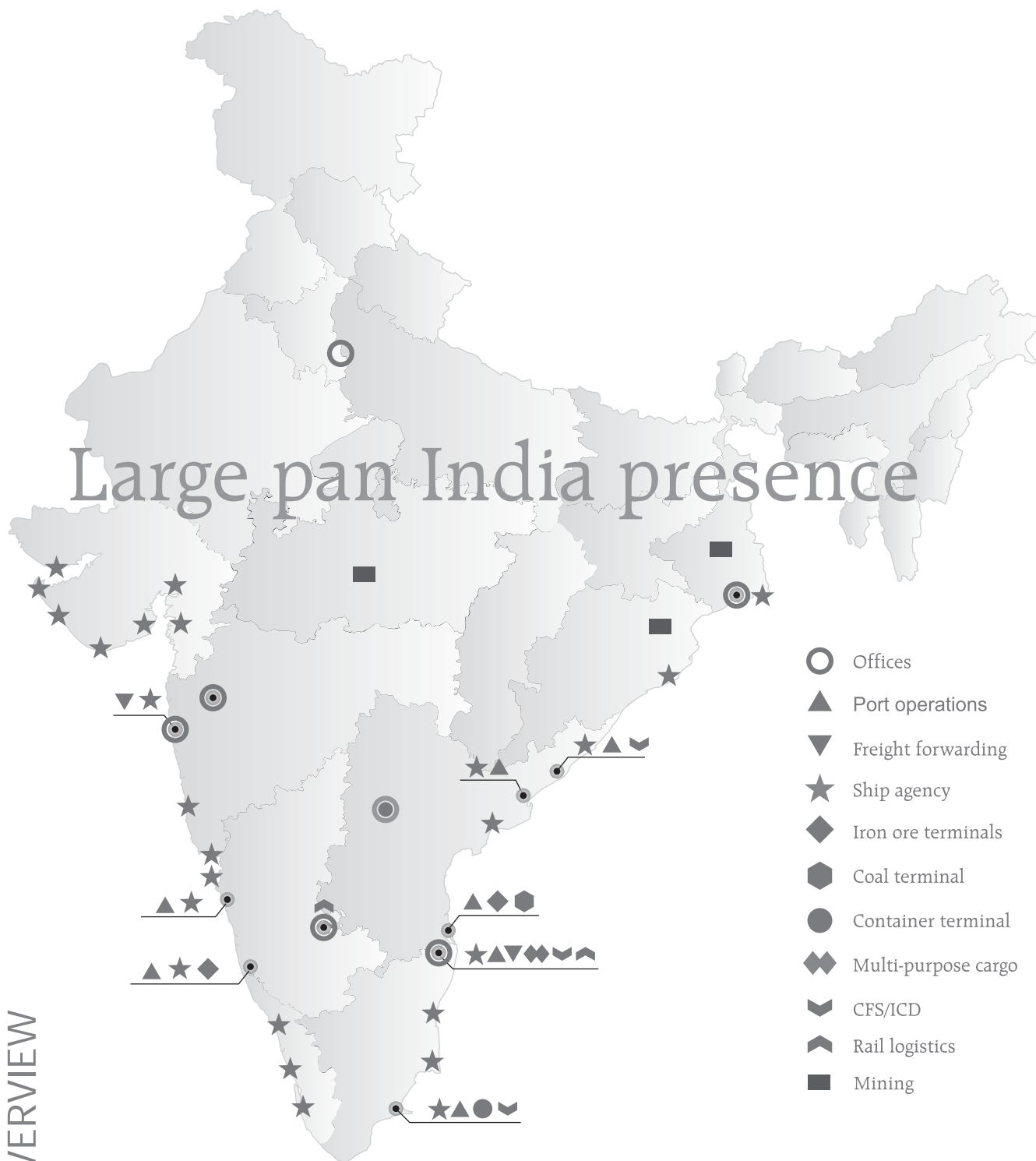
Pan-India **TRUCKING FLEET** with GSM/GPS systems for real-time tracking of high value cargo, Cold chain and warehousing



Overburden and Mining Developer and operator in Odisha, Madhya Pradesh and West Bengal

customers

DELIVERY NETWORK



PRODUCTS WE MOVE

Ores Iron ore and pellets Ferro Manganese Chrome Steel HR coils CR coils Slabs Billets Plates Iron Bars / Coils Metals Copper anode Aluminium ingots Glass Carbon Black Compound rubber Containers 20'-40' open top ISO tanks	Packaged goods Fertilizer Cement Sugar Food FMCG Consumer Electronics Computers Tubes /Pipes Paper Reel and Bundles Garments Dry bulk Coal Coke Dolomite Limestone Sulfur/rock phosphate Urea DAP MOP	Liquid bulk Diesel Petrol LAB Benzene Ethanol Furnace oil Ammonia Edible oils Over-dimensional cargo Plant and machinery Heavy duty handling equipment Project cargo Transformers Generators Gases LPG Chlorine Oxygen	Others Industrial valves Cars Cocopith Components of truck Marbles Medicines Plants Ply Soft Drinks Sugar Tiles Tobacco Used rubber tyres Vegetables Waster Paper Water Wire rod coils
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TOP 20 CUSTOMERS

NLC India Limited	Shell India Markets Private Limited
Tamil Nadu Generation and Distribution Corporation	Dhar Coal Products (P) Limited
Mahanadi Coalfields Limited	Swiss Singapore India Private Limited
Northern Coalfields Limited	Surya Global Steel Tubes Limited
Hindustan Copper Limited	Surya Roshni Limited
Coffee Day Global Limited	Shanghai Well-Trans International Logistics Co. Limited
JSW Steel Limited	Pepsico India Holdings Private Limited
Raichur Power Corporation Limited	Baxter India Pvt. Ltd
Johnson and Johnson	NTC Shipping Services Private Limited
Hindalco Industries Limited	Chakiat Agencies

The above list is neither complete nor exhaustive; its purpose is merely to showcase Sical's customer engagements.

Customer profile

	Fy18	Fy17	Fy16	Fy15	Fy14	Fy13
Percentage of revenue from no 1 customers	23%	21%	36%	52%	58%	45%
Percentage of revenue from top 5 customers	67%	68%	72%	80%	79%	69%
Percentage of revenue from top 10 customers	75%	76%	87%	88%	85%	76%
No of customers that account for more than 10% of total revenue	3	3	2	2	2	2
No of customers that account for over INR 100 lakhs annual revenue	31	55	30	31	37	43
No of customers that account for over INR 500 lakhs annual revenue	17	14	11	12	13	13
No of customers that account for over INR 1,000 lakhs annual revenue	12	8	9	7	3	5

KEY FINANCIALS

10 year Financial (Consolidated)

(₹ in lakhs)

Year to 31 March	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenue	119424	93695	79194	86806	88300	77620	79118	80348	72673	68282
EBIDTA	18126	16440	11605	12473	12748	10862	9235	3206	3817	9854
Equity Share Capital	5562	5562	5562	5562	5562	5562	5562	3954	3954	3954
Net Worth	52492	49406	45572	44242	43836	43404	41779	40508	31392	28573
Current Assets	51213	55874	40304	36506	34999	35196	32138	46130	59073	67386
Cash and Bank Balance	5667	5832	2935	10622	9991	12317	7813	19443	8610	18290

VOLUMES MIX

Particulars	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Container 20 -foot equivalents (TEUs)	637667	678234	653223	631001	649697	628625	585638	587154	592000	570000
Bulk (Million tonnes)	24	28	34	33	25	21	29	27	26	26

RECOGNITION



- Best Cold Chain Application - Hospitality; Global Logistics Excellence Awards 2018
- Best Cold Chain Logistics Service Provider of the year - Cold Chain Industry Awards – 2018 by ASSOCHAM India
- “Emerging 3PL Warehousing Company of the Year” at the 7th Manufacturing Supply Chain Summit & Awards 2018.
- “Operational Excellence in Cold Chain - Pharma” at the ‘4th Cold Chain Industry Awards’ 2018
- Highest tonnage handled by a Stevedore during 2015-16 by Chennai Port Trust
- Best Transporter at Driver Management Centre of Shell India
- Haulier League award for best practices [Health, Safety, Security and Environment league performance 2016]
- Best Transporter for 2013-14, 2014-15 award from Tata Chemicals Limited
- Highest tonnage handled by Stevedore during 2014-15 by Chennai Port Trust
- Highest Tonnage of Cargo Handled Including Thermal Coal as Stevedore during the 2014-15 at VOC Port, Tuticorin.
- Maximum number of bulk carriers handled at Kamarajar Port during the year 2014- 15
- First prize for Emergency Response Drill as also for successful completion of 10 years of business from SHELL India Markets Private Limited
- 2nd runner up in Haulier League Prize by shell India
- Best performance award for the year 2013-2014 from Chennai Port Trust for higher tonnage handled by a Stevedore and for record loading of Cargos on to vessel in a single day on two occasions.
- Tamil Chamber of Commerce EXIM achievement award - “Stevedore of the Year” for consecutive 3 years 2011, 2012 & 2013
- “Master Haulier” award for the third consecutive year - 2013 by Shell India Markets Limited
- South East Conclave award for “Best CFS of the year” 2012
- Mahindra Transport Excellence Award 2012 – Certificate of Excellence under the Fleet Owner category from Southern Zone.
- “Stevedore of the year 2011 – 2012” award from Ennore Port Limited
- Chamber of Commerce EXIM achievement award for Best Stevedore & Best CFS - 2011
- South East Conclave awards for Best Logistics Company of the year - 2010

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Annual Report 2017-18 Director Report

DIRECTORS REPORT

Your Directors are pleased to present this Sixty Third Annual Report of your company and the audited financial statements for the year ended 31st March, 2018.

FINANCIAL REVIEW

The stand-alone financial results for the year ended 31st March, 2018 are summarised below.

[` In lakhs]

Year ended 31 March	2018	2017
Sales and other income	97462	75215
Profit before interest, depreciation and tax	12831	12466
Interest	3316	2349
Cash Profit	9515	10117
Depreciation	4395	2720
Profit before tax	5120	7397
Provision for tax	2254	2743
Net profit	2866	4554
Earnings per share [EPS] in `[after exceptional items]	5.15	8.19

DIVIDEND

With a view to conserve the available resources that are required for implementing the long term Mine Developer and Operator contracts bagged by the Company and for the other projects, it has been proposed by the Board of Directors to defer the declaration of dividends for the financial year 2017-18.

RESERVES

Debenture redemption reserve of ` 5 crores has been created for the financial year 2017-18 in accordance with the provisions of Rule 18[7] of the Companies [Share Capital and Debenture] Rules, 2014.

FRESH ISSUE OF SHARES / DEBENTURES

The Company has not issued any shares / securities which are convertible into equity shares or Non-convertible debentures during the financial year 2017-18.

FIXED DEPOSITS

The Company has not invited any deposits from public. There are no unclaimed deposits which were matured as on 31st March, 2018.

UNCLAIMED DIVIDENDS

Pursuant to the provisions of the Companies Act any dividend amount which remains unpaid or unclaimed for a period of 7 years will have to be transferred to the Investor Education and Protection Fund of the Central Government. The Company does not have any amount lying under unclaimed dividend as on 31st March, 2018 and hence the said provisions are not applicable.

PERFORMANCE

The company's revenues for financial year 2017-18 was ` 97462 lakhs as against ` 75215 lakhs in the previous year which is higher by 29.58%. Profit After Tax was ` 2866 lakhs as against ` 4554 lakhs in the previous year. The overburden removal contracts in the mining areas and the integrated logistics contract continued to be the major contributor for the growth of the company.

The highlights on the performance of various divisions of the company during the financial year 2017-18 is provided below:

INTEGRATED LOGISTICS

The contract for movement of coal from Mahanadhi Coal Fields in Odisha to the power plant of NLC at Tuticorin through road-rail-sea movement continued its operations during the year under review and handled 1.2 MMT of raw coal. The coal washery operations which begun in February, 2017 continued to perform better and has handled 0.95 MMT of washed coal.

SURFACE MINING OF COAL AND OVERBURDEN REMOVAL CONTRACTS

The Company's operation of surface mining of coal and transportation at Bharatpur for the second term and the continued operations at Lajkura and Samaleswari mines in Odisha and the Jhingurda mine at Madhya Pradesh continued its improved performance strengthening the Company's position in the mining activities. The company owns around 382 fleet of own equipments for executing the various contracts. The Company has handled 9.0 million metric tonnes of coal and 30.7 million cubic metres of overburden during the year as against 9.5 million metric tonnes of coal and 19.7 million cubic meters of overburden in the previous financial year 2016-17.

MINE DEVELOPER AND OPERATOR CONTRACTS [MDO]

The Mine Developer and Operator contract awarded by the West Bengal Power Development Corporation Limited for the Tara East and West Mines for a contract value of ₹ 1500 crores over a period of 7 years is expected to commence its activities during the current financial year 2018-19 subject to receiving all regulatory approvals.

The Company in association with Ambey Mining Private Limited and Godavari Commodities Limited have bagged the Mine Developer and Operator Contract by the Damodar Valley Corporation for the Tubed Mines during the year and accordingly have incorporated a new SPV with 51% stake. This contract is expected to achieve a revenue of ₹ 10,000 crores [including taxes] over a period of 20+ years which is a long term in nature and provide stable revenue contribution to the company's growth.

PORT HANDLING

During the year under review, this division performed stevedoring activities at the Ports of Chennai, Tuticorin, Mangalore, Vizag and Ennore. The Company handled coal and other bulk commodities at these ports. Volume handled during the current year is 15.05 million MTs as against 17.20 million MT in the previous year.

ROAD LOGISTICS

The Road Logistics division extends movement of cargo through trucks/trailers and has a clientele operating in petroleum, construction, steel, fertiliser and chemical and power sectors. This division also provides services for the performance of company's integrated logistics and overburden removal sectors for removal and movement of coal from the coal fields. The Company has been focussing in obtaining contracts which would increase revenues and contribute to the profitability. The Division bagged a contract for movement of coal awarded by the Raichur Thermal Power Station in Karnataka and bagged a contract from a leading multinational company based in Hong Kong for movement of project cargo.

SUPPLY CHAIN SOLUTIONS

The Supply Chain Solutions division comprises of various services offering to consumer goods industry, cold chain, warehousing and industry distribution logistics. The cold chain segment operates with a combination of owned and hired refrigerated vehicles from various distribution centres across the country. Latest technologies including GPS based tracking have been implemented for absolute monitoring and in ensuring prompt delivery. The Company has during the financial year acquired the controlling stake in Patchems Private Limited a company with wide experience in the handling and distribution of pharma and FMCG products. The Company has also acquired controlling stake during the year PNX Logistics Private Limited engaged in providing part truck load and express movement of goods in order to strengthen its PAN India presence in the supply chain solutions.

SUBSIDIARIES AND JOINT VENTURES

As on 31st March, 2018, the Company has the following subsidiaries and joint venture companies

1	Sical Iron Ore Terminals Limited
2	Sical Infra Assets Limited
3	Sical Multimodal and Rail Transport Limited [subsidiary of Sical Infra Assets Limited]
4	Sical Iron Ore Terminal [Mangalore] Limited
5	Sical Adams Offshore Limited
6	Norsea Offshore India Limited
7	Sical Mining Limited
8	Sical Bangalore Logistics Park Limited [subsidiary of Sical Infra Assets Limited]
9	Patchems Private Limited [acquired controlling stake in financial year 2017-18]

10	PNX Logistics Private Limited [acquired controlling stake in financial year 2017-18]
11	Sical Saumya Mining Limited
12	Develecto Mining Limited [Incorporated during the financial year 2017-18]
13	Bergen Offshore Logistics Pte Ltd [Overseas subsidiary]
14	Norsea Global Offshore Pte Ltd [subsidiary of Bergen Offshore Logistics Pte Ltd]

Joint Venture Companies

1	PSA Sical Terminals Limited
2	Sical Sattva Rail Terminals Private Limited [a JV between Sical Multimodal and Rail Transport Limited and Sattva Logistics Private Limited]

PERFORMANCE / DETAILS OF SUBSIDIARIES / JOINT VENTURES

1. Sical Iron Ore Terminals Limited

The Company had already completed the construction activities for an iron ore terminal at the Kamarajar Port [erstwhile Ennore Port] in 2010 but however could not commence its commercial operations due to the ban imposed on the export of iron ore from out of the Karnataka Region. In order to utilize the idle terminal, the company made constant requests to the Kamarajar Port and Ministry of Shipping to allow handling of alternate cargoes in the terminal. Accordingly, Kamarajar Port invited bids for modifying the existing iron ore terminal also to handle coal and Sical Iron Ore Terminals Limited emerged as the successful bidder and a fresh licence agreement was signed on 11th July, 2016. The Project has received environmental clearance. Now the Company shall commence its project activities for the modification of the terminal to also handle coal and commence its operations thereafter.

2. Sical Infra Assets Limited [SIAL] and Sical Multimodal and Rail Transport Limited [SMART]

SIAL is in the business of providing transportation to various parties. The SIAL's subsidiary, Sical Multimodal and Rail Transport Limited has two divisions viz. Container rail and Container Freight Stations. The company moves containers through rail on Pan India basis. The contract with HCL for transportation of copper concentrates to various destinations was continued during the year under review. The company also handled export cargo in its pursuit to engage in the EXIM business. The project activities relating to development of its own rail terminals ICD/CFS at Chennai and Bangalore are in progress. The Company has a JV with 50% stake in Sical Sattva Rail Terminals Private Limited which operates the Melpakkam terminal. The performance of the rail division continues to be challenging due to the increased haulage charges payable to Railways and stiff competition from other Container Train Operators and has to compete with the movement of cargo by road.

CFS operations were continued at Chennai, Tuticorin and Vizag. The total volume handled during 2017-18 was 142403 TEUs as against 122807 TEUs in the previous fiscal. Due to certain policy decisions by the Government of India, this sector faces certain challenges and the company is taking all efforts to enhance its performance.

To achieve effective performance of the rail terminals, a subsidiary company was incorporated in May 2016 under the name and style of Sical Bangalore Logistics Park Limited for the purpose of taking care of the Bengaluru ICD terminal operations. Subsequent to this, the Board of Directors of both the subsidiaries viz. Sical Multimodal and Rail Transport Limited and Sical Bangalore Logistics Park Limited proposed a Scheme of Arrangement [Demerger] for hiving off the Bangalore ICD to the newly incorporated company and filed an application before the National Company Law Tribunal, Southern Region, Chennai for the approval of the Scheme of Arrangement [Demerger]. The same was approved by the NCLT vide its order passed in the month of December, 2017. The Companies are in the process of completing the demerger related activities.

3. Sical Iron Ore Terminal [Mangalore] Limited

A concession agreement was entered with New Mangalore Port in 2009 for setting up of mechanised iron ore terminal and operation and maintenance at the Mangalore Port. Since there remains a ban on the movement and export of iron ore from out of Karnataka region, required cargo cannot be generated and hence approached the Port authorities for allowing to handle multi purpose cargoes in the berth. Since this was not agreed to, the Company was left with no choice but to issue a termination notice on force majeure condition and the New Mangalore Port authorities had referred the matter to arbitration. The arbitral tribunal has passed an award in favour of the company during the financial year under review.

4. Sical Adams Offshore Limited

This company was formed with intent to venture into offshore segment. The Company is looking at operations in this direction.

5. Norsea Offshore India Limited

This company owns and operates a cutter suction dredger Sical Portofino carrying dredging activities for various ports as and when dredging contracts are received. The company is contemplating to hive-off its dredging business to the parent company Sical Logistics Limited through a scheme of arrangement [demerger] so that the same can be effectively carried out by Sical with its expertise in the offshore segment. This company proposes to concentrate on its other transportation business activities.

6. Sical Saumya Mining Limited

This subsidiary was formed in association with Saumya Mining Limited for the purpose of executing the overburden removal contract awarded by the Mahanadhi Coal Fields, Odisha for the operations at coal mines located at Samaleshwari and Lajkura to handle 37 and 53 million CBM in 3 and 5 years respectively. The activities at Samaleshwari and Lajkura mines continued during the financial year.

7. Sical Mining Limited

The company has been incorporated during the previous fiscal for carrying out the Mine Developer and Operator contract of West Bengal Power Development Corporation Limited for the Tara [East] mines in West Bengal. The company is in the process of completing pre-project activities to commence operations.

8. Bergen Offshore Logistics Pte Ltd and Norsea Global Offshore Pte Ltd

The overseas subsidiary of the Company Bergen Offshore Logistics Pte Ltd and the wholly owned subsidiary of Bergen viz. Norsea Global Offshore Pte Ltd have their offices in Singapore. These companies do not have any operations.

9. PSA Sical Terminals Limited

This is a joint venture company with Ports of Singapore Authority in which Sical has a shareholding of 37.5%. This company operates a container terminal at Tuticorin Port and has handled 495264 TEUs during the year under review. The challenge faced by this Company has been the royalty payable being higher than the tariff allowed to be charged, which was disputed and the Company has received a favourable arbitral award, where royalty model would change into revenue share model, which is in accordance with 2013 guidelines of Ministry of Shipping. The said Arbitral Award was challenged before the District Court by Tuticorin Port and the District Court has upheld the Arbitral Award in favour of the Company. The said District Court Order was challenged by Tuticorin Port before the High Court of Madras at Madurai Bench and the order was in their favour. Now the company has preferred an appeal before the Honourable Supreme Court of India against the Order of Madurai Bench of the Hon'ble High Court of Madras .

10. Delecto Mining Limited

The company was incorporated during the year under review for executing the project of Mine Developer cum Operator for the Tubed Mines awarded by the Damodar Valley Corporation. The company has been formed in order to comply with the bid requirements along with Ambey Mining Private Limited and Godavari Commodities Limited. This is a long term contract which would spread over a 20 years plus period and would earn a revenue of `10000 crores over the stipulated period.

SUBSIDIARY COMPANIES FINANCIAL STATEMENTS

As per Section 129[3] of the Companies Act, 2013 read with Rule 5 of the Companies [Accounts] Rules, 2014, the Company has prepared consolidated financial statement and the same is being laid before the members for their approval at the ensuing Annual General Meeting. Also a separate statement containing the salient features of the financial statement of the subsidiaries and joint ventures in Form AOC-1 is attached along with the financial statements.

AWARDS AND ACCOLADES

During the year under review the Company received the following awards :

Best Cold Chain Application - Hospitality Award at the Global Logistics Excellence Awards for the Cold Chain Division

Emerging 3PL Warehousing Company of the Year Award for the Supply Chain Solutions Division

Merit certificate by Chennai Port Trust for unloading highest volume of dolomite in a day as well as handling tonnage of cargo during the financial year 2016-17.

DIRECTORS

The Company has 08 [eight] directors consisting of

04 [four] Independent Directors

03 [three] non-executive director [including 1 woman director] and

01 [one] executive director

INDEPENDENT DIRECTORS

In terms of the definition of Independence of Directors as prescribed under Regulation 17 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 and Section 149[6] of the Companies Act, 2013 and based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent Directors as on 31st March, 2018.

1. Mr. H.R. Srinivasan
2. Mr. Harady Rathnakar Hegde
3. Mr. S. Ravinarayanan
4. Mr. Sudhir V Kamath

WHOLE-TIME DIRECTOR

Mr. Kush S Desai is the Whole-time Director.

CHAIRMAN OF THE BOARD

Mr. R. Ram Mohan is the Chairman of the Board.

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

The following directors are considered to be non-independent non-executive directors

1. Mr. Sunil Deshmukh
2. Ms. Shweta Shetty [Woman Director]

APPOINTMENT / RESIGNATION OF DIRECTORS

There were no fresh appointments / resignations took place during the year under review.

DIRECTOR RETIRING BY ROTATION

In terms of Section 152 of the Companies Act, 2013, Mr. R. Ram Mohan, being longest in the office shall retire at the ensuing AGM and being eligible to be re-appointed, offers himself for re-appointment.

NUMBER OF THE MEETINGS OF THE BOARD

The Board met 11 times during the financial year 2017-18. Detailed information on the meetings of the Board are included in the report on Corporate Governance which forms part of the Directors Report.

Additionally several committee meetings were held including Audit Committee which met 04 [four] times during the year.

COMMITTEES OF THE BOARD

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has the following committees of the Board

- Audit Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Risk Mitigation Committee
- Management Committee

The details with respect to the composition, powers, roles, terms of reference of relevant mandatory committees are given in detail in the Report on Corporate Governance which forms part of the Directors Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with Section 135 of the Companies Act, 2013 read with Companies [Corporate Social Responsibility Policy] Rules, 2014, the Company has established a Corporate Social Responsibility [CSR] Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities form part of this Report as Annexure – 1.

PERFORMANCE EVALUATION OF THE BOARD

In accordance with Section 178 of the Companies Act, 2013 and Regulation 17 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 [earlier Clause 49 [IV] of the Listing Agreement], the Company has laid down a Nomination and Remuneration Policy. Further to this, the manner in which formal annual evaluation of the directors, the Board and Board level committees are to be carried out were devised by the Committee. Accordingly, the evaluation of the performance of the members of the Board, Board level committee and the Board as a whole were carried out at the meeting of the available independent directors and the board of the directors on 11th May, 2018.

CORPORATE GOVERNANCE

The Company is committed to achieve the highest standards of Corporate Governance and strives to comply with the requirements as set by the Regulators / applicable laws.

A separate section providing a Report on the Corporate Governance as stipulated under Regulation 34 [3] and Schedule V [c] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 is attached as an Annexure to this report. The said report on corporate governance also contains certain disclosures required under the Companies Act, 2013.

A certificate from the Statutory Auditors M/s. SRSV & Associates, Chartered Accountants conforming compliance to the conditions of Corporate Governance as stipulated under Regulation 34[3] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 is annexed to the Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report pursuant to Schedule V [B] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 is furnished as an Annexure to this report.

VIGIL MECHANISM

The Company has implemented a Vigil Mechanism / Whistle Blower Policy pursuant to which Whistle Blowers are allowed to raise concerns relating to Reportable Matters [as defined in the Policy]. Further the policy encourages whistle blowers to bring the genuine concerns or grievances and provides for adequate safeguards against victimisation of Whistle Blower who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional circumstances. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. None of the whistle blowers were denied access to the Audit Committee of the Board of Directors. The details of Vigil Mechanism / Whistle Blower Policy are available on the website of the Company www.sical.com.

RISK MANAGEMENT POLICY

The Board has implemented the risk management policy for effective management of risks that are envisaged on the conduct of business wherein all material risks faced by the company are identified and assessed and evolves assessment of controls and policies and put in place procedure for monitoring, mitigating and reporting risk on a periodic basis.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were in the ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. The details of such related party transactions in Form AOC-2 is furnished as Annexure-2 to this Report.

Considering the nature of the industry in which the Company operates, related party transactions are in the ordinary course of business on an arm's length basis. All such related party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for normal transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive in nature as well for the normal transactions which can not be foreseen and accordingly the required disclosures are made to the Committee on a quarterly basis in terms of the approval of the Committee.

The policy on Material Related Party Transactions and also on dealing with the Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company and the link for the same is <http://www.sical.com/policy>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Corporate guarantees were provided to banks / financial institutions / Port authorities for the financial facilities availed by the company's subsidiaries / due performance of contracts by the subsidiaries, after obtaining due approval from the shareholders through postal ballot wherever such transactions are considered to be material related party transactions. The Corporate Guarantees as provided during the financial year 2017-18 are furnished below.

S. No.	Name of the Bank / Financial Institution	Name of the Corporate Body on whose behalf guarantee has been given	Relationship	Purpose	Amount in ` Crores	Date of Execution / approval by the Board of Sical
	Kamarajar Port	Sical Iron Ore Terminals Limited	Subsidiary	For providing guarantee to the extent of `500 crores by the Port for availing credit facility from banks / financial institutions by the company for the execution of the modification at the iron ore terminal at Ennore	40.00	16.08..2017
	YES Bank Limited	Sical Iron Ore Terminals Limited	Subsidiary	For availing enhanced financial facility for the modification project	600.00 [additional 250 crores from the earlier one provided]	30.09.2017
	RBL Bank Limited	PNX Logistics Private Limited	Subsidiary	For credit facilities provided to the subsidiary	33.00	10.11.2017
	RBL Bank Limited	Sical Saumya Mining Limited	Subsidiary	For the working capital demand facilities provided to the subsidiary	25.00	27.03.2018

The Company subscribed for 5100 equity shares of ` 10 each in Develecto Mining Limited during the year under review.

The closing balances to the amounts extended as loans / advances to subsidiaries as per Section 186 of the Companies Act, 2013 as at 31st March, 2018 are furnished in the financials under the caption related party transactions – Notes to Accounts 26 [iv] which may be taken as due compliance under this clause.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has laid down set of standards, processes and structure which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively. The statutory auditors M/s. SRSV& Associates LLP have provided their report on the internal financial control as part of their audit report.

Further more, the Company has appointed M/s. Sundar, Srini, Sridhar, Chartered Accountants as the internal auditors for carrying out internal audit functions based on the comprehensive plans formulated in advance.

[a] Statutory Auditors

M/s. SRSV & Associates LLP, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting. In this connection, the Audit Committee and Board of Directors have recommended for the approval of the shareholders at the ensuing AGM the appointment of SRSV & Associates Chartered Accountants with Firm Registration No.0150415 as the Statutory Auditors of the Company for the current financial year 2018-19 on a remuneration to be decided by the Board or Committee thereof.

[b] Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, Mr. R. Kannan, Practicing Company Secretary, Chennai was appointed the Secretarial Auditor for the financial year 2017-18. The report of the Secretarial Auditor for the FY 2017-18 is annexed to this report as Annexure – 3.

There are no audit qualifications in the Statutory Auditors Report and Secretarial Audit Report.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the company which has occurred between the end of the financial year of the company i.e. 31st March, 2018 and the date of the Directors Report i.e. 03rd August, 2018.

EMPLOYEE REMUNERATION

1. The statement containing particulars of the names of top ten employees in terms of remuneration drawn as required under Sec 197[2][i] of the Companies Act, 2013 is included in Annexure – 4 to this report and the details relating to employees as required under Section 197[2] [ii] of the Companies Act, 2013 read with Rule 5[2] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 as amended is not applicable since none of the employees are in receipt of remuneration exceeding ` 1.02 crores p.a. or ` 8,50,000 per month during the financial year 2017-18.
2. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 are forming part of this report as Annexure – 4.

STATUTORY DISCLOSURES

- [1] The disclosures to be made under sub-section [3][m] of Section 134 of the Companies Act, 2013 read with Rule 8[3] of the Companies [Accounts] Rules, 2014 are furnished below.

Since the company is engaged in providing logistics services, the details as to conservation of energy and technology absorption are not applicable.

A. CONSERVATION OF ENERGY : NA

B. TECHNOLOGY ABSORPTION : NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange	:	Earned	:	` 1229 lakhs
		Used	:	` 4580 lakhs

- [2] No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- [3] There were no complaints received / cases filed under Section 22 of the Sexual Harrassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013.
- [4] No stock options were issued to the Directors of the Company.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3[a] of Section 134 and sub-section [3] of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies [Management and Administration] Rules, 2014, the extracts of the Annual Return as at March 31, 2018 forms part of this report as Annexure -5. However as per the amended provisions of the Companies [Amendment] Act, 2017 the details have been posted in the website www.sical.com also.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134[5] of the Companies Act, 2013, it is hereby confirmed that:

- [a] in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

- [b] the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- [c] the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- [d] the directors had prepared the annual accounts on a going concern basis.
- [e] the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- [f] the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors wish to thank the Port Authorities, Governmental Agencies, company's bankers, financial institutions, customs authorities, foreign collaborators, suppliers, statutory regulators, investors, customers, employees and all stakeholders for their continued support and patronage.

For and on behalf of the Board

Place : Bengaluru
Date : 03rd August, 2018

R. Ram Mohan
Chairman
DIN : 02506342

ANNEXURE 1

The Annual Report on Corporate Social Responsibility [CSR] Activities

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken

CSR Policy

Pursuant to Section 135 of the Companies Act, 2013, the Company has evolved a CSR Policy which shall be to contribute towards any one or more of the activities as provided in the Schedule VII of the Companies Act, 2013.

Implementation and Monitoring

CSR programmes as decided by the Committee at the beginning of each year would be implemented either directly or through any of the agencies / associations implementing the CSR activities in the Country as per the CSR Policy. The Committee shall monitor the activities and provide a report to the Board.

Web link to the CSR Policy : <http://www.sical.com/investors/policy/CSR>

Composition of CSR Committee

The Members of the Committee as on 31st March, 2018 are

1. Mr. S. Ravinarayanan - Chairman
2. Mr. H. Rathnakar Hegde - Member
3. Mr. R. Ram Mohan - Member

Average net profit of the Company for the last three financial years = ₹ 4282.05 lakhs

Prescribed CSR expenditure [2% of the amount as above] = ₹ 85.65 lakhs

Details of CSR spent during the financial year

[a] Total amount to be spent for the financial year ₹ 85.65 lakhs

The company has spent the entire amount of ₹ 85.65 lakhs during the FY 2017-18.

[b] Amount unspent, if any Nil

[c] Manner in which the amount spent during the financial year is detailed below

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs [1] Local area or other [2] specify the State and the district where projects or programs was undertaken	Amount outlay [budget] project or program wise	Amount spent on the projects or programs Subheads [1] Direct Expenditure on project or programs [2] Overheads	Cumulative Expenditure upto the Reporting Period	Amount spent direct or through implementing agency
1	Donation to Shankarakudige Veerappa Gangaiah Hegde Education Trust	Promoting education	Chikkamagaluru, Karnataka	₹ 85.65 lakhs	₹ 85.65 lakhs	₹ 85.65 lakhs	Shankarakudige Veerappa Gangaiah Hegde Education Trust

Sical believes that promoting education through implementing agencies for the upliftment of underprivileged as its social responsibility since education would provide ample opportunity and confidence among them to have a better future in the society. Accordingly contribution of ₹ 85.65 lakhs being the 2% on the average net profit of the 3 financial years was made to Shankarakudige Veerappa Gangaiah Hegde Education Trust which was set up in 2002 as a non-profit trust with the mission of "Education for All" more specifically for the activities of the Trust for the SVGH Vocational Training College which falls within the ambit of Clause [ii] to Schedule VII of the Companies Act, 2013 which allows contribution / activities relating to promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

The CSR committee confirms that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and Policy of the Committee.

Place: Bengaluru
Date : 03rd August, 2018

Kush S Desai
Joint Managing Director
DIN : 00693663

S. Ravinarayanan
Chairman – CSR Committee
DIN : 00208793

ANNEXURE – 2

FORM NO.AOC-2

Form of disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section [1] of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto and Pursuant to Clause [h] of sub-section 3 of Section 134 of the Act and Rule 8[2] of the Companies [Accounts] Rules, 2014.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS								
S. NO.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date[s] of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]
NOT APPLICABLE								

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

S. No.	Name of the related party	Nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions if any	Value of transactions for FY 17-18 [` In Lakhs]	Date[s] of approval by the Board	Amount paid as advances if any
[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]
Sale of Goods / Services Rendered								
1	Coffee Day Global Limited	Fellow Subsidiary	Warehousing and transport		-	6283	-	-
2	Sical Multimodal & Rail Transport Ltd	Subsidiary	Trucking services	-	-	251	-	-
3	Sical Multimodal & Rail Transport Ltd	Subsidiary	Warehousing revenue at Tuticorin	-	-	44	-	-
4	Sical Multimodal & Rail Transport Ltd	Subsidiary	Management OH	-	-	400	-	-
5	Norsea Offshore India Limited	Subsidiary	Management OH	-	-	25	-	-
6	Sical Saumya Mining Ltd	Subsidiary	Overburden mining charges	-	-	119	-	-
7	Sical Iron Ore Terminals Limited	Subsidiary	Service charges	-	-	1	-	-
8	Sical Iron Ore Terminals Limited	Subsidiary	Interest income	-	-	9103	-	-

S. No.	Name of the related party	Nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions if any	Value of transactions for FY 17-18 [₹ In Lakhs]	Date[s] of approval by the Board	Amount paid as advances if any
[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]
9	Sical Multimodal & Rail Transport Ltd	Subsidiary	Interest income	-	-	636	-	-
10	Sical Multimodal & Rail Transport Ltd	Subsidiary	CG interest income	-	-	96	-	-
11	Sical Saumya Mining Ltd	Subsidiary	CG interest income	-	-	30	-	-
12	Norsea Offshore India Limited	Subsidiary	CG interest income	-	-	18	-	-
13	PNX Logistics Private Limited	Subsidiary	Transportation services	-	-	105	-	-
14	PNX Logistics Private Limited	Subsidiary	CG Commission	-	-	4	-	-
15	PNX Logistics Private Limited	Subsidiary	Interest income	-	-	16	-	-

Purchase of goods / Services availed

1	Coffee Day Enterprises Limited	Ultimate Holding Company	Trade mark sublicense fee & hospitality services	-	-	15	-	-
2	Way2Wealth	Fellow subsidiary	Rental expenses	-	-	14	-	-
3	Sical Saumya Mining Ltd	Subsidiary	Interest paid	-	-	14	-	-
4	Sical Multimodal & Rail Transport Ltd	Subsidiary	Interest paid	-	-	231	-	-
5	Coffee Day Global Limited	Fellow Subsidiary	Expenses reimbursed	-	-	13	-	-
6	Tanglin Developments Limited	Fellow subsidiary	Office maintenance and electricity charges	-	-	14	-	-
7	Karnataka Wildlife Resorts Pvt Ltd	Fellow subsidiary	Hospitality services	-	-	1	-	-

Transactions which were of repetitive nature, due prior approval from the Audit Committee and Board were obtained.

For and on behalf of the Board

Place : Bengaluru
Date : 03rd August, 2018

R. Ram Mohan
Chairman
DIN : 02506342

ANNEXURE – 3

Secretarial Audit Report

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

To
 The Members
 Sical Logistics Limited
 73, Armenian Street
 Chennai- 600 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Sical Logistics Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on March 31, 2018. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Secretarial Standards issued by The Institute of Company Secretaries of India
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 [SEBI Act]
 - a. The Securities and Exchange Board of India [Substantial Acquisition of Shares and Takeover] Regulations, 2011, if any, to the extent to which the company is responsible.
 - b. The Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations, 2015, if any, to the extent to which the company is responsible.
 - c. The Securities and Exchange Board of India [Issue of Capital and Disclosure Requirements] Regulations, 2009.
 - d. The Securities and Exchange Board of India [Issue and Listing of Debt Securities] Regulations, 2008.
 - e. The Securities and Exchange Board of India [Registrars to an Issue and Share Transfer Agents] Regulations, 1993 regarding the Companies Act and dealing with the client.
 - f. The Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015.

We have also examined compliance with the applicable regulations as contained in the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company.

- [i] The Securities and Exchange Board of India [Delisting of Equity Shares] Regulations, 2009.
- [ii] The Securities and Exchange Board of India [Buyback of Securities] Regulations, 1998.

The other laws as may be applicable specifically to the Company in our opinion in connection with the extending of multi modal logistics services

- [a] Contract Labour [Regulation and Abolition] Act, 1970
- [b] The Dock Workers [Safety, Health & Welfare] Act, 1986
- [c] The Dock Workers [Regulation of Employment] Act, 1948
- [d] The Major Port Trusts Act, 1993
- [e] The Motor Vehicles Act, 1988
- [f] Food Safety and Standard Act, 2006
- [g] The Shops and Commercial Establishments Act, 1953
- [h] The Mines Act, 1952
- [i] The Multimodal Transportation of Goods Act, 1993
- [j] The Customs Act, 1962
- [k] International Air Transport Association Regulations

No specific violations in respect of Tax Laws came to the notice of the undersigned from the review of the said checklist. However, I report that I have not carried out the audit with reference with the applicable financial laws, such as the Direct Tax Laws and Indirect Tax Laws, as the same falls under the review of statutory auditors and other designated professionals.

We further report that –

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
2. Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that –

1. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. We further report that during the audit period, the Company has not made any fresh issue of shares or convertible / non-convertible securities during the year under review.

Place: Chennai
Date: 03rd August, 2018

R. Kannan
Practicing Company Secretary
FCS 6718 / CP No 3363

ANNEXURE – 4

DISCLOSURE OF REMUNERATION UNDER SECTION 197[12] OF THE COMPANIES ACT, 2013 READ WITH RULE 5[1] OF THE COMPANIES [APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL] RULES, 2014 [AS AMENDED UPTODATE]

The ratio of remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.

S. No.	Requirements	Disclosure	
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2017-18 [Director's remuneration include sitting fees and commission]	Designation	Ratio
		Mr.R. Ram Mohan	Chairman
		Mr. Kush S Desai	Joint Managing Director
		M r. Sunil Sudhakar Rao Deshmukh	Director
		Ms. Shweta Shetty	Director
		Mr. H.R. Srinivasan	Independent Director
		Mr. H. Rathnakar Hegde	Independent Director
		Mr. S. Ravinarayanan	Independent Director
		Mr. Sudhir Kamath	Independent Director
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	JMD	NA
		CFO	NA
		CS	8%
		Chairman, JMD and CFO did not draw any remuneration including sitting fees from the company. Independent and other non-executive directors were in receipt of sitting fee for attending the Board and Committee meetings and are not paid any remuneration. Current sitting fee for attending Board Meeting is `75000 and for attending Audit Committee and Stakeholders Relationship Committee Meetings is `25000. Non-executive directors other than Chairman were paid commission for the financial year 2016-17.	
III	The percentage increase in the median remuneration of employees in the financial year	8%	
IV	The number of permanent employees on the rolls of the Company	954	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average 8% increase in salary was made to employees. There are no managerial remuneration payable to Managerial personnel and hence it is not applicable	
VI	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is affirmed.	

LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN FOR THE FINANCIAL YEAR 2017-18

[Pursuant to Rule 5[2] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 [As amended upto date]

SI No	Emp Name	Designation	Experience	Qualification	Gross salary received as on Mar'18
1	Amit Malalkar*	President & Business Head - SCS	15.50	BE, MBA	6,83,754
2	Sandip Sharaf	VP - Supply Chain Solutions	25.39	B.E	59,08,092
3	Subramanian T	Chief Financial Officer	29.22	B.COM., CA., ICWA GROUP I & II	57,99,903
4	Aditya Singh Baghel	Vice President - Mining	16.38	B.E	55,58,374
5	Rajappan S	Head - Public Relations	38.00	M.A.(PHIL),DPM&IR	46,48,012
6	Capt.Gajanan Karanjikar	General Manager - Coastal Shipping	19.69	MASTERS (FG) - NS	34,99,697
7	Jothivel S	Assistant Vice President [IT]	26.45	M B A , B G L , I C W A (INTER),	34,17,529
8	Bankim Banerjee	General Manager - Coal	25.21	B.SC., MBA	33,20,004
9	Srinivasan M	President Business Development	7.22	B.SC	31,69,173
10	Harsha Priya Subramanya	General Manager - Supply Chain Solutions	21.64	AIRCRAFT MAINTENANCE ENGG. & PGDM	29,47,492

*Joined on 01 Mar 18

Place : Bengaluru
Date : 03rd August, 2018

R. Ram Mohan
Chairman
DIN : 02506342

ANNEXURE – 5

FORM NO.:MGT-9

Extract of the Annual Return as on the financial year ended 31st March, 2018

I. Registration and other details

- [i] CIN : L51909TN1955PLC002431
- [ii] Registration Date : 06 May 1955
- [iii] Name of the Company : Sical Logistics Limited
- [iv] Category / Sub-category of the Company : Public Company
- [v] Address of the registered office and contact details : South India House
73, Armenian Street, Chennai :: 600 001
Phone : 044-66157016
e-mail : secl@sical.com
- [vi] Whether listed company : Yes
- [vii] Name, address and contact details of Registrar and Transfer Agent, if any : Cameo Corporate Services Limited
Subramanian Building, 5th Floor
No.2, Club House Road
Chennai :: 600 002
Phone : 044-28461073
e-mail : cameo@cameoindia.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover

Sl. No.	Name and description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Logistics Services	63011	100%
2		63012	
3		63032	

III. Particulars of Holding, Subsidiary and Associate Companies

S I. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Tanglin Retail Reality Developments Private Limited	U70102KA2007PTC044421	Holding	52.83%	2[46]
2	Sical Iron Ore Terminals Limited	U13100TN2006PLC061022	Subsidiary	63%	2[87]
3	Sical Iron Ore Terminal [Mangalore] Limited	U63020TN2009PLC073147	Subsidiary	100%	2[87]
4	Norsea Offshore India Limited	U74900TN2009PLC071762	Subsidiary	100%	2[87]
5	Sical Infra Assets Limited	U45203TN2007PLC063432	Subsidiary	53.60%	2 [87]
6	Sical Adams Offshore Limited	U63000TN2012PLC087754	Subsidiary	100%	2[87]
7	Sical Saumya Mining Limited	U74900TN2015PLC101236	Subsidiary	65%	2[87]

S I . No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
8	Sical Mining Limited	U10300TN2016PLC112461	Subsidiary	100%	2[87]
9*	Patchems Private Limited	U24110MH1989PTC052943	Subsidiary	51%	2[87]
10*	PNX Logistics Private Limited	U74120MH2011PTC223670	Subsidiary	60%	2[87]
11	Sical Multimodal and Rail Transport Limited	U60232TN2007PLC063378	Step-down Subsidiary	-	2[87]
12	Sical Bangalore Logistics Park Limited	U63090TN2016PLC110673	Step-down Subsidiary	-	2[87]
13	Bergen Offshore Logistics Pte Ltd	200612575G	Overseas Subsidiary	100%	2[87]
14	Norsea Global Offshore Pte Ltd	200615593Z	Overseas step-down subsidiary	-	2[87]
15	PSA Sical Terminals Limited	U74999TN1998PLC040682	Associate	37.5%	2[6]
16	Develecto Mining Limited	U10200TN2018PLC121501	Subsidiary	51%	2 [87]

* acquired during the financial year 2017-18

IV. Shareholding Pattern [equity share capital break-up as a percentage of total equity]

[i] Category-wise shareholding

	Category of the Shareholder	Number of shares held as at the beginning of the year as at 01 Apr 17				Number of shares held as at the end of the year as at 31 Mar 18				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Shareholding of Promoter and Promoter Group									
1	Indian									
[a]	Individuals / Hindu Undivided Family	623657	0	623657	1.12	1023657	0	1023657	1.84	0.72
[b]	Central Government / State Governments	-	-	-	-	-	-	-	-	-
[c]	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
[d]	Any other	-	-	-	-	-	-	-	-	-
	Body Corporates	29988719		29988719	53.93	29988719		29988719	53.93	0.00
	Sub-total [A][1]	30612376	0	30612376	55.06	31012376	0	31012376	55.78	0.72
2	Foreign									
[a]	Individuals [Non-Resident Individuals / Foreign Individuals]	41838	0	41838	0.08	41838	0	41838	0.08	0.00
[b]	Government	-	-	-	-	-	-	-	-	-
[c]	Institutions	-	-	-	-	-	-	-	-	-
[d]	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
[e]	Any other									
	Overseas Corporate Bodies	786425	0	786425	1.41	616425	0	616425	1.11	-0.31
	Sub-total [A][2]	828263	0	828263	1.49	658263	0	658263	1.18	-0.31
	Total shareholding of Promoter and Promoter Group [A]=[A][1]+[A][2]	31440639	0	31440639	56.55	31670639	0	31670639	56.96	0.41

B. PUBLIC										
	Category of the Shareholder	Number of shares held as at the beginning of the year as at 01 Apr 17				Number of shares held as at the end of the year as at 31 Mar 18				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	Institutions									
[a]	Mutual Funds/UTI	1011	200	1211	0.00	977	200	1177	0.00	0.00
[b]	Venture Capital Funds	-	-	-	-	-	-	-	-	-
[c]	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
[d]	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
[e]	Foreign Portfolio Investors	784671	0	784671	1.41	633461	0	633461	1.14	-0.27
[f]	Financial Institutions/Banks	31584	162923	194507	0.35	57713	162923	220636	0.40	0.05
[g]	Insurance companies	3770	-	3770	0.01	3770	-	3770	0.01	0.00
[h]	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
[i]	Any other	-	-	-	-	-	-	-	-	-
	Foreign Institutional Investors	3606		3606	0.01	-	-	0	0.00	-0.01
	Sub-total [B][1]	824642	163123	987765	1.7765016	695921	163123	859044	1.54	-0.23
2	Central Government / State Government[s]/President	0	0	0	0	334	0	334	0.00	0.00
	Sub-total [B][2]	0	0	0	0	334	0	334	0.00	0.00
3	Non-Institutions									
[a]	Bodies Corporate	11252068	28327	11280395	20.29	10924918	28327	10953245	19.70	-0.59
[b]	Individuals									
i	Individual shareholding holding nominal share capital upto ` 2 lakh	3691502	1166932	4858434	8.74	3856585	1143740	5000325	8.99	0.26
ii	Individual shareholders holding nominal share capital in excess of ` 2 lakh	6466409	0	6466409	11.63	5548977	0	5548977	9.98	-1.65
[c]	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
[d]	Employee Trusts	-	-	-	-	-	-	-	-	-
[e]	Overseas Depositories [holding DRs] [Balancing Figure]	-	-	-	-	-	-	-	-	-
[f]	Any other									
i	Clearing Members	63131		63131	0.11	24415		24415	0.04	-0.07
ii	Non-Resident Indians	500311	3059	503370	0.91	1209271	3059	1212330	2.18	1.28
iii	Trusts	1551	0	1551	0.00	0	0	0	0.00	0.00
iv	HUFs	-	-	0	0	332159	226	332385	0.60	0.60
	Sub-total [B][3]	21974972	1198318	23173290	41.68	21896325	1175352	23071677	41.49	-0.18
	Total public shareholding [B]=[B][1]+[B][2]+[B][3]	22799614	1361441	24161055	43.45	22592580	1338475	23931055	43.04	-0.41
	TOTAL SHAREHOLDING	54240253	1361441	55601694	100	54263219	1338475	55601694	100	0.00

[V] Shareholding of Promoters / Promoters Group

S. No.	Shareholders Name	Shareholding at the end of the year [as on March 31, 2017]			% change in shareholding during the year	Shareholding at the end of the year [as on March 31, 2018]			% change in shareholding during the year
		No. Of shares	% of total shares of the company	% of shares pledged / encumbered to total shares		No. Of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Tanglin Retail Reality Developments Private Limited	29372268	52.83	37.22	0.00	29372268	52.83	52.18	0.00
2	Ranford Investments Limited	372491	0.67	-	-7.47	202491	0.36	-	-0.31
3	Darnolly Investments Limited	413934	0.74	-	-5.23	413934	0.74	-	0.00
4	ACM Educational Foundation	572043	1.03	-	0.00	572043	1.03	-	0.00
5	A.C. Muthiah	423700	0.76	-	0.00	423700	0.76	-	0.00
6	Muthiah AC	153858	0.28	-	0.00	153858	0.28	-	0.00
7	The Express Carriers Limited	44200	0.08	-	0.00	44200	0.08	-	0.00
8	Ashwin C Muthiah	41838	0.08	-	0.00	41838	0.08	-	0.00
9	AC Muthiah	39099	0.07	-	0.00	39099	0.07	-	0.00
10	Valli Ashwin C Muthiah	7000	0.01	-	0.00	7000	0.01	-	0.00
11	ACM Medical Foundation	109	0.00	-	0.00	109	0.00	-	0.00
12	South India Travels Private Limited	99	0.00	-	0.00	99	0.00	-	0.00
13	V.G. Siddhartha	0	0.00	-	0.00	400000	0.72	0.72	0.72
	Total	31440639	56.55	37.22	-12.70	31670639	56.96	52.90	0.41

[VI] Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director	Shareholding at the beginning of the year [01 April 2017]		Change in shareholding [No. Of shares]				Shareholding at the end of the year [31 March, 2018]	
		No. Of shares	% of total shares of the Company	Date	Increase	Decrease	Reason	No. Of Shares	% of total shares of the company
1	Shweta Shetty	10700	0.02	-	-	-	-	10700	0.02

[VII] Shareholding Pattern of top ten shareholders [other than Directors and Promoters]

S. No.	Name of the shareholder	Shareholding at the beginning of the year [01 April 2017]		Change in shareholding [No. Of shares]				Shareholding at the end of the year [31 March, 2018]	
		No. Of shares	% of total shares of the Company	Date	Increase	Decrease	Reason	No. Of Shares	% of total shares of the company
1	GAGANDEEP CREDIT CAPITAL PVT LTD	3058336	5.50	09-Feb-18	101053		purchase		
				16-Feb-18	900000		purchase	4059389	7.30
2	OPTIMUM STOCK TRADING CO. PVT LTD	1870000	3.36	No change				1870000	3.36
3	JMVD MARKET SOLUTIONS LLP	1800000	3.24	09-Feb-18		900000	Sale		
				23-Feb-18		200000	Sale		
				02-Mar-18		500000	Sale	200000	0.36
4	K R PRADEEP	1599498	2.88	01-Dec-17		400000	Sale		
				08-Dec-17		250000	Sale		
				15-Dec-17		150000	Sale	799498	1.44
5	MEENA MODI	1036500	1.86	No change				1036500	1.86
6	PACE STOCK BROKING SERVICES PVT LTD	818324	1.47	14-Apr-17		15869	Sale		
				21-Apr-17		23800	Sale		
				28-Apr-17		500	Sale		
				02-Jun-17		331	Sale		
				09-Jun-17		777794	Sale		
				09-Feb-18	550000		purchase		
				16-Feb-18	264795		purchase		
				02-Mar-18		10000	Sale		
				16-Mar-18		609	Sale	804216	1.45
7	MAHIMA STOCKS PRIVATE LIMITED	688000	1.24	23-Mar-18		7482	Sale	680518	1.22
8	TOTAL HOLDINGS AND FINVEST PRIVATE LIMITED	426399	0.77	21-Apr-17	84613		purchase		
				28-Apr-17	128774		purchase		
				19-May-17		60000	Sale		
				09-Jun-17		160547	Sale		
				30-Jun-17		27000	Sale		
				07-Jul-17		12000	Sale		
				21-Jul-17	52000		purchase		
				28-Jul-17		20000	Sale		
				04-Aug-17		42000	Sale		
				18-Aug-17	135500		purchase		
				22-Sep-17	22000		purchase		
				06-Oct-17		120500	Sale		
				13-Oct-17	141050		purchase		

S. No.	Name of the shareholder	Shareholding at the beginning of the year [01 April 2017]		Change in shareholding [No. Of shares]				Shareholding at the end of the year [31 March, 2018]	
		No. Of shares	% of total shares of the Company	Date	Increase	Decrease	Reason	No. Of Shares	% of total shares of the company
				27-Oct-17		201000	Sale		
				03-Nov-17	40000		purchase		
				17-Nov-17	52226		purchase		
				08-Dec-17		64000	Sale		
				12-Jan-18	40000		purchase		
				26-Jan-18		167500	Sale		
				02-Feb-18		18500	Sale		
				16-Feb-18		70000	Sale		
				23-Feb-18		69516	Sale		
				02-Mar-18	35000		purchase		
				09-Mar-18		25000	Sale	99999	0.18
9	EQ ASSETS	645278	1.16	15-Dec-17		200000	Sale	445278	0.80
10	MAPE SECURITIES PRIVATE LIMITED	436000	0.78	No change				436000	0.78

[VIII] Indebtedness of the company including interest outstanding / accrued but not due for payment

Particulars	Secured loans excluding deposits	Unsecured loans	in lakhs Total indebtedness
Indebtedness at the beginning of the financial year			
[i] Principal amount	94,403	16,998	1,11,401
[ii] Interest due but not paid	-	-	-
[iii] Interest accrued but not due	115	-	115
Total [i] + [ii] + [iii]	94,518	16,998	1,11,516
Change in Indebtedness during the financial year			
[a] Addition	24,052	19,465	43,517
[b] Deletion	15,341	17,468	32,809
Net change	8,711	1,997	10,708
Indebtedness at the end the financial year			
[i] Principal amount	1,03,096	18,995	1,22,091
[ii] Interest due but not paid	-	-	-
[iii] Interest accrued but not due	133	-	133
Total [i] + [ii] + [iii]	1,03,229	18,995	1,22,224

IX. Remuneration details to Directors and Key Managerial Personnel

A. REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR / MANAGER - NOT APPLICABLE SINCE WHOLE-TIME DIRECTOR WAS NOT DRAWING ANY SALARY FROM THE COMPANY

B. REMUNERATION TO OTHER DIRECTORS

in `

S. No.	Particulars of remuneration	Name of Director						Total
		Non-executive Directors		Independent Directors				
		Sunil Deshmukh	Shweta Shetty	H.R. Srinivasan	H. Rathnakar Hegde	S. Ravinarayanan	Sudhir Kamath	
1	Fee for attending Board / Committee meetings	300000	300000	200000	1450000	200000	500000	2950000
2	Commission	750000	750000	750000	750000	750000	750000	4500000
3	Others	-	-	-	-	-	-	-
	Total	1050000	1050000	950000	2200000	950000	1250000	7450000

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

S. No.	Particulars of Remuneration	CS	Total amount
1	Gross Salary		
[a]	Salary as per provisions contained in Section 17[1] of the Income-tax Act	2499979	2499979
[b]	Value of perquisites u/s 17[2] of the Income-tax Act, 1961	-	-
[c]	Profits in lieu of salary under Section 17[3] of the Income-tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others [Company contribution towards PF]	90203	90203
	Total	2590182	2590182

CFO does not draw any remuneration from the Company

X. Penalties / Punishment / Compounding of Offences

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

Place : Bengaluru
 Date : 03rd August, 2018

R. Ram Mohan
 Chairman
 DIN : 02506342

REPORT ON CORPORATE GOVERNANCE [2017-18]

[Pursuant to Regulation 34[3] and Schedule V – C of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015]

1. GOVERNANCE PHILOSOPHY

Sical defines corporate governance as a set of guidelines that are followed by the company's board of directors, management and employees to create value for Sical's various stakeholders : investors, employees, customers, business partners, lenders and the communities we work in and live with.

We strive to conduct our business with integrity, fairness, accountability and transparency in all our dealings with our stakeholders and regulatory authorities.

The Company is committed to good corporate governance practices aimed at increasing value for all stakeholders namely, Shareholders, Employees, Government, Lenders, Customers, Dealers, Vendors, Bankers, Community, Government, Regulators and the Promoters.

2. BOARD OF DIRECTORS

[a] The composition of the Board of Directors of the Company is as per the provisions of the Companies Act, 2013 Articles of Association of the Company and Regulation 17 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

As on 31st March, 2018, the Board comprised of

Promoter Director [Including 1 woman director]	3
Whole-time / Executive Director	1
Independent Directors [Non-whole time]	4

BOARD PROCEDURE

Sical's board of directors meet regularly to discuss, apprise and approve matters relating to Sical's strategy, plans, budgets, financials, and operations. The detailed agenda and relevant information is sent to every director in advance of each board / committee meeting. Among other things, the board considers the following:

- Strategy and plans
- Operating and expenditure budgets
- Statutory compliance
- Quarterly / half yearly / annual results

Several board committees have been constituted to deal with specific matters and functional areas.

[b] Number of Board of Directors meetings and the dates on which held during the financial year 2017-18

Total Number of Board Meetings : 11

I Quarter [April – June 2017]	II Quarter [July – September 2017]	III Quarter [October – December 2017]	IV Quarter [January – March 2018]
14th April, 2017 10th May, 2017 12th May, 2017	02nd August, 2017 22nd August, 2017	10th October, 2017 03rd November, 2017 01st December, 2017	02nd February, 2018 12th March, 2018 20th March, 2018

Attendance of Directors at the Board of Directors Meetings held during 2017-18 and the last Annual General Meeting [AGM] held on 06.09.2017 is as follows.

Director's Name	Category of Membership	Attendance Particulars		Number of other directorships and committee member / chairmanships as at 31.03.2018		
		Board Meetings	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
Mr. R. Ram Mohan	Chairman - Non-executive & Non-Independent	11	√	Director - 4	1	-
Mr. Kush S Desai	Executive Director	11	√	Whole-time Director -1 Director – 7	2	-
Mr. Sunil Deshmukh	Non-executive & Non-Independent Director	4	√	Director – 7	-	1
Ms. Shweta Shetty	Non-executive & Non-Independent Director	4	√	Director – 1	-	-
Mr. H.R.Srinivasan Director	Non-executive & independent Director	2	-	Managing Director – 1 Director – 5	1	-
Mr. H. Rathnakar Hegde	Non-executive & independent Director	10	√	Director – 8	4	3
Mr. S. Ravinarayanan	Non-executive & independent Director	2	√	Director – 2	2	-
Mr. Sudhir Kamath	Non-executive & independent Director	5	√	Director – 4	1	3

Note

For reckoning the other Directorships – Private Limited Companies, Foreign Companies and Sec 8 companies have been excluded. For reckoning the Committee Memberships and Committee Chairmanships – Audit Committee and Stakeholders Relationship Committee alone have been considered.

[c] None of the directors are related to each other.

[d] Number of shares and convertible instruments held by non-executive Directors

Name of the Director	No. of shares held as on 31 st March, 2018	% to total share capital
Ms. Shweta Shetty	10700	0.02

[e] Web link for the details of familiarization programmes imparted to independent directors – [www.sical.com/investors/policy/familiarisation programmes for independent directors](http://www.sical.com/investors/policy/familiarisation%20programmes%20for%20independent%20directors).

- [f] In order to mitigate the risks the Company is likely to be exposed, the Board of Directors have constituted a Risk Mitigation Committee and this Committee meets then and there to chart out ways and means to minimize the risks.
- [g] The CEO and CFO have submitted the compliance certificate as required under Regulation 17 [8] and as specified under Part B of Schedule II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 before the Board on the financials of the Company.

3. Audit Committee

[a] The broad terms of reference of the Audit Committee are:-

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:-
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause [c] of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with the listing / SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue [public issue, rights issue, preferential issue, etc.], the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval of any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, whenever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing with the management performance of statutory and internal auditors and adequacy of the internal control system.
13. Reviewing the adequacy of internal audit function.
14. Discussion with internal auditors on any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders [in case of non payment of declared dividends] and creditors.
18. To review the functioning of the Whistle Blower / Vigil Mechanism.
19. Approval of appointment of CFO [i.e. the whole-time Finance Director or any other person heading the finance function or discharging the function] after assessing the qualifications, experience and background of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Review of the following information:
 - [a] Management discussion and analysis of financial condition and result of operations.
 - [b] Statement of significant related party transactions [as defined by the Audit Committee] submitted by Management.
 - [c] Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - [d] Internal audit reports relating to internal control weaknesses and
 - [e] the appointment, removal and terms of remuneration of the Internal Auditor.

As per the terms of reference prescribed by the Board, the Committee performs such duties and tasks as are assigned by the Board and the Committee has access to all records and documents of the Company. The Committee reviews the report of the internal auditors and the statutory auditors and exercises internal control systems and also addresses the requirements of the Companies Act, 2013 and the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

[b] The composition of the Audit Committee as on 31.03.2018 is as follows:-

1.	Mr. H. Rathnakar Hegde	Chairman of the Committee
2.	Mr. H.R. Srinivasan	Member
3.	Mr. S. Ravinarayanan	Member
4.	Mr. Sudhir Kamath	Member
5.	Mr. R. Ram Mohan	Member

The Committee met four times during the year and the date of the meeting and attendance particulars are furnished below

Directors Name	Category of Membership	Attendance Particulars			
		10.05.2017	02.08.2017	03.11.2017	02.02.2018
Mr. H. Rathnakar Hegde	Chairman of the Committee	√	√	√	√
Mr. H.R. Srinivasan	Member	-	-	√	√
Mr. S. Ravinarayanan	Member	-	√	-	√
Mr. Sudhir Kamath	Member	√	√	√	√
Mr. R. Ram Mohan	Member	√	√	√	√

[c] Approval for related party transactions

All related party transactions were carried out after obtaining prior approval from the Audit Committee. Omnibus approval was obtained for transactions which were of repetitive nature. Such transactions were reported to the Audit Committee and Board on a quarterly basis. Wherever such transactions were considered to be material in nature as per the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, shareholders approval are obtained through postal ballot.

4. Nomination and Remuneration Committee

[a] The terms of reference of this committee are

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of independent directors and the Board.
- iii. Devising a policy on Board diversity.
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

[b] The composition of the Committee as at 31st March, 2018

1	Mr. H. Rathnakar Hegde	Chairman of the Committee
2.	Mr. S. Ravinarayanan	Member
3.	Mr. Sunil Deshmukh	Member
4.	Mr. Sudhir Kamath	Member

[c] The Committee met one time during the year and the date of the meeting and attendance particulars are furnished below

Directors Name	Category of Membership	Attendance Particulars
		10.05.2017
Mr. H. Rathnakar Hegde	Chairman	√
Mr. S. Ravinarayanan	Member	-
Mr. Sunil Deshmukh	Member	√
Mr. Sudhir Kamath	Member	√

[d] Performance evaluation criteria for independent directors

The performance evaluation of Independent Directors were carried out on 11th May, 2018 on the parameters of attendance, adherence to code of conduct, raising valid concerns to the Board and constructive contribution to resolution of issues at meetings, interpersonal relations with other directors and management, understanding the company and external environment in which it operates and contribution to strategic direction and safeguarding the interest of whistle-blowers under vigil mechanism and safeguard of confidential information.

The available Independent directors also met on 11th May, 2018 for evaluation of the performance of the Company and the Executive Directors.

5. Remuneration of Directors

- [a]** Directors were paid sitting fee of ` 75000/= per board meeting and ` 25000/= for Audit Committee and Stakeholders Relationship Committee meetings. Mr. R.Ram Mohan, Chairman and Mr. Kush S Desai, Joint Managing Director were not paid sitting fee for attending Board and Committee meetings.

- [b] Commission to non-executive Directors other than Mr. R. Ram Mohan, Chairman was paid pursuant to the approval of the members at the AGM held in 2012.

S. No.	Particulars of remuneration	Name of Director						Total
		Non-executive Directors		Independent Directors				
		Sunil Deshmukh	Shweta Shetty	H.R. Srinivasan	H. Rathnakar Hegde	S. Ravinarayanan	Sudhir Kamath	
1	Fee for attending Board / Committee meetings	300000	300000	200000	1450000	200000	500000	2950000
2	Commission	750000	750000	750000	750000	750000	750000	4500000
3	Others	-	-	-	-	-	-	-
	Total	1050000	1050000	950000	2200000	950000	1250000	7450000

- [c] Other than the above, there are no other pecuniary relationship / transactions with the non-executive directors during the financial year 2017-18.

6. Stakeholders Relationship Committee

[a] Name of the non-executive director heading the Committee

Mr. H. Rathnakar Hegde

[b] Name and designation of the Compliance Officer

Mr. V. Radhakrishnan
Company Secretary

- [c] Number of shareholders complaints received so far - 03
- [d] Number not solved to the satisfaction of shareholders - NIL
- [e] Number of pending complaints - NIL

7. GENERAL BODY MEETINGS

[a] Location and time of last three Annual General Meetings held

Year	Date and Time	Venue
2017	06th September, 2017 – 10.00 a.m.	Rajah Annamalai Hall, Esplanade, Chennai : 600108
2016	28th July, 2016 – 10.00 a.m.	Rajah Annamalai Hall, Esplanade, Chennai : 600108
2015	29th September, 2015 – 10.00 a.m.	Rajah Annamalai Hall, Esplanade, Chennai : 600108

[b] Special resolutions passed in the previous three annual general meetings

AGM	Details of special resolution
06th September, 2017	Payment of commission to directors other than the whole time directors upto an amount not exceeding 1% of the net profits of the Company for the financial years commencing from 2017-18 to 2021-2022
28th July, 2016	None
29th September, 2015	None

[c] Special Resolutions passed through Postal Ballot during the financial year 2017-18

Date of Passing of the resolution	Details of the resolution	Voting Pattern
22nd April, 2017	To provide corporate guarantee to RBL Bank Limited on behalf of the company's subsidiary Sical Multimodal and Rail Transport Limited to the extent of `100 crores for the NCDs issued to RBL Bank Limited	Promoters - 100% Public - 90.94% Passed with requisite majority
	To empower the Board to borrow upto an amount of `1050 crores over and above the paid up capital under Sec 180[1] [c] of the Companies Act, 2013	Promoters - 100% Public - 99.39% Passed with requisite majority
	To empower the Board to provide securities to the extent of `1050 crores over and above the paid-up capital and free reserves of the company to fall in line with the borrowing powers of the Board of directors in accordance with Sec 180[1][a] of the Companies Act, 2013.	Promoters - 100% Public - 99.39% Passed with requisite majority
	To convert loan into equity in the event of default in repayment under Sec 62[3] of the Companies Act, 2013 to fall in line with the overall borrowing powers of the Board	Promoters - 100% Public - 90.33% Passed with requisite majority
	To issue Unsecured/Secured Non-convertible Bonds / Debentures through Private Placement as per the provisions of Companies Act, 2013 and Rules made thereunder to the extent of `250 crores during the financial year 2017-18.	Promoters - 100% Public - 90.33% Passed with requisite majority

[d] Person who conducted the postal ballot exercise

Mr. R. Kannan, Practising Company Secretary was appointed the Scrutinizer for overseeing the postal ballot process for both physical as well as e-voting.

[e] Whether any special resolution is proposed to be conducted through postal ballot

The Company has sent a postal ballot notice dated 04th April, 2018 seeking the nod of shareholders for

- [i] enhancing the power of the Board to borrow upto an amount of `1500 crores over and above the paid-up capital and free reserves under Sec 180[1][c] of the Companies Act, 2013.
- [ii] to provide securities to the extent of the enhanced borrowing powers of the Board viz. upto `1500 crores over and above the paid up capital and free reserves under Sec 180[1][a] of the Companies Act, 2013.
- [iii] to convert loans into equity in the event of default in repayment of loans to banks and financial institutions [enabling resolution] to fall in line with the enhanced borrowing powers of the Board.
- [iv] to issue Non-convertible Debentures to the extent of `200 crores during the financial year 2018-19 in case if the Company opts to raise funds through private placement of Non-convertible Debentures.

[f] Procedure for postal ballot

The Company followed the provisions as contained in Section 110 of the Companies Act, 2013 ["the Act"], read with Rule 22 of the Companies [Management & Administration] Rules, 2014 [as amended upto date] and Regulation 23[4] of the Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015 for obtaining the approval of the shareholders through postal ballot.

Notice along with postal ballot forms were sent to the shareholders to their registered e-mail IDs with the Depositories / Registrars and by permitted mode to others who have not registered their e-mail IDs. Notices were published intimating the completion of the dispatch of the postal ballot notices and also detailing the procedure

for voting on the postal ballot resolutions either electronically or by physical mode. Business reply envelopes were provided for sending the ballot papers to the scrutinizer. Arrangements were made with Central Depository Services [India] limited for voting through electronic means. The voting process was overseen by Mr. R. Kannan, Pracicing Company Secretary. Results were declared on the dates indicted in the notice by intimating BSE, NSE, CDSL and placing the same on the website of the company then and there.

8. Means of Communication

[a] Quarterly Results

The unaudited quarterly financial results are approved and authenticated by the Board of Directors within 45 days from the end of each quarter and the audited financial results along with the last quarter results within 60 days from the close of the financial year. Such results are communicated within 30 minutes to the stock exchanges where the shares of the company are listed and also placed on the website of the company. The financial results are also published in the newspapers as per the format provided by SEBI within 48 hours from the date of the board meeting wherein financial results were approved.

[b] Newspapers wherein results normally published

The results are published in the English daily Business Standard which has nation-wide circulation and in Tamil daily Makkal Kural being the vernacular language having wide circulation in the state in which the registered office of the company is situate.

[c] Any website, where displayed

Upon intimation to stock exchanges, the results are displayed in the website of BSE and NSE. The Results are also uploaded in the company's website www.sical.com.

[d] & [e] Whether it also displays official news releases and presentations made to institutional investors or to the analysts

The company has not made any official news release nor made any presentations to the institutional investors or to the analysts during the year and as such the said provision is not applicable.

9. General Shareholder Information

[a] 63rd Annual General Meeting

Date : 20 September, 2018
 Time : 11.00 a.m.
 Venue : Rajah Annamalai Hall, Esplanade, Chennai

[b] Financial Calendar [2018-19]

Financial reporting for the quarter ending [tentative]

1	30th June, 2018	-	First week of August, 2018
2	30th September, 2018	-	First week of November, 2018
3	31st December, 2018	-	First week of February, 2019
4	31st March, 2019	-	Second/Third week of May, 2019
	AGM	-	By third / fourth week of September, 2019

[c] Dividend Payment Date - No dividend has been declared and as such the same is not applicable

[d] Name and address of stock exchanges

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor
Fort	C/1, G Block
Mumbai : 400 001	Bandra-Kurla Complex
	Bandra [East]
	Mumbai : 400 051

It is hereby confirmed that the annual listing fee for the financial year 2017-18 were paid within the stipulated time line.

The Company's Secured Redeemable Non-convertible Debentures to the extent of ₹100 crores issued on private placement basis to one of the bank is listed with the National Stock Exchange of India Limited and the periodical compliances are duly carried out in this connection. IDBI Trusteeship Services Limited have been appointed as the Debenture Trustee.

[e] Stock Code

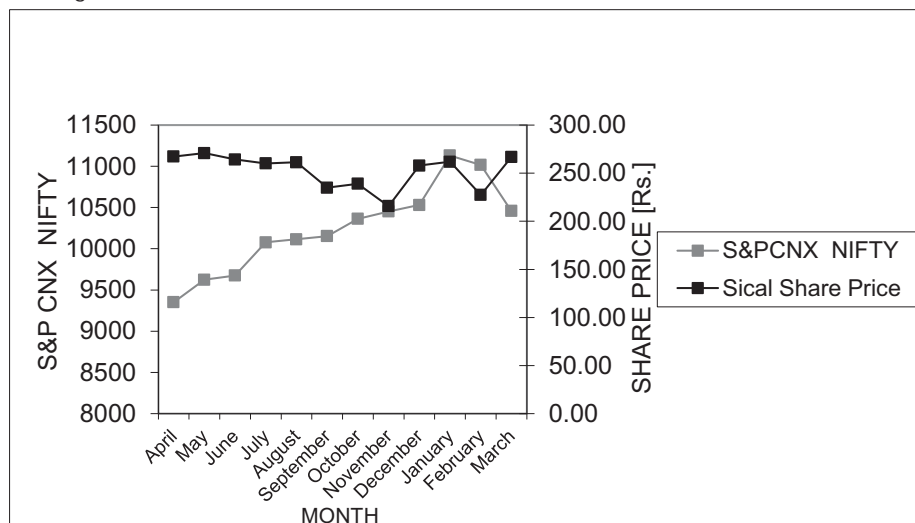
ISIN	INE075B01012
BSE	520086
NSE	SICAL

[f] Market Price Data

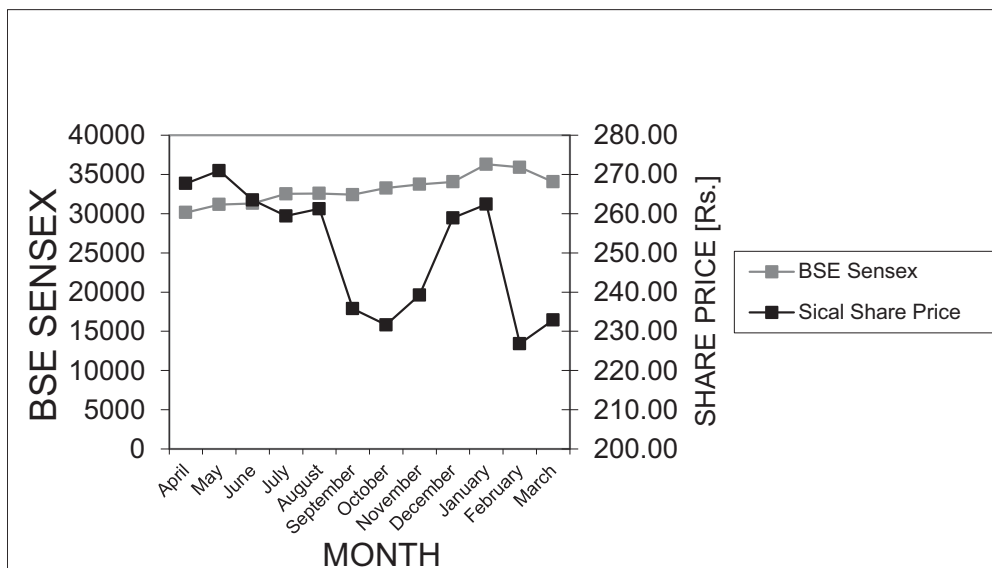
Monthly High and Low closing quotation of shares traded on the National Stock Exchange of India Limited and BSE Limited

Month & Year	NSE			BSE		
	Low	High	Average	Low	High	Average
Apr-17	253.80	267.35	260.58	253.40	267.70	260.55
May-17	232.65	270.85	251.75	233.50	270.95	252.23
Jun-17	243.25	264.30	253.78	242.90	263.50	253.20
Jul-17	244.05	260.15	252.10	243.00	259.40	251.20
Aug-17	229.95	261.30	245.63	230.15	261.25	245.70
Sep-17	200.40	234.95	217.68	200.20	235.75	217.98
Oct-17	204.10	232.80	218.45	202.70	231.65	217.18
Nov-17	205.15	239.05	222.10	205.05	239.25	222.15
Dec-17	215.75	257.85	236.80	215.40	258.90	237.15
Jan-18	213.40	261.85	237.63	213.90	262.40	238.15
Feb-18	196.30	227.45	211.88	195.30	226.85	211.08
Mar-18	212.85	266.80	239.83	211.65	232.85	222.25

[g] Performance of Sical share price in comparison to National Stock Exchange – S&P CNX NIFTY Index [Highest monthly closing]



[h] Performance of Sical share price in comparison to BSE Sensex [Highest monthly closing]



[i] Registrar to an Issue and Share Transfer Agents

Cameo Corporate Services Limited
 Unit : Sical Logistics Limited
 Subramanian Building, 5th Floor
 1, Club House Road
 Chennai :: 600 002
 Telephone : 044-28461073
 Fax : 044-28460129
 e-mail : cameo@cameoindia.com

[j] Share Transfer System

Share transfers are effected on requests in demat form as well as in physical form periodically at frequent intervals.

[k] Distribution of Shareholding

Number of shares - Category	No. Of shares	% to total	No. Of shareholders	% to total
Upto 500	2013761	3.62	38764	95.25
501-1000	715018	1.29	915	2.25
1001 - 2000	646831	1.16	423	1.04
2001 - 3000	485594	0.87	186	0.46
3001 - 4000	233462	0.42	65	0.16
4001 - 5000	369297	0.66	78	0.19
5001 - 10000	764566	1.38	106	0.26
10001 & above	50373165	90.60	158	0.39
Total	55601694	100	40695	100

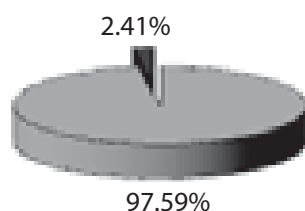
Shareholding pattern as on 31.03.2018

Category	No. of Holders*	No. of shares*	Voting strength
PROMOTER HOLDING			
Promoters & Associates	12	31670639	56.96
NON-PROMOTER HOLDING			
FI/Banks	20	224406	0.40
Mutual Funds	5	1177	0.00
FPI	14	633461	1.14
OTHERS			
Central Government/State Government	1	334	0.00
Corporate Body	465	10953245	19.70
NRI	202	1212330	2.18
Clearing Member	46	24415	0.04
HUF	573	332385	0.60
Public	39356	10549302	18.97
TOTAL	38915	55601694	100

* As per shareholding pattern filed with the stock exchanges with PAN mapping.

[I] Dematerialisation of Shares

5,42,63,219 equity shares representing 97.59% of the paid-up share capital have been dematerialised upto 31.03.2018. Trading in equity shares of the company is permitted only in dematerialised form w.e.f. 28.08.2000 as per SEBI's orders dated 29.05.2000.



[m] There are no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments as on 31st March, 2018.

[n] The Company is engaged in providing multi modal logistics services to clients and as such there are no manufacturing activities. Branch offices for various divisions are spread across the country.

[o] Address for Correspondence

Company	RTA
Sical Logistics Limited	Cameo Corporate Services Limited
Secretarial Department	Unit : Sical
South India House	Subramanian Building 5th Floor
73, Armenian Street	No.1, Club House Road
Chennai :: 600 001	Chennai :: 600 002
Telephone : 044-66157071	Telephone : 044-28461073
Fax : 044-66157017	Fax : 04-428460129
e-mail : secl@sical.com	e-mail : cameo@cameoindia.com
Website : www.sical.com	

10 Other Disclosures

- [a]** Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large.

There are no materially significant related party transactions viz. with promoters, directors or the Management, their subsidiaries, or relatives that may have potential conflict with the interests of the Company at large.

- [b]** Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the last three years

The Company has complied with the various rules and regulations prescribed by the Stock Exchanges or any statutory authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

- [c]** Details of establishment of vigil mechanism / whistle blower policy

A Vigil Mechanism / whistle Blower Policy for employees has been established to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of Audit Committee in exceptional cases. We further affirm that during the financial year 2017-18, no employee has been denied access to the audit committee.

- [d]** Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

All the mandatory requirements with regard to the corporate governance as are applicable to the company have been duly complied with.

Regarding discretionary requirements as specified in Part E of Schedule II of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015

- [i]** the Chairman being non-executive has not established a separate office.
- [ii]** Shareholders are communicated on the quarterly / half yearly results / performance by way of publishing the financial results on the website of the Company as well as the Stock Exchanges where the shares of the company are listed in addition to publishing in Business Standard and Makkal Kural dailies in the format as stipulated by SEBI.
- [iii]** The company's audit reports remain as unmodified opinion.
- [iv]** The position of Chairperson is of non-executive. The Company has appointed a whole-time director with the designation of Joint Managing Director.

- [v] Internal auditors have access to audit committee and make presentations before the Audit Committee highlighting the High Risk areas covering their audit and for taking appropriate steps in mitigating such risks.
- [e] Web link where policy for determining 'material' subsidiaries is disclosed www.sical.com\investors\policies\material subsidiaries
- [f] Web link where policy on dealing with related party transactions www.sical.com\investors\policies\material related party transactions
- 11. We have complied with the requirements of corporate governance report of sub-paras [2] to [10] of Schedule V [C] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 as are applicable to Sical Logistics Limited.
- 12. The details on the extent of compliance with regard to discretionary requirements as specified in Part E of Schedule II of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 have been indicated under Para 10[d] above.
- 13. **Insider Trading**
Pursuant to the Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations, 2015, the Company has prescribed a Code of Conduct for Prevention of Insider Trading as applicable to promoters / designated employees / connected persons.
- 14. **Code of Conduct**
The Company has formulated a Code of Conduct for the Board members and Senior Management Personnel. The same has also been posted on the website of the Company. A declaration by the Joint Managing Director affirming the compliance on the Code of Conduct applicable to the Board members and the Senior Management personnel forms part of this report.
- 15. **Reconciliation of Share Capital Audit**
Periodical audits were carried out by a qualified Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited [NSDL] and Central Depository Services [India] Limited [CDSL] and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- 16. **Material Subsidiaries**
The minutes of the meeting of material subsidiaries viz. Sical Infra Assets Limited and Sical Multimodal and Rail Transport Limited were placed before the Board of the holding company i.e. Sical Logistics Limited. The Audit Committee reviewed the financials of the material subsidiaries particularly in reference to any investments made on a quarterly basis.

Independent Directors Mr. H.Rathnakar Hegde and Mr. S. Ravinarayanan and Mr. Kush S Desai, Joint Managing Director and Mr. Sunil Deshmukh, Director are part of the Board of the material subsidiaries.
- 17. The disclosures on the compliance with corporate governance requirements specified in Regulation 17 to 27 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 have been made in the above paragraphs to the extent they are applicable to the Company. Further it is affirmed that the website disclosures as per Regulation 46[2][b] to [i] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 have been duly complied with.
- 18. **Compliance Certificate from Statutory Auditors**
Pursuant to Schedule V 2 [E] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, a Compliance Certificate from the Statutory Auditors is furnished as part of the report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

AUDITORS CERTIFICATE

[Pursuant to Schedule V [2] [E] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015]

To

THE MEMBERS OF SICAL LOGISTICS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Sical Logistics Limited for the year ended 31st March, 2018 as stipulated in Regulations 17 to 27 and Regulation 46 [2][b] to [i] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. SRSV & ASSOCIATES

Place : Chennai
Date : 03rd August, 2018

V. Rajeswaran
Partner
Membership No. 020881

CEO's DECLARATION ON CODE OF CONDUCT

To

THE MEMBERS OF SICAL LOGISTICS LIMITED

This is to certify that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them for the financial year 2017-18.

For Sical Logistics Limited

Place : Bengaluru
Date : 03rd August, 2018

Kush S Desai
Joint Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2017-18]

INDUSTRY OVERVIEW

The Logistics sector is a predominant sector that makes the economy of the country flourish by providing smooth flow of goods and commodities on which the other industries as well general public are dependent upon. Logistics sector in India has been witnessing a sustainable growth in the recent years with the greater thrust being given by the Government for this sector. Increase in the overall consumption and production coupled with the increased outsourcing activities and modern warehousing techniques are the key factors for the improved performance of this industry. Impetus given for the 3PL logistics, warehousing, cold chain movement, express logistics services are all the pointers that would take this industry to greater heights. The success of the Logistics sector largely depends upon its ability to deliver in time with cost effectiveness.

Infrastructure is expected to be one of the key area where there will be increased budget allocations from various Ministries in infrastructure sector. This include railways, road, ports, rural development and Shipping.

Logistics sector in India is evolving rapidly. It is the interplay of infrastructure, technology and new types of service providers, ensuring in reducing the logistics cost and providing effective services for a quick turnaround.

Recent scenario

4 broad services have emanated that are being extended by the logistics players in the recent times. These consist of transportation, 3 PL services, warehousing and freight forwarding. Most of the goods are moved through trucks because this provides an opportunity for the last mile delivery. The movement of cargoes through railways is restricted as most of the cargoes are handled by the Railways themselves excepting opening up certain goods which can be transported through container by private operators.

Providing warehousing facilities for the perishable goods and a better marketing opportunity is the trend of the recent times. The warehousing facilities are developed across the country catering to the needs of pharma, hospitality and agriculture based industries. These facilities are being created with world-class infrastructure and the vehicles that are being utilised for transportation are all invariably covered by the GPS services.

Express logistics has also emerged as one of the mode of transportation currently whereby assuring timely delivery of goods at shorter notice within 48 to 72 hours across the country. Third party logistics being outsourcing the transportation activities so that this would result in cost efficiency and improved delivery performance and customer satisfaction which is now on the anvil by the industries.

Freight forwarding industry has witnessed the surfacing of large number of players from both organised and unorganised sectors. This segment is in the process of consolidating itself and the freight forwarding players are shifting focus from freight arbitrage and customs house brokerage to providing value added services and end to end logistics needs and this would help the industry to make a remarkable progress in the years to come.

The e-Commerce industry rests on the logistics support which provide arms and legs to the entire e-Commerce infrastructure in India and help extend its reach in the country. The logistics support for the e-Commerce industry is highly essential.

Industrial warehousing are being developed for storing industrial and retail products ranging from chemicals, FMCG, apparels, engineering foods, pharma products and automobile parts.

Challenges faced and steps to overcome

The challenges faced by the industry are

- Logistics sector especially transportation, freight forwarding and other sectors are mainly dominated by unorganised sectors and this affects the overall competitiveness of the industry
- Non-availability of adequate integration of transport networks, information technology and warehousing & distribution facilities requiring technological infrastructure.
- Varied local Regulations governing the industry hindering spreading national networks.
- Non-availability of skilled / trained manpower for the industry across all sectors in which the Logistics sector operates
- Implementation of system driven approaches, latest equipments and systems integration

- Effective managerial skills and Proper working environment for the persons engaged in the activities.
- Training and development on the most modern innovative technologies and specialised equipments
- Larger dependency on the road movement and inadequate use of other modes of transportation such as inland / waterways / coastal movement of cargoes

The steps that may be required for the growth of the industry are

- Development of large number of logistics parks in the areas where industrial hubs are present, providing world-class road networks, integrated rail corridors across the country, and modern cargo facilities at airports
- Good storage and Warehousing facilities with most modern equipments and tracking facilities
- Warehousing services to consider the changing dynamics of Just in Time manufacturing, global procurement and new models of sales and distribution.

The sector wise industry overview in which the Company operates is elaborated below.

MINING

The growth pace of the global mining industry was impacted by the economic downturn and is gradually gaining momentum. The infrastructure required for this sector is quite innovative and the capital required is a bit heavy. Various factors have contributed to the growth of the mining sector in emerging markets, such as commodity demand and price boom, Liberalization of mineral policies, Technological advancement, Mining reforms, and Increased privatization

India currently produces around 89 minerals under different groups, with fuel minerals, metallic minerals, non-metallic minerals, atomic minerals and minor minerals. The country has immense potential for mining resources and reserves. The restriction on iron-ore mining in Karnataka and Goa resulted in increase in current account deficit, making it imperative for the government to curb imports and promote exports. Hikes in export duty, and restriction on mining and blanket bans have prevented the government from earning forex revenue on exports.

Demand for minerals, as well as for mining services, is robust in the country. Mining is becoming more structured, and companies have started outsourcing part of the project to mining service companies. Contract mining could prove to be a solution to the on-going current coal deficit in country. As the industry focuses on adapting international levels of technology, there exists untapped potential in the Indian mining sector.

A SWOT analysis of the coal sector in which the Company is engaged in is furnished below.

Strengths
• Large Scale of Operations allow economies in scale of production
• Vast coal resource base
• Geographical spread of operations in India allows proximity to a large and diversified customer base
• Strong financial position
• Skilled and diversified workforce with experience
• Well positioned to cater to high demand of coal in India
• Consistent track record of growth
• Strong track record of financial performance
• Strong capabilities for exploration, mine planning, research and development
Weaknesses
• High cost of production in underground (legacy) mines with severe implication
• Constraints in evacuation
• High dependence on coal based power plants

Threats
• High dependence on Indian Railways for evacuation of coal
• Resistance to part with land, creating problems in acquisition of land and rehabilitation
• Illegal mining
• Decrease in global coal demand, Reduced domestic demand for high grade of coal
• Appreciation in Land cost
• Increasing proportion of renewables in the energy mix
Opportunities
• Strong economic growth in India and resultant demand for energy, particularly coal as an energy source
• Being a cheaper source of energy compared to alternate sources available in India, demand to continue to remain strong
• Diversification in renewable energy.

Coal mining acts as a catalyst for the growth of the core industries like power, steel, cement, etc., which in turn, are critical for the overall development of the economy contributing to the nation building exercise. Given the availability of mineral wealth in India and picking up of growth of manufacturing and infrastructure sectors under 'Make in India' programme, it is expected share of mining and quarrying sector in GDP would have a significant contribution. With right policies in place, transformed mining sector is looking forward to a poised growth.

The most significant achievement of the Government can be attributed to the instituting of auction to be the sole method of grant of major mineral concessions and, thereby bringing in greater transparency and realisation of fair value.

COLD CHAIN LOGISTICS

Cold chain logistics is the management of the flow of products from origin to destination in a temperature-controlled supply chain involving an uninterrupted series of refrigerated production, distribution, and storage activities.

The retail sector in emerging economies, are increasingly getting organized. This trend among others is expected to augment the cold storage market demand over the forecast period. Government policies to de-regulate the entry of foreign player has increased the Foreign Direct Investment (FDI) in the organized retail sector.

In organized retailing, the licensed retailers sell products of various categories. Compared to the traditional stores the organized retail stores use better refrigeration and improved storage technology. Consumers are increasingly purchasing frozen foods from the organized retail stores. With the increased demand for the chilled and frozen foods and growth of the organized retail sector the demand for the cold storage market is expected to grow over the projected period. The organized retail supports different outlet formats depending on the proximity from residential and consumption cluster and spending power. The offline mode of the organized retailing is categorized into convenience stores, supermarket, and hypermarket based on the product range and surface coverage.

Given massive investments necessary for setting up the refrigerated warehouse business, the cold chain operator must make significant volumes to attain the break-even point in a stipulated period. As a result, the growth of the cold chain services translates into the growth of the organized retail market.

Lack of infrastructure necessary to sustain the cold chain is the major challenge for the industry players to expand cold chain in the emerging markets. Additionally, lack of power hook-ups for reefer trailers at transportation hubs and ports coupled with the lack of reliable power supply for cold warehouses further increases the operation costs. However, this also opens opportunities for the industry players to develop unique solutions or leverage alternative renewable energy sources that can overcome the unreliable power supply in emerging markets. Furthermore, new transportation means, such as versatile refrigerated containers, are being developed to overcome the lack of adequate transportation facility. These solutions can provide access to international markets and open opportunities for farmers and small businesses in these regions.

India's cold chain industry is still in an evolving stage. The sector is highly fragmented and most of the equipments are mostly unique commodity based.

Change of Land Use, governmental taxes, power shortage, lack of reefer van, capital intensive infrastructure impact the growth of this industry.

ROAD LOGISTICS

The Indian logistics market is driven by the rising investment, rapidly evolving regulatory policies, mega infrastructure projects and several other developments and overcoming infrastructure-related constraints and logistics-centric inefficiency. The development and implementation of multiple projects and services centre around the availability of a good transport system.

The road logistics is quite unorganised occupied by small players in majority who dominate the industry. Providing a good quality of service is becoming difficult in this area as these are governed by the individuals rather than on a larger scale. Though the logistics service utilisers do devise standards, the same are becoming rather difficult to follow. The conditions of the road and the time taken in movement of goods are the greater concern. In order to have a quick movement, the roads and infrastructure along the corridors are most important.

The road logistics sector is impacted by the poor working conditions, low pay scales, poor or non-existent manpower policies and prevalence of unscrupulous practices have added to the segment's woes creating an image of the segment that holds few attractions for those seeking employment.

With more organised approach towards transport and logistics activities due to emergence of global third-party logistics (3PL) players, the demand for trained employees with specific skill sets is expected to increase in the near future to fill the gap for the industry.

The future prospects for the Logistics sector lies developing IT and technology based applications for tracking the vehicles movement and automation of tolls, evolving education, training and policy framework in the logistics sector, a good governmental policy, introduction of e-way bill under GST thereby reducing the time involved in each of the activities resulting in quicker movement of cargoes across the country.

Greater emphasis is given for modernising India's logistics sector and bring it at par with the global best, efforts are on to bring the logistics cost, a concerted effort in collaboration with all Ministries and state governments in simplifying the regulatory processes in domestic and EXIM logistics, granting of infrastructure status to a number of logistics activities, which would enable them to avail cheaper and long-term commercial loans, to develop an integrated logistics portal that will be a transactional e-marketplace connecting buyers with logistics service providers with all the Government agencies such as Customs, PGAs, Port Community Systems, Sea and Airport terminals, Shipping lines and Railways. These government initiatives are considered to help the industry in its future growth.

Sical – Financial and Operational Performance

Sical as a multi-modal logistics solutions provider with diversified activities is now having its presence in providing every form of logistics solutions which inter alia include Port Operations, Road Logistics, Cold Chain Operations, Overburden Removal for coal mines and Warehousing. Sical provides integrated logistics solutions to customers from the origin until the last mile delivery to say otherwords an End-to-end logistics. Sical operates in Bulk Logistics, Container Logistics and executes surface mining and overburden removal contracts at Mahanadhi Coal fields' mines at Odisha and Northern Coal fields' mines at Madhya Pradesh. The Company was awarded the Mine Developer and Operator contract by the West Bengal Power Development Corporation Limited for the Tara [East] Mines during the previous fiscal. The Company was successful in bagging a long term contract in association with Ambey Mining Private Limited and Godavari Commodities Limited for executing the project of Mine developing and operation contract at Tubed Mines of Damodar Valley Corporation. This contract is to spread over a period of 20 plus years and expected to fetch a revenue of ₹10000 crores [inclusive of taxes] over the entire contract period. The movement of raw coal as well as the washed coal from the Mahanadhi Coal Fields through Road-Rail-Sea route for NLC's power plant at Tuticorin in Tamil Nadu continued during the fiscal year 2017-18. The washery activities for beneficiation of the coal for this project at Talcher was continued during the year under review. The continued stressed global economic situation impacted the port performance of the Company. However, with the existing presence in the mining sector has contributed for the better performance of the Company. Sical carries out cold chain movement and maintenance of warehousing across the country mainly catering to hospitality industry. The Company has acquired controlling stake in companies engaged in warehousing and express logistics areas and extends warehousing services to Pharma and FMCG industries through these companies. The Road logistics division bettered its performance by concentrating on better margin yielding businesses with a good clientele base.

Company's subsidiary Sical Multimodal and Rail Transport Limited operates under two divisions viz. Rail Division and CFS Division. The Rail division has 7 rakes and has own as well hired containers for movement of containerized cargo through rail run on pan-India basis. The business was impacted on account of increase in railway haulage charges leading to the road transport cheaper. The long term contract with Hindustan Copper Limited helps this division with fixed rake operation and generating revenues. CFS are in place at Chennai, Tuticorin and Vizag.

The Iron Ore terminal completed in all respects at Kamarajar Port could not be put into use on account of non-availability of cargo viz. Iron ore due to prevailing restriction on export of iron ore out of Karnataka region pursuant to a Supreme Court's decision. The Kamarajar Port invited bids from parties for modification of the existing terminal also to handle common user coal and this subsidiary emerged as the successful bidder. A new licence agreement was signed on 11th July, 2016. The project activities for the modification are to be carried out and the project is awaiting environmental clearance. Once the same is in place, the company would commence its project activities for the modification of the terminal also to handle coal. The project activities of mechanisation of deep draft berth at the New Mangalore Port could not be carried out due to the prevailing situation on iron ore and a termination notice was issued considering the force majeure conditions and towards this the Mangalore Port authorities had referred the matter to arbitration. The arbitral tribunal has passed an award in favour of the Company during the financial year under review.

The joint venture operations by PSA Sical are keeping up pace. The company received a favourable order from the Tuticorin Court on the royalty related issue with a right to the Port authorities for appeal. Upon appeal by the Port authorities, the Honourable High Court of Madras, Madurai Bench have given a verdict in favour of the Port authorities. Now the company has preferred an appeal before the Honourable Supreme Court of India.

Sical – the way forward

Sical has been continuing its efforts in making stronghold its presence across all segments in which it operates and looks for a steady growth thereby enabling a growth in the stakeholders wealth. Sical considering the uncertainties faced by the Port divisions due to the global slowdown of economy, has been concentrating on retail supply chain solutions and providing logistics services for the surface mining and overburden removal at coal fields on a long term basis and has been successful in operating at Mahanadhi Coalfields in Odisha and Northern Coalfields in Madhya Pradesh apart from bagging MDO contracts at West Bengal for the West Bengal Power Development Corporation Limited and for the Tubed Mines by Damodar Valley Corporation. With such a focus on the business, Sical is poised for achieving greater heights in the years to come.

Internal Control Systems and their adequacy

The Company has put in place proper and adequate internal control systems which would automatically have the internal checks and balances then and there when transactions are executed. The company is in compliance with the various statutes of the Government and statutory authorities. Internal Audit has been entrusted to an external agency and periodical review is being carried out by the Management. The Internal Audit findings involving high risks are reviewed by the Audit Committee at their meetings to check on the adequacy of internal controls and suggest measures for further improvement as well for mitigating risks. Adequate attention is provided in the system for having an effective control on the performance and processes of the various divisions of the Company under one umbrella.

Human Resources / Industrial Relations

Cordial industrial relations prevailed in all divisions throughout the year. Employees instrumental in making the company achieving its targets and goals as envisioned. With the focus on development of skills in the employees, the Management has evolved best practices in evaluating the performance of the employees at all levels and provide growth opportunities in their career. Employees were sponsored for various seminars, symposiums and workshops organised by external agencies to enrich their knowledge and implement the best practices in their work place wherever feasible.

Cautionary Statement

Except for historical information contained herein, statements in this Management Discussion and Analysis Report which may include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue" and similar expressions or variations of such expressions may constitute "forward looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks.

Annual Report 2017-18 STANDALONE ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To the Members of SICAL LOGISTICS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s SICAL LOGISTICS LIMITED ("the Company"), which comprise the Balance sheet as at 31st March 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date; and
- (d) in the case of the Statement of Changes in Equity, changes for the year ended on that date

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 included in these Ind AS financial statements are based on the previously issued statutory financial statements audited by CNGSN & Associates LLP, Chartered Accountants, the predecessor auditor, whose report for the year ended March 31, 2017 dated 10th May, 2017 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
 - (e) On the basis of the written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. provision has been made in the financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRSV & Associates
 Chartered Accountants
 F.R.No.0150415

Place : Chennai
 Date : 11th May, 2018

V. RAJESWARAN
 Partner
 Membership No.020881

ANNEXURE 1 TO THE AUDITOR'S REPORT

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

- i.
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
 - c) According to the information and explanation given to us, and on the basis of our examination of the records of the Company the title deeds of immovable properties of the Company are held in the name of the Company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii. In our opinion and according to the information and explanations given to us the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. (Based on the above para, matters referred in clause iii (a), iii (b) and (iii) (c) of paragraph 3 of Companies (Auditors Report) Order 2016 are not applicable)
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act 2013. Accordingly, clause vi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- vii.
 - a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Services Tax and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.
 - b) As at 31st March 2018 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

S. No	Period	Nature of Dues	Not Paid (` In Lakhs)	Forum where Pending
1	2001-06	Service Tax	1,345.53	Madras High Court
2	2001-06	Service Tax	1,160.58	CESTAT Chennai
3	2001-06	Service Tax	147.24	CESTAT Chennai
4	2002-06	Service Tax	4.06	CCE(A) Chennai
5	2006-07	Service Tax	2.30	CESTAT
6	2007-08	Service Tax	2.06	CESTAT
7	2005-06	Service Tax	16.12	CCE(A) Chennai
8	2005-06	Service Tax	177.14	CESTAT Delhi
9	2001-02	Customs	2.00	CESTAT
10	1996-97	Customs	18.01	CESTAT
11	2001-02	Customs	3.00	CC(A)
12	1993-94	Sales Tax	37.57	Madras High Court
13	2015-17	Sales Tax	2882	Additional Commissioner, Cuttack
14	2009-10	Income Tax	738	CIT(A)
15	2015-16	Income Tax	508	CIT(A)

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or debenture holders.
- ix. The company has not raised money by way of initial public offer or further public offer during the Current year and the term loans were applied for the purposes for which those were raised.
- x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial period.
- xi. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause (xii) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly clause (xiv) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause (xv) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For SRSV & Associates
Chartered Accountants
F.R.No.0150415

Place : Chennai
Date : 11th May, 2018

V. RAJESWARAN
Partner
Membership No.020881

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of M/s SICAL LOGISTICS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For SRSV & Associates
Chartered Accountants
F.R.No.0150415

Place : Chennai
Date : 11th May, 2018

V. RAJESWARAN
Partner
Membership No.020881

BALANCE SHEET AS AT 31ST MARCH 2018

Particulars	Note	in lakhs	
		As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	39,069	38,378
Capital work-in-progress	2	69	45
Financial Assets	3		
- Investments	3.1	30,396	28,935
- Trade receivables	3.2	604	-
- Other non-current financial assets	3.3	4,524	3,189
Other non-current assets	4	1,796	1,778
		<u>76,458</u>	<u>72,325</u>
Current assets			
Inventories	5	609	609
Financial Assets	6		
- Trade receivables	6.1	24,133	21,606
- Cash and cash equivalents	6.2	349	3,872
- Other current financial assets	6.3	78,123	65,702
Current Tax Assets (Net)	7	2,090	2,284
Other current assets	8	13,741	12,213
		<u>1,19,045</u>	<u>1,06,286</u>
Total Assets		<u>1,95,503</u>	<u>1,78,611</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9	5,562	5,562
Other Equity	9.1	52,220	49,354
		<u>57,782</u>	<u>54,916</u>
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	10.1	57,228	61,050
Provisions	11	443	346
Deferred Tax liabilities (Net)	12	1,931	758
		<u>59,602</u>	<u>62,154</u>
Current liabilities			
Financial Liabilities	13		
- Borrowings	13.1	22,824	18,268
- Trade payables	13.2	5,801	4,162
- Other financial liabilities	13.3	23,715	16,892
Other current liabilities	14	25,719	22,095
Provisions	15	60	124
		<u>78,119</u>	<u>61,541</u>
Total Equity and Liabilities		<u>1,95,503</u>	<u>1,78,611</u>
Significant accounting policies	1		
Notes to the accounts	2 to 34		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached

for SRSV & Associates

Chartered Accountants

Firm registration number : 0150415

for and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran

Partner

Membership No. 020881

Chennai

Date: 11 May 2018

R Ram Mohan

Chairman

Sumith R Kamath

Chief Financial Officer

Bangalore

Date: 11 May 2018

Kush Desai

Joint Managing Director

V Radhakrishnan

Company Secretary

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

in lakhs			
Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	16	96,355	73,960
Other income	17	1,107	1,255
Total Income		97,462	75,215
Expenses			
Cost of services	18	71,913	54,108
Employee benefits expense	19	8,401	5,365
Finance costs	20	3,316	2,349
Depreciation and amortisation expense	2	4,395	2,720
Other expenses	21	4,317	3,276
Total expenses		92,342	67,818
Profit before Tax		5,120	7,397
Tax expense	22		
Current Tax		1,152	1,974
Deferred Tax		1,102	869
Profit for the year		2,866	4,554
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		-	-
Others		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		2,866	4,554
Attributable to:			
Owners of Company		2,866	4,554
Non-Controlling Interests		-	-
Earnings per equity share	24		
(1) Basic		5.15	8.19
(2) Diluted		5.15	8.19
Significant accounting policies	1		
Notes to the accounts	2 to 34		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached
for SRSV & Associates
Chartered Accountants
Firm registration number : 0150415

for and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran
Partner
Membership No. 020881

Chennai
Date: 11 May 2018

R Ram Mohan
Chairman

Sumith R Kamath
Chief Financial Officer
Bangalore
Date: 11 May 2018

Kush Desai
Joint Managing Director

V Radhakrishnan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
in lakhs		
Cash flow from operating activities		
Profit before tax	5,120	7,397
Adjustments:		
Depreciation	4,395	2,720
Profit on sale of fixed assets	(100)	-
Interest and finance charges	3,316	9,540
Interest income	(1,019)	(8,360)
Effect of exchange differences on translation of assets and liabilities	334	215
Operating cash flow before working capital changes	12,046	11,512
Changes in		
- Trade receivables	(3,131)	(5,003)
- Current/Non current financial assets	26	(525)
- Current/Non current assets	(1,475)	(5,000)
- Inventories	-	(39)
- Current/Non current financial liabilities	(1,136)	(757)
- Current/Non current liabilities	1,627	1,767
- Trade payables	1,639	1,213
- Provisions	33	10
Cash generated from operations	9,629	3,178
Income taxes paid	(958)	1,125
Cash generated from operations [A]	8,671	4,303
Cash flow from investing activities		
Purchase of fixed assets (Including Capital Work in Progress)	(5,167)	(15,435)
Investment in subsidiaries and joint ventures	(1,461)	(5)
Proceeds from sale of fixed assets	157	-
Loans and advances to subsidiaries	(12,078)	(8,426)
Bank deposit	(1,262)	3,504
Interest income	243	429
Net cash generated used in investing activities [B]	(19,568)	(19,933)
Cash flow from financing activities		
Proceeds from long term borrowings	19,477	44,329
Repayment of long term borrowings	(15,340)	(22,671)
Proceeds from Short Term Borrowings (net)	4,556	5,595
Proceeds from Holding Company	1,997	-
Finance cost	(3,316)	(9,287)
Net cash generated from financing activities [C]	7,374	17,966
Effect of exchange differences on translation of foreign currency cash and cash equivalents [D]	-	-
Increase in cash and cash equivalents [A+B+C+D]	(3,523)	2,336
Cash and cash equivalents at the beginning of the year	3,872	1,536
Cash and cash equivalents at the end of the year	349	3,872
Components of cash and cash equivalents		
Cash on hand	23	53
Balances with banks		
- in current accounts	326	819
- in fixed deposits	-	3,000
Total cash and cash equivalents	349	3,872
Significant accounting policies	1	
Notes to the accounts	2 to 34	

The notes referred to above form an integral part of financial statements.

As per our report of even date attached

for SRSV & Associates

Chartered Accountants

Firm registration number : 0150415

for and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran

Partner

Membership No. 020881

Chennai

Date: 11 May 2018

R Ram Mohan

Chairman

Sumith R Kamath

Chief Financial Officer

Bangalore

Date: 11 May 2018

Kush Desai

Joint Managing Director

V Radhakrishnan

Company Secretary

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1 Company overview and Significant Accounting Policies

1.1 Company overview

Sical Logistics Limited ('Sical') founded in 1955 is a leading integrated multimodal logistics solutions provider. The Company is into every aspect of logistics namely port handling, road and rail transport, warehousing, shipping, stevedoring, customs handling, trucking, retail logistics, mining and integrated logistics.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Chennai, Tamilnadu. The Company has its equity shares listed on the BSE Limited and National Stock Exchange of India Limited [NSE] and its NCDs on the NSE.

The financial statements are approved for issue by the company's Board of Directors on 11 May 2018.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Group classifies All other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.4 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- (i) **Income taxes:** Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to Note 1.15.

- (ii) **Property, plant and equipment:** Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (iii) **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

1.5 Revenue recognition

Revenue is recognized on accrual method on rendering of services when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

1.6 Property, plant and equipment

Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Depreciation: The Company depreciates property, plant and equipment over the estimated useful life on a straight-line from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Asset Class	Dep Rate	Method	Useful Life (Years)
Buildings	3.34%	SLM	30
Workshop	33.34%	SLM	3
Furniture & Fixtures	10.00%	SLM	10
Office Equipments	20.00%	SLM	5
EDP Equipments	33.34%	SLM	3
Plant & Machinery	20.00%	SLM	5
Vehicles	12.50%	SLM	8
BOT Equipments	5.00%	SLM	20

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

1.7 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (i.e. the functional currency). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

1.8 Foreign currency transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent on the date of transaction.

1.9 Financial instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

(i) Financial assets at amortised cost: A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and in fixed deposits with a original maturity period of less than 12 months from balance sheet date are considered as a part of the Company's cash management system.

(ii) Financial liabilities at amortised cost: Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

1.10 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company enters into certain derivative contracts such as interest rate swaps and currency swaps to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.11 Impairment

- (i) **Financial assets:** In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.

- ii) **Non-financial assets:** The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and the recoverable. Losses are recognised in the statement of profit and loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through statement of profit and loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

1.12 Employee Benefit

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee benefit plans:

- (a) **Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

- (b) **Compensated absences:** The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

1.13 Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

1.14 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.15 Finance income and expense

Finance income consists of interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

1.16 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

(a) **Current income tax:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(b) **Deferred income tax:** Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

1.17 Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.18 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

NOTES TO ACCOUNTS

 2 Property, plant and equipments
 Current year 2017-18

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 April 2017	Additions during the year	Deletions during the year	As at 31 March 2018	As at 1 April 2017	Additions during the year	Deletions during the year	As at 31 March 2018	As at 1 April 2017
Tangible assets									
Freehold land	11,153	33	-	11,186	-	-	-	11,186	11,153
Buildings	1,238	177	12	1,403	522	183	10	695	716
Plant and machinery	9,458	1,322	2	10,778	2,891	997	1	3,887	6,567
Office equipments	397	64	-	461	237	41	-	278	160
Furnitures and fixtures	361	80	-	441	331	23	-	354	30
EDP Equipments	559	88	-	647	469	59	-	528	90
Vehicles	21,291	2,960	323	23,928	4,390	2,514	269	6,635	16,901
Port handling equipment	11,696	377	-	12,073	9,037	531	-	9,568	2,659
Intangible assets									
Software	119	42	-	161	17	47	-	64	102
Total	56,272	5,143	337	61,078	17,894	4,395	280	22,009	38,378
Capital Work in Progress	45	24	-	69	-	-	-	-	45
Total	45	24	-	69	-	-	-	-	45
GRAND TOTAL	56,317	5,167	337	61,147	17,894	4,395	280	22,009	38,423

` in Lakhs

NOTES TO ACCOUNTS

 2 Property, plant and equipments
 Previous year 2016-17

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1April 2016	Additions during the year	Deletions during the year	As at 31March 2017	As at 1April 2016	Additions during the year	Deletions during the year	As at 31March 2017	As at 31March 2016
Tangible assets									
Freehold land	11,100	53	-	11,153	-	-	-	11,153	11,100
Buildings	991	247	-	1,238	431	91	-	716	560
Plant and machinery	6,082	3,376	-	9,458	2,234	657	-	6,567	3,848
Office equipments	315	82	-	397	213	24	-	237	160
Furnitures and fixtures	337	24	-	361	327	4	-	331	30
EDP Equipments	441	118	-	559	443	26	-	469	90
Vehicles	9,921	11,370	-	21,291	3,007	1,383	-	4,390	16,901
Port handling equipment	11,674	22	-	11,696	8,515	522	-	9,037	2,659
Intangible assets									
Software	14	105	-	119	4	13	-	17	10
Total	40,875	15,397	-	56,272	15,174	2,720	-	17,894	38,378
Capital Work in Progress	7	45	7	45	-	-	-	45	7
Total	7	45	7	45	-	-	-	45	7
GRAND TOTAL	40,882	15,442	7	56,317	15,174	2,720	-	17,894	38,423

Note: Property, plant and equipment amounting to ₹ 38,972 lakhs as at 31 March 2018 (PY: ₹ 38,276 lakhs) has been pledged as security by the Company against the financing facilities availed from banks and financial institutions.

NOTES TO ACCOUNTS

3 Financial Assets

3.1 Investments

	As at 31 March 2018	As at 31 March 2017
Investments in equity instruments		
Subsidiaries (unquoted)		
- Norsea Offshore India Ltd Share - 50,000 Shares (PY - 50,000 Shares) of ` 10/- each fully paid up	107	90
- Sical Adams Offshore Ltd - 50,000 Shares (PY - 50,000 Shares) of ` 10/- each fully paid up	5	5
- Sical Infra Assets Ltd - 2,85,65,000 Shares (PY - 2,85,65,000 Shares) of ` 10/- each fully paid up	19,477	19,404
- Sical Iron Ore Terminals Ltd - 8,19,00,000 Shares (PY - 8,19,00,000 Shares) of ` 10/- each fully paid up	8,477	8,477
- Sical Iron Ore Terminal (Mangalore) Ltd - 3,65,00,000 Shares (PY - 3,65,00,000 Shares) of ` 10/- each fully paid up	250	250
- Bergen Offshore Logistics Pte. Ltd - 1,00,000 Shares (PY- 1,00,000 Shares) of SGD 1/- each and 1,00,22,138 Shares (PY- 1,00,22,138 Shares) of USD 1/- each	-	-
- Sical Mining Limited - 10,000 Shares (PY - 10,000 Shares) of ` 10/- each fully paid up	1	1
- Patchems Private Ltd Shares - 510 Shares (PY - Nil) of ` 100/- each fully paid up	627	-
- PNX Logistics Private Limited - 3,30,000 Shares (PY - Nil) of ` 10/- each fully paid up	714	-
- Develecto Mining Limited - 5,100 Shares (PY - Nil) of ` 10/- each fully paid up	1	-
- Sical Saumya Mining Limited - 6,500 Shares (PY - 6,500 Shares) of ` 10/- each fully paid up	70	41
Joint Ventures (unquoted)		
- PSA Sical Terminals Ltd - 56,25,030 Shares (PY - 56,25,030 Shares) of ` 10/- each fully paid up	654	654
Other investments		
Investment in equity instruments - Quoted		
- Sicagen India Ltd Shares 50,000 Shares (PY - 50,000 Shares) of ` 10/- each fully paid up	13	13
	30,396	28,935
Aggregate book value of quoted investments	13	13
Aggregate market value of quoted investments	18	13
Aggregate value of unquoted investments	30,383	28,922

Note: As per Ind AS 109 Financial Instruments, the corporate guarantee given by the Company, in its capacity as holding company to the banks in respect of the loans availed by the subsidiaries qualifies as a 'financial guarantee contract'. No payment is made by the subsidiaries to the Company and this is considered as a deemed capital contribution by the Company, since the guarantee has been provided by the Company in its capacity as a shareholder.

NOTES TO ACCOUNTS

		in lakhs
	As at	As at
	31 March 2018	31 March 2017
3.2 Trade receivables		
Unsecured, considered good	604	-
	<u>604</u>	<u>-</u>
		in lakhs
3.3 Other non current financial assets	As at	As at
	31 March 2018	1 April 2017
Margin money deposits with more than 12 months maturity*	3,719	2,457
Unsecured, considered good		
Security deposits	805	732
	<u>4,524</u>	<u>3,189</u>
*Given as security for financing facility availed by the Company. These fixed deposits cannot be withdrawn by the Company within 12 months of balance sheet date.		
		in lakhs
4 Other non-current assets	As at	As at
	31 March 2018	31 March 2017
Unsecured, considered good		
Other advances		
- LIC fund for gratuity	266	248
- other advances	1,530	1,530
	<u>1,796</u>	<u>1,778</u>
Current assets		
5 Inventories	As at	As at
	31 March 2018	31 March 2017
Stores and spares	595	595
Loose tools	14	14
	<u>609</u>	<u>609</u>
6 Financial Assets		in lakhs
6.1 Trade receivables	As at	As at
	31 March 2018	31 March 2017
Unsecured, considered good*	24,133	21,606
Doubtful	1,118	1,638
Less: Provision for doubtful receivables	(1,118)	(1,638)
	<u>24,133</u>	<u>21,606</u>
*Refer note 26 for the amount receivable from the related parties.		
		in lakhs
6.2 Cash and cash equivalents	As at	As at
	31 March 2018	31 March 2017
Balances with Banks (of the nature of cash and cash equivalents)		
- in current accounts	326	819
Cash on hand	23	53
Other bank balances		
- in fixed deposit accounts with banks* (Refer note below)	-	3,000
	<u>349</u>	<u>3,872</u>

NOTES TO ACCOUNTS

Note: Fixed deposits with original maturity period of less than 3 months are classified as "Cash and cash equivalents" and fixed deposits with original maturity period of greater than 3 months, but with a maturity date of less than 12 months from balance sheet date are classified as "Other bank balances."

*includes ` Nil (Previous year: ` 3,000 lakhs) given as security for loan availed by the Company. These fixed deposits cannot be withdrawn by the Company till the loan is closed.

		` in lakhs	
		As at	As at
		31 March 2018	31 March 2017
6.3 Other current financial assets			
<i>Unsecured, considered good</i>			
- advances to related parties (refer note 26)		77,092	64,572
- security deposits		1,031	1,130
		<u>78,123</u>	<u>65,702</u>
7 Current Tax Assets (Net)			
		As at	As at
		31 March 2018	31 March 2017
Advance income tax, net of provision for tax		2,090	2,284
		<u>2,090</u>	<u>2,284</u>
8 Other current assets			
		As at	As at
		31 March 2018	31 March 2017
<i>Unsecured, considered good</i>			
Other advances			
- prepaid expenses		9,217	7,900
- advances for supply of goods and rendering of services		3,902	2,838
- service tax credit receivable		109	109
- statutory advances		-	797
- other receivables		513	569
		<u>13,741</u>	<u>12,213</u>

NOTES TO ACCOUNTS
Part - I Balances Sheet

9 Share capital

Particulars	Authorised		Issued		Subscribed		Paid-up	
	Number of share	Face value	Total value (₹ In Lakhs)	Number of share	Total value (₹ In Lakhs)	Number of share	Total value (₹ In Lakhs)	Number of share
Current Year 2017-18								
Equity Shares		10						
Opening balance as on 1 Apr 2017	6,00,00,000		6,000	5,56,42,032	5,564	5,56,37,792	5,564	5,56,01,694
Increase during the year					-		-	
Closing balance as on 31 Mar 2018	6,00,00,000		6,000	5,56,42,032	5,564	5,56,37,792	5,564	5,56,01,694
Preference shares								
Opening balance as on 1 Apr 2017	15,00,00,000		15,000	-	-	-	-	-
Increase during the year	-				-		-	
Closing balance as on 31 Mar 2018	15,00,00,000		15,000	-	-	-	-	-
Equity shares forfeited								
Opening balance as on 1 Apr 2017	-		-	-	-	-	-	2
Increase during the year	-		-	-	-	-	-	-
Closing balance as on 31 Mar 2018	-		-	-	-	-	-	2
Total			21,000		5,564		5,564	5,562
Previous Year 2016-17								
Equity Shares		10						
Opening balance as on 1 Apr 2016	6,00,00,000		6,000	5,56,42,032	5,564	5,56,37,792	5,564	5,56,01,694
Increase during the year					-		-	
Closing balance as on 31 Mar 2017	6,00,00,000		6,000	5,56,42,032	5,564	5,56,37,792	5,564	5,56,01,694
Preference shares								
Opening balance as on 1 Apr 2016	15,00,00,000		15,000	-	-	-	-	-
Increase during the year					-		-	
Closing balance as on 31 Mar 2017	15,00,00,000		15,000	-	-	-	-	-
Equity shares forfeited								
Opening balance as on 1 Apr 2016	-		-	-	-	-	-	2
Increase during the year	-		-	-	-	-	-	-
Closing balance as on 31 Mar 2017	-		-	-	-	-	-	2
Total			21,000		5,564		5,564	5,562
Of the above								

a) 93,20,003 Equity Shares of ₹10 each were allotted as fully paid up as per the earlier schemes of Amalgamation

b) 98,60,910 Equity Shares of ₹10 each were Allotted as fully paid up to the share holders of 3,45,13,195, 1% Preference Shares on 1 Apr 1997 in terms of Special resolution passed by the shareholders on 9 December 1996.

c) 47,61,908 Equity shares of ₹10 each were allotted as fully paid up by way of bonus shares by capitalisation of securities premium.

NOTES TO ACCOUNTS

9.1 Other Equity

in lakhs

Particulars	Other reserves				Foreign Currency Translation Reserve	Retained earnings	Other items of Other Comprehensive Income	Equity attributable to owners of the company
	Securities Premium	Debenture redemption reserve	General reserve	Capital reserve				
Balance as at 1 April 2016	9,986	1,500	3,294	1,093	-	28,927	-	44,800
Total comprehensive income for the year	-	-	-	-	-	4,554	-	4,554
Transferred to Debenture Redemption Reserve (DRR)*	-	500	-	-	-	(500)	-	-
Balance as on 31 March 2017	9,986	2,000	3,294	1,093	-	32,981	-	49,354
Balance as at 1 April 2017	9,986	2,000	3,294	1,093	-	32,981	-	49,354
Total comprehensive income for the year	-	-	-	-	-	2,866	-	2,866
Transferred to Debenture Redemption Reserve (DRR)*	-	500	-	-	-	(500)	-	-
Balance as on 31 March 2018	9,986	2,500	3,294	1,093	-	35,347	-	52,220

*The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of debentures.

NOTES TO ACCOUNTS

Part - I Balance Sheet

Note to Share Capital (Contd.)

- (i) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors shall be subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

- (ii) Details of shares held by the holding company:

Particulars	Equity shares with voting rights Number of shares
As at 31 March 2018:	
Tanglin Retail Reality Developments Private Limited, the holding company	2,93,72,268
As at 31 March 2017:	
Tanglin Retail Reality Developments Private Limited, the holding company	2,93,72,268

- (iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Tanglin Retail Reality Developments Private Limited	2,93,72,268	52.83%	2,93,72,268	52.83%
Gagandeep Credit Capital Pvt Ltd	40,59,389	7.30%	30,58,336	5.50%

- (iv) Details of forfeited shares

Class of shares	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount originally paid up (₹)	Number of shares	Amount originally paid up (₹)
Equity shares with voting rights	36,098	1,80,490	36,098	1,80,490

- (v) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.
- (vi) There are no shares for which calls remain unpaid.

NOTES TO ACCOUNTS

Non-current liabilities

		₹ in lakhs	
		As at 31 March 2018	As at 31 March 2017
10 Financial Liabilities			
10.1 Borrowings			
Secured			
Debentures			
1,000 (Previous year: 1,000) 11% Secured listed NCD of ₹ 10 Lakhs each issued to IDFC Bank Ltd (refer note i)		10,000	10,000
Term loans			
from banks			
- Canara Bank (refer note ii)		8,438	6,250
- Indusind Bank (refer note iii, iiib, iiic and iiid)		4,885	5,348
- Bank of Baroda (refer note iv)		1,685	3,937
- Corporation Bank (refer note v)		883	-
- Standard Chartered Bank (refer note vi)		6,295	-
- South Indian Bank (refer note vii)		1,666	3,333
- Yes Bank (refer note viia, viib and viic)		12,110	18,036
- Axis Bank (refer note ix)		1,588	754
- Kotak Mahindra Bank (refer note x)		397	515
- DCB Bank (refer note xi)		1,160	1,350
from other parties			
- SREI Infrastructure Finance Limited (refer note xii)		2,439	3,482
- Sundaram Finance Limited (refer note xiii)		585	1,016
- Tata Motor Finance Limited (refer note xiv)		580	481
- Daimler Financial Services India Private Limited (refer note xv)		1,131	2,178
- Cholamandalam Invst & Finance Co Ltd (refer note xvi)		822	1,078
- HDB Financial Service Ltd (refer note xvii)		81	106
- Reliance Commercial Finance Limited (refer note xviii)		134	240
- Siemens Financial Services Private Limited (refer note xix)		423	129
- Tata Motor Finance Solutions Limited (refer note xx)		327	797
- Volvo Financial Services India Private Limited (refer note xxi)		1,449	1,870
Others			
Derivative liability (refer note xxii)		150	150
		57,228	61,050

Notes:

(i) **Non-convertible debentures issued to IDFC Bank Limited**

The Company had raised a sum of ₹ 10,000 lakhs through issue of 1,000 Nos. secured listed 11% Non-convertible debentures of ₹ 10 lakh each against the security of dredger belonging to the subsidiary company viz Norse Offshore India Ltd for the purpose of redeeming the then existing debentures of Kotak Mahindra [earlier ING Vysya Bank Limited]. The NCDs are listed in NSE. The IDBI Trusteeship Services Ltd has been appointed as the debenture trustees. Debentures are redeemable on 25 June 2021.

(ii) **Canara Bank**

The Company has taken a secured term loan of ₹ 4,000 lakhs during FY 2013-14, ₹ 1,000 lakhs in FY 2014-15, ₹ 5,000 lakhs in FY 2016-17 and ₹ 5,000 lakh during the year against (1) security of pari passu second charge over current assets

NOTES TO ACCOUNTS

and movable fixed assets of the company (2) office building at Kolkata and Mumbai as collateral security with a moratorium period of 12 months. Loan is repayable in 16 equal quarterly installments. The interest rate as on 31 March 2018 is 11.55% (Previous year: 11.55%) which is linked to MCLR.

(iiia) IndusInd Bank (Term loan)

The Company has taken a term loan of ₹ 2,700 lakhs during the FY 2013-14 against security of pari-passu charge on the Ennore Project Assets. Loan is repayable in 84 equal monthly instalments. The interest rate as on 31 March 2018 is 10.85% (Previous year: 10.98%) which is linked to the MCLR.

(iiib) IndusInd Bank (Term loan)

The Company had taken a term loan of ₹ 700 lakhs during FY 2016-17 for general corporate purposes. Loan is repayable in 45 equal monthly instalments. The Company had also availed ₹ 5,209 lakhs of term loan during FY 2016-17. Loan is repayable in 59 step-up monthly instalments including 3 months of moratorium. The interest rate as on 31 March 2018 is 10.85% (Previous year: 10.98%) which is linked to the base rate. The securities offered for these loans are as below (including term loan in (iiia)):

- a) charge on receivables from Ennore project;
- b) pari-passu charge on the Ennore project assets and
- c) exclusive charge on the office building located at 11, 12, 13, 14 and 15 Rajgir Chambers, Mumbai.

(iiic) IndusInd Bank (Equipment loan)

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 11.00% (Previous year: 11.00%).

(iiid) IndusInd Bank (Term loan)

The Company has availed a term loan of ₹ 1,300 lakhs during the current financial year for general corporate purposes. Loan is repayable in 55 monthly step-up instalments. The interest rate as on 31 March 2018 is 10.56% (Previous year: Nil) which is linked to the MCLR. The securities offered for these loans are same as term loan iiia and iiib.

(iv) Bank of Baroda

The Company had taken term Loan of ₹ 7,500 lakhs during the FY 2014-15 against security of certain Immovable properties (Land) for carrying out CAPEX and other expenditure for work orders awarded from Neyveli Lignite Corporation Limited and Mahanadi Coal fields Limited, with a moratorium period of 12 months. Loan is repayable in step up 16 quarterly instalments. The interest rate as on 31 March 2018 is 11.25% (Previous year: 13.10%) which is linked to the MCLR.

(v) Corporation Bank

The loan is secured by a charge on the assets purchased out of the loan with a moratorium of 2 years and 12 half yearly step-up repayment. The interest rate as on 31 March 2018 is 10% which is linked to the MCLR. (Previous year: Nil).

(vi) Standard Chartered Bank

The Company has availed a term loan of ₹ 10,000 lakhs during the current year towards pre-operative expenses and payments of fees, costs and expenses in relation to specific mining projects. ₹ 4,500 lakhs loan is repayable in 32 monthly step-up installments and ₹ 5,500 lakhs loan is repayable in 48 monthly step-up installments. The securities offered for the credit facilities are as below -

- a) first ranking exclusive security interest over the Accounts and/or any other operating account established in relation to the specific mining projects, cash flows and distributions and agreements in relation to the specific mining projects and all monies, securities, instruments and/or cash equivalents deposited or required to be deposited in the Collection Account and/or any other operating account established in relation to the specific mining projects
- b) a first ranking security interest over all receivables in relation to the specific mining projects
- c) a second ranking security interest over the dredger belonging to the subsidiary company viz Norsesea Offshore India Ltd

NOTES TO ACCOUNTS

(vii) South Indian Bank

The Company had taken a term loan of ₹ 5,000 lakhs during the FY 2015-16 to meet its capital expenditure requirements against (1) security of movable fixed assets to be funded out of the loan amount (2) land at Kilacherry and Satharai, Tamilnadu, with a moratorium period of 24 months. Loan is repayable in 12 equal quarterly instalments. The interest rate as on 31 March 2018 is 11.00% (Previous year: 12.80%) which is linked to the MCLR.

(viii) YES Bank (Term loan)

The Company had taken a term loan of ₹ 13,000 lakhs during the FY 2015-16 to meet its capital expenditure requirements against security of fixed and current assets, with a moratorium period of 6 months. Loan is repayable in 18 quarterly instalments. The interest rate as on 31 March 2018 is 10.40% (Previous year: 14.50%) which is linked to the MCLR.

(viii) YES Bank (Term loan)

The Company has taken a term loan of ₹ 10,500 lakhs to meet its capital expenditure requirements against security of subservient charge over fixed and current assets. Loan is repayable in 10 step-up quarterly instalments, including moratorium of 6 months. The interest rate as on 31 March 2018 is 10.40% (Previous year: 11.25%) which is linked to the MCLR.

(viii) YES Bank (Equipment loan)

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.75% (Previous year: 10.75%).

(ix) Axis Bank

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.52% (Previous year: 9.52%). During the year the Company has obtained a sanctioned credit limit of ₹ 5,500 lakhs against the security of the assets purchased out of the loan for its mining projects. The loan is repayable in 6 years with a moratorium of 1.5 yrs and 18 quarterly step-up repayment thereafter. The interest rate as on 31 March 2018 is 9.43% (Previous year: Nil).

(x) Kotak Mahindra Bank

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.01% (Previous year: 10.01%).

(xi) DCB Bank Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.72% (Previous year: 10.00%) which is linked to the MCLR.

(xii) SREI Infrastructure Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.47% (Previous year: 9.47%).

(xiii) Sundaram Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.34% (Previous year: 10.34%).

(xiv) Tata Motor Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.79% (Previous year: 10.79%).

(xv) Daimler Financial Services India Private Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.66% (Previous year: 10.66%).

(xvi) Cholamandalam Invst & Finance Co Ltd

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.39% (Previous year: 10.39%).

(xvii) HDB Financial Service Ltd

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 11.00% (Previous year: 11.00%).

NOTES TO ACCOUNTS

(xviii) Reliance Commercial Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 13.50% (Previous year: 13.50%).

(xix) Siemens Financial Services Private Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.60% (Previous year: 9.60%).

(xx) Tata Motor Finance Solutions Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.28% (Previous year: 10.28%).

(xxi) Volvo Financial Services India Private Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 8.95% (Previous year: 8.95%).

(xxii) Currency swap and interest rate swap

The Company has entered into a currency swap and interest rate swap wherein the Rupee borrowing is converted into foreign currency borrowing i.e. Euro and Company receives the fixed interest in INR and pays a fixed interest in Euro, to obtain a lower interest rate than would have been possible without the swap.

(xxiii) Non-convertible / redeemable debentures in descending order of redemption:

Particulars	Conversion/ maturity	Conversion/ maturity	Earliest date of conversion/ redemption
Non-convertible redeemable debentures issued to IDFC Bank Limited	Redemption	Redemption	25 June 2021

(xxiv) There are no defaults in the repayment of the principal loan and interest amounts with respect to the above loans.

(xxv) The aggregate amount of long-term borrowings secured by personal guarantee of promoters amounts to ` 58,346 lakhs (Previous year: ` 47,291 lakhs)

		` in lakhs	
11	Provisions	As at 31 March 2018	As at 31 March 2017
	Provision for employee benefits		
	Gratuity (refer note 25)	443	346
		<u>443</u>	<u>346</u>
		` in lakhs	
12	Deferred tax liabilities (net)	As at 31 March 2018	As at 31 March 2017
	Deferred tax liability		
	Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	3,601	3,031
	Others	105	80
	Deferred tax assets		
	Expenditure covered under 43 B of Income-tax Act, 1961	(182)	(223)
	Unabsorbed losses	-	(672)
	Provision for doubtful trade receivables	(387)	(571)
	MAT Credit entitlement	(1,206)	(887)
		<u>1,931</u>	<u>758</u>

NOTES TO ACCOUNTS

Part - I Balance Sheet

Current liabilities

		` in lakhs	
13	Financial Liabilities	As at	As at
		31 March 2018	31 March 2017
13.1	Borrowings		
	Secured		
	Loans repayable on demand		
	Working capital loan		
	- Bank of Baroda (refer note i)	19,874	18,268
	- RBL Bank Limited (refer note ii)	2,450	-
	- DCB Bank Limited (refer note iii)	500	-
		<u>22,824</u>	<u>18,268</u>

Note:

(i) Bank of Baroda

Working capital facility is secured by composite hypothecation of entire raw materials, stock in process, stores and spares, packing material, finished goods, plant and machinery etc and book debts and trade advances of the company both present and future as well as equitable mortgage of certain immovable properties. The interest rate as on 31 March 2018 is 10.00% (Previous year: 11.90%) which is linked to the MCLR.

(ii) RBL Bank Limited

The Company has availed a short-term revolving loan ('STL') facility amounting to ` 2,450 lakhs with a tenure of 4 months. The STL is secured by subservient charge on current assets including stock and book debts of the Company, both present and future. The interest rate as on 31 March 2018 is 12.00% (Previous year: Nil) which is linked to the MCLR.

(iii) DCB Bank Limited

The Company has availed a short-term loan ('STL') facility amounting to ` 500 lakhs with a tenure of 12 months. The STL is secured by (1) subservient charge on current assets of the Company and (2) securities offered as per note 10.1 (xi). The interest rate as on 31 March 2018 is 9.72% (Previous year: Nil) which is linked to the MCLR.

(iv) There are no defaults in the repayment of the principal loan and interest amounts with respect to the above loans.

(v) The aggregate amount of short-term borrowings secured by personal guarantee of promoters amounts to ` 22,824 lakhs (Previous year: ` 18,268 lakhs)

		` in lakhs	
13.2	Trade payables	As at	As at
		31 March 2018	31 March 2017
	- Dues to micro and small enterprises (refer note below)	-	-
	- Dues to other creditors*	5,801	4,162
		<u>5,801</u>	<u>4,162</u>

Note: According to the information available with the Company, there are no dues payable to Micro and Small Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006". The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneur's Memorandum Number as allocated after filing of the Memorandum. Further there are no dues payable to micro and small scale industries (previous year: ` Nil).

*Refer note 26 for the amount payable to the related parties.

NOTES TO ACCOUNTS

Part - I Balance Sheet

13.3 Other financial liabilities

	PA As at 31 March 2018	in lakhs As at 31 March 2017
Current maturities of long-term debt*		
Term loans		
from banks		
- Canara Bank	2,813	1,250
- IndusInd Bank	1,965	1,536
- Bank of Baroda	2,252	1,688
- South Indian Bank	1,667	1,667
- YES Bank	6,918	5,206
- Axis Bank	323	170
- Kotak Mahindra Bank	118	107
- DCB Bank	400	338
- Standard Chartered Bank	2,825	-
from other parties		
- SREI Infrastructure Finance Limited	1,042	947
- Sundaram Finance Limited	430	386
- Tata Motor Finance Limited	388	253
- Daimler Financial Services India Private Limited	1,047	941
- Cholamandalam Invst & Finance Co Ltd	254	229
- HDB Financial Service Ltd	25	22
- Reliance Commercial Finance Limited	107	94
- Siemens Financial Services Private Limited	113	22
- Tata Motor Finance Solutions Limited	95	146
- Volvo Financial Services India Private Limited	406	223
- Volkswagen Financial Services India Private Limited	6	10
Others		
Interest accrued but not due	133	115
Payables on purchase of fixed assets	-	1,157
Deposit Payable	85	89
Accrued salaries and benefits	303	296
	23,715	16,892

*The details of interest rate, repayment terms, nature and value of securities furnished are disclosed under note 10.1.

	in lakhs As at 31 March 2018	As at 31 March 2017
14 Other current liabilities		
Dues to related parties		
- Tanglin Retail Reality Development Private Ltd (refer note 26)	18,995	16,998
Others		
Advance from customers	2,100	100
Statutory dues payable	329	-
Creditors for expenses	4,295	4,997
	25,719	22,095

	in lakhs As at 31 March 2018	As at 31 March 2017
15 Provisions		
Provision for employee benefits		
- Gratuity (refer note 25)	13	23
- Compensated absence	47	101
	60	124

NOTES TO ACCOUNTS

PART II - STATEMENT OF PROFIT AND LOSS

		₹ in lakhs
	For the year ended 31 March 2018	For the year ended 31 March 2017
16 Revenue from operations		
Sale of services		
Income from integrated logistics services	1,07,405	81,737
Taxes and Deductions		
Less: Service tax	(11,050)	(7,777)
	<u>96,355</u>	<u>73,960</u>
17 Other income		
Interest income		
Interest income	243	429
Interest on inter-corporate advances (refer note 26)	652	92
Other non operating income (net of expenses)		
Foreign exchange (loss)/gain, net	(334)	(215)
Interest on inter-corporate guarantee (refer note 26)	124	106
Rental income (refer note 26)	50	271
Interest on Income Tax refund	191	542
Gain on sale of fixed asset	100	-
Miscellaneous income	81	30
	<u>1,107</u>	<u>1,255</u>
18 Cost of services		
Freight	16,052	14,168
Port charges	208	222
Handling and transportation	45,490	34,260
Repairs and maintenance		
- plant and machinery	3,244	2,912
Warehousing expenses	474	97
Operation and maintenance	6,445	2,449
	<u>71,913</u>	<u>54,108</u>
19 Employee benefits expense		
Salaries and wages	7,482	4,830
Contribution to provident and other funds		
- Gratuity and leave encashment	117	60
- Provident fund	208	148
Staff welfare expenses	594	327
	<u>8,401</u>	<u>5,365</u>

NOTES TO ACCOUNTS

Part - II Statement of Profit and Loss

	` in lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
20 Finance costs		
Interest expense		
- term loan	10,813	8,413
- debentures	494	741
- loans from related party	231	253
Interest on inter-corporate advances (refer note 26)	(9,104)	(7,191)
Other borrowing costs	882	133
	<u>3,316</u>	<u>2,349</u>
21 Other expenses		
Rent (refer note 27)	162	139
Security charges	348	280
Power and fuel	144	66
ERP maintenance expenses	126	119
Payment to auditor's		
- statutory audit	15	15
- tax audit	4	4
- certification	5	5
- reimbursements	2	5
Travelling and conveyance	1,180	778
Legal, professional and consultancy	957	533
Rates and taxes	233	332
Membership and subscription	15	14
Repairs and maintenance		
- buildings	5	4
- vehicles	33	14
- others	200	26
Communication expenses	162	139
Insurance	209	93
Director's sitting fees	30	28
Commission to directors	45	31
Corporate Social responsibility (refer note 28)	86	33
Provision for doubtful debts	(516)	200
Rebates, Discount and Commission	5	9
Miscellaneous expenses	867	409
	<u>4,317</u>	<u>3,276</u>

NOTES TO ACCOUNTS

	` in lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
22 Income tax		
Current income tax:		
In respect of the current period	1,152	2,360
Reversal of previous year tax expense	-	(386)
Deferred tax:		
In respect of the current period	1,488	869
Minimum Alternate Tax credit entitlement	(386)	-
Income tax expense reported in the statement of profit and loss	2,254	2,843

A reconciliation of the Income Tax provision to the amount computed by applying the statutory Income Tax rate to the Income before Income Taxes is summarized below:

	` in lakhs	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before Income Taxes	5,120	7,397
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	1,772	2,560
Impact of Income Computation and Disclosure Standards	-	571
Reversal of previous year tax expense	-	(386)
Tax rate difference	76	-
Impact of revision of previous years tax returns	280	-
Expenses disallowed for tax purpose	129	107
Others	(3)	(9)
Total Income Tax expense	2,254	2,843

The tax rates under Indian Income Tax Act, for the year ended 31 March 2018 and 31 March 2017 is 34.61%.

Deferred tax

Deferred tax relates to the following:

	` in lakhs	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Property, plant and equipment	570	(968)
Expenditure covered under 43 B of Income-Tax Act, 1961	41	(8)
Unabsorbed losses	672	60
Provision for doubtful trade receivables	184	91
Others	21	(44)
Net Deferred Tax expense	1,488	(869)

NOTES TO ACCOUNTS

23 Commitments and contingent liabilities

Particulars	As at 31 March 2018	in lakhs As at 31 March 2017
Contingent liabilities		
Claims against the Company, not acknowledged as debt (other than those where in the possibility of any economic outflow in settlement is remote)		
- Direct tax matters	2,406	1,159
- Indirect tax matters	6,376	2,894
- Legal matters	12,961	12,819
Guarantees given by bankers for performance of contracts & others	14,437	13,723
Guarantees given by bankers for performance of contracts & others on behalf of subsidiaries	1,386	3,496
Guarantees given for loans taken by other bodies corporate (including subsidiary companies to complete their projects)	1,03,751	87,951

24 Earnings per share (EPS)

The following table sets forth the computation of basic and diluted earnings per share:

(Figures in rupees lakhs except number of shares)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit after taxation as per statement of profit and loss	2,866	4,554
Less: Dividends on preference shares and tax thereon	-	-
Net profit attributable to equity shareholders for calculation of basic EPS	2,866	4,554
Add: Dividend on non-cumulative compulsorily convertible preference shares	-	-
Net profit adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	2,866	4,554

Particulars	As at 31 March 2018	As at 31 March 2017
Number of equity shares at the beginning of the year	5,56,01,694	5,56,01,694
Add: Weighted average number of equity shares issued during the year	-	-
Number of weighted average equity shares considered for calculation of basic earnings per share	5,56,01,694	5,56,01,694
Add: Dilutive effect of convertible preference shares	-	-
Number of weighted average shares considered for calculation of diluted earnings per share	5,56,01,694	5,56,01,694

Earnings / (loss) per share:

Basic	5.15	8.19
Diluted	5.15	8.19

NOTES TO ACCOUNTS

25 Gratuity plan

The following table sets out the status of the unfunded gratuity plan as required under Ind AS 19 'Employee benefits'.

Reconciliation of the projected benefit obligations

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Change in projected benefit obligation		
Present value of obligation as at beginning of the year	369	315
Acquisition adjustment	-	-
Current service cost	88	55
Interest cost	27	25
Benefits paid	(42)	(25)
Past Service Cost	17	-
Actuarial loss/ (gain) on obligation	(2)	(1)
Obligations at year end	457	369
Change in plan assets		

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets as at beginning of the year	248	186
Expected return on plan assets	18	16
Contributions	42	71
Benefits paid	(42)	(25)
Plans assets at year end, at fair value	266	248

Reconciliation of present value of the obligation and the fair value of the plan assets:

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Closing obligations	(457)	(369)
Closing fair value of plan assets	266	248
Asset / (liability) recognised in the balance sheet	(191)	(121)

Gratuity cost for the year

Particulars	` in lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Service cost	88	55
Past Service Cost	17	-
Interest cost	27	25
Expected return on plan assets	(18)	(16)
Actuarial loss/(gain)	(2)	(1)
Net gratuity cost	112	63

NOTES TO ACCOUNTS

Assumptions

Particulars

For the year ended
31 March 2018For the year ended
31 March 2017

Discount rate	7.80%	7.40%
Estimated rate of return on plan assets	7.50%	7.50%
Salary increase	10.00%	10.00%
Attrition rate		
Up to 30 years	0.34%	0.34%
31 - 44 years	0.01%	0.01%
Above 44 years	0.02%	0.02%

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

Information of plan assets, defined benefit obligation and experience adjustments:

` in lakhs

Particulars	As at and for the year ended 31 March				
	2014	2015	2016	2017	2018
Present value of the defined benefit obligations	(206)	(289)	(315)	(369)	(457)
Fair value of plan assets	152	175	186	248	266
Surplus/ (Deficit)	(54)	(114)	(129)	(121)	(190)
Experience adjustment on plan assets [Gain / (Loss)]	-	-	-	-	-
Experience adjustment on plan liabilities [(Gain) / Loss]	(20)	9	(28)	(1)	(2)

Sensitivity Analysis

Particulars	31-Mar-17	31-Mar-18
Defined Benefit Obligation (Base)	369	456

Particulars	31-Mar-17		31-Mar-18	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	417.80	327.80	523.30	400.80
(% change compared to base due to sensitivity)	13.4%	-11.1%	14.7	-12.1%
Salary Growth Rate (- / + 1%)	331.91	409.61	402.90	517.21
(% change compared to base due to sensitivity)	-9.9%	11.2%	-11.7%	13.4%
Attrition Rate (- / + 50% of attrition rates)	368.67	368.31	456.29	455.80
(% change compared to base due to sensitivity)	0.0%	0.0%	0.1%	-0.1%
Mortality Rate (- / + 10% of mortality rates)	368.75	368.23	456.37	455.72
(% change compared to base due to sensitivity)	0.1%	-0.1%	0.1%	-0.1%

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

NOTES TO ACCOUNTS

26 Related parties disclosures

(i) List of related parties:

Name of Company

Holding Company & Group

Coffee Day Enterprises Limited ('CDEL')
 Coffee Day Global Limited (CDGL)
 Tanglin Retail Realty Developments Pvt Ltd ('TRRDPL')
 Way2wealth Brokers Private Limited ('W2W')
 Giri Vidyuth India Limited ('GVIL')
 Magnasoft Consulting India Pvt Ltd ('MCIPL')
 Coffee Day Hotels & Resorts Private Limited ('CDHRPL')

Relationship

Ultimate Holding Company
 Fellow Subsidiary
 Fellow Subsidiary
 Fellow Subsidiary
 Fellow Subsidiary
 Fellow Subsidiary
 Fellow Subsidiary

Sical Infra Assets Limited ('SIAL')
 Sical Iron Ore Terminals Limited ('SIOT')
 Sical Iron Ore Terminals (Mangalore) Limited ('SIOTML')
 Sical Adams Offshore Limited ('SAOL')
 Norsesea Offshore India Limited (NOIL)
 Sical Saumya Mining Limited ('SSML')
 Sical Mining Limited ('SML')
 PNX Logistics Private Limited ('PNX')
 Patchems Private Limited ('Patchems')
 Develecto Mining Limited ('DML')
 Sical Multimodal and Rail Transport Limited ('SMART')
 Sical Bangalore Logistics Park Limited ('SBLPL')
 Bergen Offshore Logistics Pte Ltd ('Bergen')
 Norsesea Offshore Logistics Pte Ltd ('Norsea')
 PSA Sical Terminals Limited ('PSA')
 Sical Sattva Rail Terminal Private Limited ('SSRTPL')

Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Indian Subsidiary
 Step down Indian Subsidiary (Through SIAL)
 Step down Indian Subsidiary (Through SIAL)
 Foreign Subsidiary
 Step down Foreign Subsidiary (Through Bergen)
 Joint Venture
 Joint Venture (Through SMART)

(ii) Details of Key Managerial Personnel:

Name of Personnel

Mr Ram Mohan
 Mr Kush Desai
 Mr Sumith R Kamath
 Mr V Radhakrishnan

Designation

Chairman
 Joint Managing Director
 Chief Financial Officer
 Company Secretary

(iii) Details of the Directors of the Company:

Name of Personnel

Mr. R. Ram Mohan
 Mr. Kush S Desai
 Mr. Sunil Deshmukh
 Mrs. Shweta Shetty
 Mr. H.R. Srinivasan
 Mr. H. Rathnakar Hegde
 Mr. S. Ravinarayanan
 Mr. Sudhir V Kamath

Designation

Chairman
 Joint Managing Director
 Director
 Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director

NOTES TO ACCOUNTS

(iv) Related parties with whom transactions have taken place during the year:

					in lakhs
Particulars	Subsidiaries	Joint Venture Companies	Holding Company & Group	Key Management Personnel	
For the year ended 31 March 2018					
Rendering of services					
SMART	584	-	-		
NOIL	25	-	-	-	
SIOT	1	-	-	-	
SSML	11,947	-	-	-	
CDGL	-	-	6,283	-	
Receiving services					
SMART	68	-	-	-	
PNX	87	-	-	-	
CDEL	-	-	7	-	
CDGL	-	-	13	-	
TDL	-	-	13	-	
W2W	-	-	14	-	
CDHRPL	-	-	6	-	
Loans and advances received from holding company	-	-	1,997	-	
Loans and advances given to subsidiaries	12,516	-	4	-	
Interest expense on inter-corporate deposit					
SMART	231	-	-	-	
Interest income on inter-corporate guarantee					
SMART	73	-	-	-	
PNX	4	-	-	-	
NOIL	18	-	-	-	
SSML	30	-	-	-	
Interest income on inter-corporate deposit					
SIOT	9,104	-	-	-	
PNX	16	-	-	-	
Rental income received					
SMART	43	-	-	-	
Investment in equity instrument of subsidiary					
DML	1	-	-	-	
Managerial Remuneration	-	-	-	24	

NOTES TO ACCOUNTS

` in lakhs				
Particulars	Subsidiaries	Joint Venture Companies	Holding Company & Group	Key Management Personnel
For the year ended 31 March 2018				
Rendering of services				
SMART	465	-	-	-
NOIL	100	-	-	-
SIOT	243	-	-	-
SSML	11,461	-	-	-
CDGL	-	-	4,782	-
Receiving services				
SMART	222	-	-	-
CDEL	-	-	12	-
CDGL	-	-	16	-
TRRDPL	-	-	6	-
W2W	-	-	16	-
Repayment of loans and advances by subsidiaries				
SSML	8,500	-	-	-
Loans and advances received from subsidiaries				
SSML	2,273	-	-	-
Repayment of loans and advances to subsidiaries				
SMART	658	-	-	-
NOIL	1,495	-	-	-
Loans and advances given to subsidiaries				
SIOT	24,476	-	-	-
SBLPL	108	-	-	-
SIOT(M)L	108	-	-	-
Interest expense on inter-corporate deposit				
SMART	244	-	-	-
SSML	9	-	-	-
Interest income on inter-corporate guarantee				
SMART	42	-	-	-
SIOT	7	-	-	-
NOIL	26	-	-	-
SSML	31	-	-	-
Interest income on inter-corporate deposit				
SIOT	7,194	-	-	-
SSML	89	-	-	-
Rental income received				
SMART	42	-	-	-
Investment in equity instrument of subsidiary				
SML	1	-	-	-
Managerial Remuneration	-	-	-	24

NOTES TO ACCOUNTS

(v) Amount outstanding as at the balance sheet date:

					in lakhs
Particulars	Subsidiaries	Joint Venture Companies	Holding Company & Group	Key Management Personnel	
As at 31 March 2018					
Other current liabilities					
TRRDPL	-	-	18,995	-	
Other current financial assets					
Advances given to subsidiaries	77,092	-	4	-	
Magnasoft	-	-	4	-	
Trade receivables					
CDGL	-	-	902	-	
Trade payables					
CDEL	-	-	2	-	
CDGL	-	-	1	-	
Mindtree			2		
W2W	-	-	2	-	

					in lakhs
Particulars	Subsidiaries	Joint Venture Companies	Holding Company & Group	Key Management Personnel	
As at 31 March 2017					
Other current liabilities					
TRRDPL	-	-	16,998	-	
Other current financial assets					
Advances given to subsidiaries	64,572	-	-	-	
Trade receivables					
SSML	1,926	-	-	-	
CDGL	-	-	1,356	-	
Trade payables					
CDEL	-	-	1	-	
MCIPL	-	-	43	-	
W2W	-	-	3	-	

27 Leases

The Company has taken on lease office premises under cancelable operating lease agreements. The company intends to renew such leases in the normal course of business.

			in lakhs
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	
Rent	162	139	

NOTES TO ACCOUNTS

28 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activity is promoting education. The funds were utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

29 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The expected credit loss model takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from top customer	13.67%	24.11%
Revenue from top five customers	38.94%	75.18%

Three customers accounted for more than 10% of the revenue and trade receivables for the year ended 31 March 2018.

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2018 was ₹ 854 lakhs.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, processes and policies related to such risks are overseen by senior management.

The working capital (current assets minus current liabilities) position of the Company as on 31 March 2018 is ₹ 40,926 lakhs including cash and cash equivalents.

NOTES TO ACCOUNTS

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Note	As at 31 March 2018		
		Less than 1 year	1-2 years	More than 2 years
Borrowings	10.1, 13.1 and 13.3	57,157	29,179	38,953
Trade payable	13.2	5,801	-	-

in lakhs

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk primarily include borrowings and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign currency revenues and expenses (primarily in U.S. dollars, and Euros), foreign currency payable (in Euro) and foreign currency receivables (in USD). The following tables present foreign currency risk:

Expenditure in foreign currency:

Particulars	in lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Travel	25	40
Repairs and maintenance	-	12
Ocean freight and port dues	4,551	4,441
Others	4	19
Total	4,580	4,512

Earnings in foreign currency:

Particulars	in lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Agency receipts	757	827
Transportation	472	-
Others	-	39
Total	1,229	866

Particulars of un-hedged foreign currency exposure as at the balance sheet date

NOTES TO ACCOUNTS

Particulars	Foreign currency	` in lakhs			
		As at 31 Mar 2018		As at 31 Mar 2017	
		Foreign currency amount	INR	Foreign currency amount	INR
Other long term liabilities	EUR	-	-	17	1,170
Borrowings	EUR	124	10,000	144	10,000
Short term loans and advances	USD	1	47	206	13,389
Provision for expenses	USD	13	835	10	674
Advance from customers	USD	3	206	2	148
Trade Receivables	USD	-	10	1	68
Cash in Bank	USD	-	11	-	28

30 Interest in joint venture

The Company has a 37.50% interest in PSA Sical Terminal Limited ('PSA'), a joint venture involved in container-handling operation at Tuticorin Port. The Company's interest in PSA is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements are set out below:

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Assets		
Non-current assets	216	253
Current assets	3,140	2,519
Liabilities		
Non current liabilities	14	14
Current liabilities	1,036	935
Income	6,068	6,078
Expenses (including taxes)	5,586	5,931

- 30A** The Board of Directors at their meeting held on 4 April 2018, approved a Scheme of Arrangement [Demerger] between Sical Logistics Limited, Norsesea Offshore India Limited and their respective shareholders and creditors for taking over the dredger business hitherto carried out by Norsesea Offshore India Limited whereby the Company proposes to enhance the dredging business with the expertise available in offshore logistics thereby ensuring business continuity and cash neutrality benefits in this area. It is envisaged that the said demerger, if approved, shall be in the larger interest of the shareholders, creditors and employees of the Company and help to achieve effective growth of dredger business.

NOTES TO ACCOUNTS

31 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2018 and 31 March 2017 are as follows:

in lakhs					
Particulars	Note	Carrying value		Fair value	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Financial Assets					
Amortised cost					
Investments in equity instruments of subsidiaries/joint ventures	3.1	30,383	28,922	30,383	28,922
Trade receivables	3.2 and 6.1	24,737	21,606	24,737	21,606
Other non-current financial assets	3.3	4,524	2,804	4,524	2,804
Cash and cash equivalents	6.2	349	3,872	349	3,872
Other current financial assets	6.3	78,123	66,111	78,123	66,111
Fair Value Through Profit and Loss ('FVTPL')					
Investments in equity instruments (quoted)	3.1	13	13	13	13
Total financial assets		1,38,129	1,23,328	1,38,129	1,23,328
Financial liabilities					
Amortised cost					
Borrowings	10.1 and 13.1	79,902	79,168	79,902	79,168
Other financial liabilities	13.3	23,715	16,777	23,715	16,777
Trade payables	13.2	5,801	4,162	5,801	4,162
FVTPL					
Derivative liability	10.1 and 13.1	150	150	150	150
Total financial liabilities		1,09,568	1,00,257	1,09,568	1,00,257

32 Fair value hierarchy

This explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES TO ACCOUNTS

32.1 Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2018:

in lakhs					
Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
Assets measured at fair value:					
FVTPL					
Investments in equity instruments (quoted)	3.1	13	13	-	-
Liabilities measured at fair value:					
FVTPL					
Derivative liability	10.1 and 13.1	150	-	150	-

32.2 Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2017:

					in lakhs
Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
Assets measured at fair value:					
FVTPL					
Investments in equity instruments (quoted)	3.1	13	13	-	-
Liabilities measured at fair value:					
FVTPL					
Derivative liability	10.1 and 13.1	150	-	150	-

32.3 Specific valuation techniques used to value the above financial instruments include:

- 1) the use of quoted market prices
- 2) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves "the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves"

As of 31 March 2018, every percentage point increase / decrease in the exchange rate will affect our obligation by approximately ₹ 62 lakhs.

33 The Company is primarily engaged in providing integrated logistics services which is considered as single business segment in terms of segment reporting as per AS 108. There being no services rendered outside India there are no separate geographical segments to be reported on.

34 Corresponding figures for the previous year presented have been regrouped, where necessary, to conform to the current year's classification.

For SRSV & Associates
Chartered Accountants
Firm registration number : 015041S

for and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran
Partner
Membership No. 020881

R Ram Mohan
Chairman

Kush Desai
Joint Managing Director

Chennai
Date: 11 May 2018

Sumith R Kamath
Chief Financial Officer
Bangalore
Date: 11 May 2018

V Radhakrishnan
Company Secretary

Annual Report 2017-18 CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To the Members of SICAL LOGISTICS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of M/s SICAL LOGISTICS LIMITED ("the Holding Company"), and its subsidiaries and its jointly controlled entities (collectively referred to as "the Company" or "the Group"), comprising of the consolidated Balance Sheet as at 31st March 2018, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the Companies in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their audit reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.
- (d) in the case of the Consolidated Statement of Changes in Equity, changes for the year ended on that date

Other Matters

- a) We have audited the financial statements of one subsidiary, whose financial statements reflect the Group's share of total assets of ₹ 1 lakh as at 31st March, 2018, and total revenue of ₹ NIL on that date.
- b) We did not audit the financial statements of the other subsidiaries, whose financial statements reflect the Group's share of total assets of ₹ 1,99,055 lakhs as at 31st March, 2018, total revenue of ₹ 23,069 lakhs and net cash flows amounting to ₹ (275) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the

Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- c) We did not audit the financial statements of PSA Sical Terminals Limited and Sical Sattva Rail Terminal Private Limited, jointly controlled entities, whose financial statements reflect the group's share of profit of ₹ 369 lakhs for the year ended 31st March 2018, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by other auditors.

The comparative consolidated financial information of the Company for the year ended March 31, 2017 are based on the previously issued statutory consolidated financial statements audited by CNGSN & Associates LLP, Chartered Accountants, the predecessor auditor, whose report for the year ended March 31, 2017 dated 10th May, 2017 expressed an unmodified opinion on those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated cash flow statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure 1".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For SRSV & Associates
 Chartered Accountants
 F.R.No.0150415

Place : Chennai
 Date : 11th May, 2018

V. RAJESWARAN
 Partner
 Membership No.020881

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of SICAL LOGISTICS LIMITED ("the Holding Company"), its subsidiary companies, and its jointly controlled enterprise which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, based on the test checks conducted by us, the Holding Company, its subsidiary companies, and its jointly controlled enterprise which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

We did not audit the internal financial control over financial reporting in so far as it relates to subsidiaries and joint ventures (except one subsidiary audited by us) which have been considered in the consolidated financial statements. The internal financial control over financial reporting in so far as it relates to such subsidiaries and joint ventures have been audited by other auditors whose reports has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial control over financial reporting for the Holding Company and its subsidiaries and joint ventures, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiaries and joint ventures is based solely on the report of the auditor of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For SRSV & Associates
Chartered Accountants
F.R.No.0150415

Place : Chennai
Date : 11th May, 2018

V. RAJESWARAN
Partner
Membership No.020881

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

Particulars	Note	in lakhs	
		As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	89,831	88,337
Capital work-in-progress	2	87,900	76,536
Other intangible assets	2	1,579	1,718
Goodwill		706	-
Financial Assets	3		
- Investments	3.1	2,415	1,703
- Trade receivables	3.2	604	-
- Other non-current financial assets	3.3	6,323	4,387
Other non-current assets	4	4,536	4,418
		<u>1,93,894</u>	<u>1,77,099</u>
Current assets			
Inventories	5	1,363	1,365
Financial Assets	6		
- Trade receivables	6.1	30,799	28,612
- Cash and cash equivalents	6.2	783	4,067
- Other current financial assets	6.3	1,177	1,599
Current Tax Assets (Net)	7	2,525	3,240
Other current assets	8	14,566	13,312
		<u>51,213</u>	<u>52,195</u>
Total Assets		<u><u>2,45,107</u></u>	<u><u>2,29,294</u></u>
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9	5,562	5,562
Other Equity	9.1	46,930	43,844
Equity attributable to the owners of the Company		<u>52,492</u>	<u>49,406</u>
Non-controlling interests		19,662	18,793
Total Equity		<u>72,154</u>	<u>68,199</u>
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	10.1	76,939	85,289
- Other financial liabilities			
Provisions	11	542	453
Deferred tax liabilities (net)	12	1,190	565
		<u>78,671</u>	<u>86,307</u>
Current liabilities			
Financial Liabilities	13		
- Borrowings	13.1	27,065	19,887
- Trade payables	13.2	10,797	9,162
- Other financial liabilities	13.3	29,718	22,434
Other current liabilities	14	26,624	23,153
Provisions	15	78	152
		<u>94,282</u>	<u>74,788</u>
Total Equity and Liabilities		<u><u>2,45,107</u></u>	<u><u>2,29,294</u></u>
Significant accounting policies	1		
Notes to the accounts	2 to 36		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached

For SRSV & Associates

Chartered Accountants

Firm registration number : 0150415

For and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran

Partner

Membership No. 020881

Chennai

Date: 11 May 2018

R Ram Mohan

Chairman

Sumith R Kamath

Chief Financial Officer

Bangalore

Date: 11 May 2018

Kush Desai

Joint Managing Director

V Radhakrishnan

Company Secretary

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

in lakhs			
Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	16	1,19,424	92,195
Other income	17	503	1,500
Total Income		1,19,927	93,695
Expenses			
Cost of services	18	86,815	66,878
Employee benefits expense	19	10,284	6,152
Finance costs	20	6,174	5,865
Depreciation and amortisation expense	2	6,276	4,279
Other expenses	21	5,071	4,225
Total expenses		1,14,620	87,399
Profit before Tax		5,307	6,296
Tax expense	22		
Current Tax		1,720	1,552
Deferred Tax		546	911
Profit for the period		3,041	3,833
Share of profit/(loss) from joint venture		369	98
Profit for the year		3,410	3,931
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		-	-
Others		-	-
Income Tax relating to items that will not be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		3,410	3,931
Attributable to:			
Owners of Company		3,009	3,835
Non- Controlling Interests		401	96
Earnings per equity share	24		
(1) Basic		5.41	6.90
(2) Diluted		5.41	6.90
Significant accounting policies	1		
Notes to the accounts	2 to 36		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached

For SRSV & Associates

Chartered Accountants

Firm registration number : 0150415

For and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran
Partner
Membership No. 020881

Chennai
Date: 11 May 2018

R Ram Mohan
Chairman

Sumith R Kamath
Chief Financial Officer
Bangalore
Date: 11 May 2018

Kush Desai
Joint Managing Director

V Radhakrishnan
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

` in lakhs			
Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from operating activities			
Profit before tax		5,307	6,296
Adjustments:			
Depreciation		6,276	4,279
Profit on sale of fixed assets		(100)	-
Interest and finance charges		6,174	5,865
Interest income		(350)	(1,066)
Forex loss		334	215
Operating cash flow before working capital changes		17,641	15,589
Changes in			
- Trade receivables		(2,791)	(7,662)
- Current/Non current financial assets		(296)	(578)
- Current/Non current assets		(4,603)	(6,000)
- Inventories		2	(40)
- Current/Non current financial liabilities		(85)	(319)
- Current/Non current liabilities		1,474	2,113
- Trade payables		1,635	1,612
- Provisions		15	6
Cash generated from operations		12,992	4,721
Income Taxes paid		(1,005)	764
Cash generated from operations [A]		11,987	5,485
Cash flows from investing activities			
Purchase of fixed assets (Including Capital Work in Progress)		(18,272)	(27,222)
Proceeds from sale of fixed assets		692	-
Bank deposit		(1,218)	2,549
Interest income		350	524
Net cash generated used in investing activities [B]		(18,448)	(24,149)
Cash flows from financing activities			
Proceeds from long term borrowings		17,034	60,123
Repayment of long term borrowings		(16,858)	(41,645)
Proceeds from holding company		1,997	-
Proceeds from/(repayment of) short term borrowings (net)		7,178	7,183
Finance cost		(6,174)	(5,865)
Net cash generated from financing activities [C]		3,177	19,796
Effect of exchange differences on translation of foreign currency cash and cash equivalents [D]			
Increase in cash and cash equivalents [A+B+C+D]		(3,284)	1,132
Cash and cash equivalents at the beginning of the year		4,067	2,935
Cash and cash equivalents at the end of the year		783	4,067
Components of cash and cash equivalents	6		
Cash on hand		32	54
Balances with banks			
- in current accounts		751	1,013
- in fixed deposits		-	3,000
Total cash and cash equivalents		783	4,067
Significant accounting policies	1		
Notes to the accounts	2 to 36		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached

For SRSV & Associates

Chartered Accountants

Firm registration number : 0150415

For and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran

Partner

Membership No. 020881

Chennai

Date: 11 May 2018

R Ram Mohan

Chairman

Sumith R Kamath

Chief Financial Officer

Bangalore

Date: 11 May 2018

Kush Desai

Joint Managing Director

V Radhakrishnan

Company Secretary

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1 Group overview and Significant Accounting Policies

1.1 Group overview

Sical Logistics Limited ('Sical' or 'SLL') founded in 1955 is a leading integrated logistics solutions provider. The Company is into every aspect of logistics namely port handling, road and rail transport, warehousing, shipping, stevedoring, customs handling, trucking, retail logistics, mining and integrated logistics.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Chennai, Tamilnadu. The Company has its equity shares listed on the BSE Limited and National Stock Exchange of India Limited [NSE] and its NCDs on the NSE. SLL is the parent company of the Sical Group. The Company, primarily through its subsidiaries and joint venture companies (together referred to as the Group) as detailed below are engaged in business in multiple verticals of logistics business.

The consolidated financial statements are approved for issue by the company's Board of Directors on 11 May 2018.

List of Subsidiaries with Percentage Holding:

Name of the entity	Country of incorporation and other particulars	Holding (%)
DIRECT SUBSIDIARIES		
Sical Infra Assets Limited ('SIAL')	a subsidiary of the Company incorporated under the laws of India	53.60
Sical Multimodal and Rail Transport Limited ('SMART')	a subsidiary of SIAL incorporated under the laws of India	100.00
Sical Bangalore Logistics Park Limited ('SBLPL')	a subsidiary of SIAL incorporated under the laws of India	100.00
Sical Iron Ore Terminals Limited ('SIOTL')	a subsidiary of the Company incorporated under the laws of India	63.00
Sical Iron Ore Terminal (Mangalore) Limited ('SIOT(M)L')	a subsidiary of the Company incorporated under the laws of India	100.00
Sical Adams Offshore Limited ('SAOL')	a subsidiary of the Company incorporated under the laws of India	100.00
Norsea Offshore India Limited ('NOIL')	a subsidiary of the Company incorporated under the laws of India	100.00
Bergen Offshore Logistics Pte Ltd ('Bergen')	a subsidiary incorporated under the laws of Singapore	100.00
Norsea Global Offshore Pte Ltd ('Norsea')	a subsidiary of Bergen incorporated under the laws of Singapore	100.00
Sical Saumya Mining Limited ('SSML')	a subsidiary of the Company incorporated under the laws of India	65.00
Sical Mining Limited ('SML')	a subsidiary of the Company incorporated under the laws of India	100.00
Develecto Mining Limited ('DML')	a subsidiary of the Company incorporated under the laws of India	51.00
PNX Logistics Private Limited ('PNX')	a subsidiary of the Company incorporated under the laws of India	60.00
Patchems Private Limited ('Patchems')	a subsidiary of the Company incorporated under the laws of India	51.00
JOINT VENTURES		
PSA Sical Terminal Limited ('PSA')	a joint venture incorporated under the laws of India	37.50
Sical Sattva Rail Terminals Private Limited ('SSRTPL')	a joint venture of SMART incorporated under the laws of India	50.00

1.2 Basis of preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Basis of Consolidation

The consolidated financial statements include the financial statements of Sical Logistics Limited ('SLL') and all its subsidiaries and joint ventures. The consolidated financial statements are prepared on the following basis:

- a) The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits/losses in full in accordance with Ind AS 110 Consolidated Financial Statements. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- b) In translating the financial statements of the non-integral foreign subsidiaries for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and nonmonetary are translated at the closing rate, while income and expense items are translated at the date of transaction. For practical reasons, a rate that approximates the actual exchange rates i.e. average rate for the period has been used and all resulting exchange differences are reflected in foreign currency translation reserve. Share Capital and opening reserves and surplus are carried at historical cost. The resulting net exchange difference are reflected in the foreign currency translation reserve.
- c) The proportionate share of the Group's interest in Joint Ventures is accounted under equity method of accounting in accordance with Ind AS 28 Investments in Associates and Joint Ventures.
- d) Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax.

1.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies All other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

1.5 Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- (i) **Income taxes:** Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to Note 1.17.
- (ii) **Property, plant and equipment:** Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (iii) **Other estimates:** The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

1.6 Revenue recognition

Revenue is recognized on accrual method on rendering of services when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

1.7 Property, plant and equipment

Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Depreciation: The Group depreciates property, plant and equipment over the estimated useful life on a straight-line as well as written down value basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Asset Class	Dep Rate	Method	Useful Life
Buildings	3.34%/1.67%	SLM	30 / 60
Workshop	33.34%	SLM	3
Furniture & Fixtures	10.00%/25.89%	SLM/WDV	10 / 15
Office Equipments	20.00%	SLM	5
EDP Equipments	33.34%/45.07%	SLM/WDV	3 / 5
Plant & Machinery	20.00%	SLM	5
Vehicles	12.50%	SLM	8
BOT Equipments	5.00%	SLM	20
Electrical Installations	10.00%/45.07%	SLM/WDV	10 / 5
Dredger	6.79%	SLM	14
Tender boat	6.79%	SLM	14
Pipes and floaters	19.26%	WDV	20

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the consolidated statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

1.8 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (i.e. the functional currency). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Group.

1.9 Foreign currency transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent on the date of transaction.

1.10 Financial instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

(i) **Financial assets at amortised cost:** A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and in fixed deposits with a original maturity period of less than 12 months from balance sheet date are considered as a part of the Group's cash management system.

- (ii) **Financial liabilities at amortised cost:** Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

1.11 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group enters into certain derivative contracts such as interest rate swaps and currency swaps to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.12 Impairment

- a) **Financial assets:** In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.

- b) Non-financial assets:** The Group assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and the recoverable. Losses are recognised in the consolidated statement of profit and loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through consolidated statement of profit and loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

1.13 Employee Benefit

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Group has the following employee benefit plans:

- (a) Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

- (b) **Compensated absences:** The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Group recognizes actuarial gains and losses immediately in the consolidated statement of profit and loss.

1.14 Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

1.15 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.16 Finance income and expense

Finance income consists of interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

1.17 Income Tax

Income Tax comprises current and deferred Tax. Income Tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- (a) **Current Income Tax:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

- (b) **Deferred income tax:** Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

1.18 Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.19 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

CONSOLIDATED NOTES TO ACCOUNTS

2 Property, plant and equipments
Current year 2017-18

in lakhs

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2017	Additions during the year	Deletions during the year	As at 31 March 2018	As at 1 April 2017	Additions during the year	As at 31 March 2018	As at 31 March 2017
Tangible assets								
Freehold land	38,952	179	-	39,131	-	-	39,131	38,952
Buildings	9,153	1,464	12	10,605	754	344	9,517	8,399
Plant and machinery	14,196	1,332	44	15,484	3,620	1,380	10,494	10,576
Office equipments	1,795	178	-	1,973	343	105	1,525	1,452
Furnitures and fixtures	439	105	-	544	371	31	142	68
EDP Equipments	578	109	-	687	485	66	136	93
Vehicles	21,801	4,232	323	25,710	4,409	2,737	18,770	17,392
Port handling equipment	11,696	377	-	12,073	9,037	531	2,505	2,659
Dredger	13,374	104	348	13,130	4,867	861	7,402	8,507
Tender boat	315	3	9	309	104	20	185	211
Pipes and floaters	110	-	-	110	83	4	23	27
Electrical installation	4	-	-	4	3	-	1	1
Total	112,413	8,083	736	119,760	24,076	6,079	89,831	88,337
Intangible assets								
Software	113	54	-	167	17	48	102	96
Licence fees	2,028	4	-	2,032	406	149	1,477	1,622
Total	2,141	58	-	2,199	423	197	1,579	1,718
Capital Work in Progress	76,536	11,446	82	87,900	-	-	87,900	76,536
Total	76,536	11,446	82	87,900	-	-	87,900	76,536
GRAND TOTAL	191,090	19,587	818	209,859	24,499	6,276	179,310	166,591

Note : The opening balances of assets have been re-grouped based on the business acquisitions of two subsidiaries PNX Logistics Private Limited and Patchems Private Limited made by the Company during the financial year 2017-18.

CONSOLIDATED NOTES TO ACCOUNTS

2 Property, plant and equipments
Previous year 2016-17

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 April 2016	Additions during the year	Deletions during the year	As at 31 March 2017	As at 1 April 2016	Additions during the year	Deletions during the year	As at 31 March 2017	As at 31 March 2016
in lakhs									
Tangible assets									
Freehold land	38,082	566	-	38,648	-	-	-	38,648	38,082
Buildings	7,457	1,974	-	9,431	541	211	-	8,679	6,916
Plant and machinery	11,442	3,621	-	15,063	2,542	1,016	-	11,505	8,900
Office equipments	457	367	-	824	295	51	-	478	162
Furnitures and fixtures	401	28	-	429	352	9	-	68	49
EDP Equipments	459	145	-	604	427	28	-	149	32
Vehicles	10,521	11,370	-	21,891	3,057	1,452	-	17,382	7,464
Port handling equipment	11,673	22	-	11,695	8,515	522	-	2,658	3,158
Dredger	13,673	-	300	13,373	3,976	892	-	8,505	9,697
Tender boat	322	-	7	315	83	21	-	211	239
Pipes and floaters	110	-	-	110	78	5	-	27	32
Electrical installation	4	-	-	4	3	-	-	1	1
Leasehold development	-	26	-	26	-	-	-	26	-
Total	94,601	18,119	307	1,12,413	19,869	4,207	-	88,337	74,732
Intangible assets									
Software	127	105	-	232	103	13	-	116	24
Licence fees	1,909	-	-	1,909	248	59	-	1,602	1,661
Total	2,036	105	-	2,141	351	72	-	1,718	1,685
Capital Work in Progress	67,269	9,267	-	76,536	-	-	-	76,536	67,269
Total	67,269	9,267	-	76,536	-	-	-	76,536	67,269
GRAND TOTAL	1,63,906	27,491	307	1,91,090	20,220	4,279	-	1,66,591	1,43,686

		` in lakhs	
		As at	As at
		31 March 2018	31 March 2017
3 Financial Assets			
3.1 Investments			
Investments in equity instruments			
Joint Ventures (unquoted)			
- PSA Sical Terminals Ltd- 56,25,030 Shares (PY - 56,25,030 Shares) of ` 10/- each fully paid up		2,306	1,488
- Sical Sattva Rail Terminals Private Limited- 17,25,000 Shares (PY - 17,25,000 Shares) of ` 10/- each fully paid up		96	202
Other investments			
Investment in equity instruments - Quoted			
- Sicagen India Ltd Shares 50,000 Shares (PY - 50,000 Shares) of ` 10/- each fully paid up		13	13
		<u>2,415</u>	<u>1,703</u>
Aggregate book value of quoted investments		13	13
Aggregate market value of quoted investments		18	13
Aggregate value of unquoted investments		<u>2,402</u>	<u>1,690</u>
3.2 Trade receivables			
		As at	As at
		31 March 2018	31 March 2017
Unsecured, considered good		604	-
		<u>604</u>	<u>-</u>
3.3 Other non current financial assets			
		As at	As at
		31 March 2018	31 March 2017
Margin money deposits with banks*		4,884	3,360
<i>Unsecured, considered good</i>			
Security deposits		1,439	1,027
		<u>6,323</u>	<u>4,387</u>
*Given as security for financing facility availed by the Company. These fixed deposits cannot be withdrawn by the Company within 12 months of balance sheet date.			
4 Other non-current assets			
		As at	As at
		31 March 2018	31 March 2017
Unsecured, considered good			
Other advances			
- LIC fund for gratuity		355	263
- Capital advances		594	695
- Other advances		1,530	1,530
- Balances with government authorities		2,057	1,930
		<u>4,536</u>	<u>4,418</u>

Current assets

	As at 31 March 2018	As at 31 March 2017
5 Inventories		
Stores and spares	1,346	1,347
Diesel	17	4
Loose tools	-	14
	<u>1,363</u>	<u>1,365</u>

	As at 31 March 2018	As at 31 March 2017
6 Financial Assets		
6.1 Trade receivables		
Unsecured, considered good*	30,799	28,612
Doubtful	2,180	2,783
Less: Provision for doubtful receivables	(2,180)	(2,783)
	<u>30,799</u>	<u>28,612</u>

*Refer note 26 for the amount receivable from the related parties.

	As at 31 March 2018	As at 31 March 2017
6.2 Cash and cash equivalents		
Balances with Banks (of the nature of cash and cash equivalents)		
- in current accounts	751	1,013
Cash on hand	32	54
Other bank balances		
- in fixed deposit accounts with banks* (Refer note below)	-	3,000
	<u>783</u>	<u>4,067</u>

Note: Fixed deposits with original maturity period of less than 3 months are classified as "Cash and cash equivalents" and fixed deposits with original maturity period of greater than 3 months, but with a maturity date of less than 12 months from balance sheet date are classified as "Other bank balances."

*includes ₹ Nil (Previous year: ₹ 3,000 lakhs) given as security for loan availed by the Company. These fixed deposits cannot be withdrawn by the Company till the loan is closed.

	As at 31 March 2018	As at 31 March 2017
6.3 Other current financial assets		
Interest accrued on fixed deposits	127	433
<i>Unsecured, considered good</i>		
- security deposits	1,032	1,131
- insurance claims	18	35
	<u>1,177</u>	<u>1,599</u>

	As at 31 March 2018	As at 31 March 2017
7 Current Tax Assets (Net)		
Advance Income Tax, net of provision for Tax	2,525	3,240
	<u>2,525</u>	<u>3,240</u>

	` in lakhs	
	As at	As at
	31 March 2018	31 March 2017
8 Other current assets		
Unsecured, considered good		
Other advances		
- prepaid expenses	9,157	8,418
- advances for supply of goods and rendering of services	4,249	3,210
- tax credit receivable	109	278
- statutory advances	-	866
- other receivables	1,051	540
	<u>14,566</u>	<u>13,312</u>

CONSOLIDATED NOTES TO ACCOUNTS

Notes to Accounts
Part - I Balance Sheet
9 Share capital

Particulars	Authorised		Issued		Subscribed		Paid-up	
	Number of share	Face value	Total value (₹ In Lakhs)	Number of share	Total value (₹ In Lakhs)	Number of share	Total value (₹ In Lakhs)	Total value (₹ In Lakhs)
Previous Year 2016-17								
Equity Shares		10						
Opening balance as on 1 Apr 2016	6,00,00,000		6,000	5,56,42,032	5,564	5,56,01,694	5,560	
Increase during the year					-		-	
Closing balance as on 31 Mar 2017	6,00,00,000		6,000	5,56,42,032	5,564	5,56,01,694	5,560	
Preference shares								
Opening balance as on 1 Apr 2016	15,00,00,000		15,000	-	-	-	-	
Increase during the year								
Closing balance as on 31 Mar 2017	15,00,00,000		15,000	-	-	-	-	
Equity shares forfeited								
Opening balance as on 1 Apr 2016	-		-	-	-	-	-	2
Increase during the year	-		-	-	-	-	-	-
Closing balance as on 31 Mar 2017	-		-	-	-	-	-	2
Total			21,000		5,564		5,564	5,562
Current Year 2017-18								
Equity Shares		10						
Opening balance as on 1 Apr 2017	6,00,00,000		6,000	5,56,42,032	5,564	5,56,01,694	5,560	
Increase during the year					-		-	
Closing balance as on 31 Mar 2018	6,00,00,000		6,000	5,56,42,032	5,564	5,56,01,694	5,560	
Preference shares								
Opening balance as on 1 Apr 2017	15,00,00,000		15,000	-	-	-	-	
Increase during the year								
Closing balance as on 31 Mar 2018	15,00,00,000		15,000	-	-	-	-	
Equity shares forfeited								
Opening balance as on 1 Apr 2017	-		-	-	-	-	-	2
Increase during the year	-		-	-	-	-	-	-
Closing balance as on 31 Mar 2018	-		-	-	-	-	-	2
Total			21,000		5,564		5,564	5,562

Of the above

- a) 93,20,003 Equity Shares of ₹10 each were allotted as fully paid up as per the earlier schemes of Amalgamation
- b) 98,60,910 Equity Shares of ₹10 each were Allotted as fully paid up to the share holders of 3,45,13,195, 1% Preference Shares on 1 Apr 1997 in terms of Special resolution passed by the shareholders on 9 December 1996.
- c) 47,61,908 Equity shares of ₹10 each were allotted as fully paid up by way of bonus shares by capitalisation of securities premium.

CONSOLIDATED NOTES TO ACCOUNTS

PART I - BALANCE SHEET

Note 9 Share capital (contd.)

- (i) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors shall be subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

- (ii) Details of shares held by the holding company:

Particulars	Equity shares with voting rights Number of shares
As at 31 March 2018:	
Tanglin Retail Reality Developments Private Limited, the holding company	2,93,72,268
As at 31 March 2017:	
Tanglin Retail Reality Developments Private Limited, the holding company	2,93,72,268

- (iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Tanglin Retail Reality Developments Pvt Ltd	2,93,72,268	52.83%	2,93,72,268	52.83%
Gagandeep Credit Capital Pvt Ltd	40,59,389	7.30%	30,58,336	5.50%

- (iv) Details of forfeited shares

Class of shares	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount originally paid up (₹)	Number of shares	Amount originally paid up (₹)
Equity shares with voting rights	36,098	1,80,490	36,098	1,80,490

- (v) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

- (vi) There are no shares for which calls remain unpaid.

9.1 Other Equity

₹ in lakhs

Particulars	Other reserves				Foreign Currency Translation Reserve	Retained earnings	Other items of Other Comprehensive Income	Equity attributable to owners of the company	Non-controlling interests
	Securities Premium	Debenture redemption reserve	General reserve	Capital reserve					
Balance as at 1 April 2016	13,004	1,500	3,294	1,555	272	20,385	-	40,010	18,697
Total Comprehensive Income for the year	-	-	-	-	-	3,835	-	3,835	96
Transferred to Debenture Redemption Reserve*	-	500	-	-	(1)	(500)	-	(1)	-
Balance as on 31 March 2017	13,004	2,000	3,294	1,555	271	23,720	-	43,844	18,793
Balance as at 1 April 2017	13,004	2,000	3,294	1,555	271	23,797	-	43,921	19,261
Total Comprehensive Income for the year	-	-	-	-	-	3,009	-	3,009	401
Transferred to Debenture Redemption Reserve*	-	1,000	-	-	-	(1,000)	-	-	-
Balance as on 31 March 2018	13,004	3,000	3,294	1,555	271	25,806	-	46,930	19,662

*The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of debentures.

Non-current liabilities

		` in lakhs	
10	Financial Liabilities	As at 31 March 2018	As at 31 March 2017
10.1	Borrowings		
	Secured		
	Debentures		
	1,000 (Previous year: 1,000) 11% Secured listed NCD of ` 10 lakhs each issued to RBL Bank Limited (refer note i)	10,000	10,000
	900 (Previous year: 1,000) 11% Secured listed NCD of ` 10 Lakhs each issued to IDFC Bank Ltd (refer note ii)	9,000	10,000
	Term loans		
	from banks		
	- Canara Bank (refer note iii)	8,438	6,250
	- IndusInd Bank (refer note iva, ivb and ivc)	4,885	5,348
	- Bank of Baroda(refer note va, vb) and vc)	7,230	10,061
	- South Indian Bank (refer note vi)	1,666	3,333
	- YES Bank (refer note viia, viib, viic and viid)	13,054	20,867
	- Axis Bank (refer note viii)	1,588	754
	- Kotak Mahindra Bank (refer note ix)	397	515
	- DCB Bank (refer note x)	1,160	1,350
	- RBL Bank Limited (refer note xia, xib)	3,978	4,900
	- Standard Chartered Bank (refer note xii)	6295	-
	- Corporation Bank (refer note xiii)	883	-
	from other parties		
	- SREI Infrastructure Finance Limited (refer note xiv)	2,439	3,482
	- Sundaram Finance Limited (refer note xv)	829	1,400
	- Tata Motor Finance Limited (refer note xvi)	580	481
	- Daimler Financial Services India Private Limited (refer note xvii)	1,131	2,178
	- Cholamandalam Invst & Finance Co Ltd (refer note xviii)	822	1,078
	- HDB Financial Service Ltd (refer note xix)	81	106
	- Reliance Commercial Finance Limited (refer note xx)	134	240
	- Siemens Financial Services Private Limited (refer note xxi)	423	129
	- Tata Motor Finance Solutions Limited (refer note xxii)	327	797
	- Volvo Financial Services India Private Limited (refer note xxiii)	1,449	1,870
	Others		
	Derivative liability (refer note xxiv)	150	150
		<u>76,939</u>	<u>85,289</u>

Notes:

(i) Non-convertible debentures issued to RBL

The Company has raised a sum of ` 10,000 lakhs through issue of 1000 Nos. Secured listed 11% Non-convertible debentures of ` 10 lakh each against the security of -

- (a) Exclusive first ranking mortgage on 0.60 acres of land situated at Anupampattu Village, Ponneri Taluk, Thiruvallur District, Tamil Nadu;
- (b) Exclusive first mortgage charge on land (admeasuring 19.5 acres) & Building situated there on at Minjur, Chennai;

SICAL LOGISTICS LTD.

CONSOLIDATED NOTES TO ACCOUNTS

- (c) First Pari passu mortgage charge along with existing charge holder on land (admeasuring around 2.248 acres) owned by SMART covering access road to above mentioned land & building;
- (d) Exclusive first charge over specific plant & machinery/ movable fixed assets (i.e 2 rakes & 1,030 Containers) and
- (e) Unconditional and irrevocable Corporate Guarantee of Sical Logistics Limited.

The NCDs are listed in NSE. The IDBI Trusteeship Services Ltd has been appointed as the debenture trustees. The debentures are redeemable in 10 semi-annual step-up tranches with a moratorium of 18 months with a total maturity period of 72 months. Interest on NCDs is payable semi-annually.

(ii) Non-convertible debentures issued to IDFC Bank Limited

The Company had raised a sum of ` 10,000 lakhs through issue of 1,000 Nos. secured listed 11% Non-convertible debentures of ` 10 lakh each against the security of dredger belonging to the subsidiary company viz Norse Offshore India Ltd for the purpose of redeeming the then existing debentures of Kotak Mahindra [earlier ING Vysya Bank Limited]. The NCDs are listed in NSE. The IDBI Trusteeship Services Ltd has been appointed as the debenture trustees. Debentures are redeemable on 25 June 2021.

(iii) Canara Bank

The Company has taken a secured term loan of ` 4,000 lakhs during FY 2013-14, ` 1,000 lakhs in FY 2014-15, ` 5,000 lakhs in FY 2016-17 and ` 5,000 lakh during the year against (1) security of pari passu second charge over current assets and movable fixed assets of the company (2) office building at Kolkata and Mumbai as collateral security with a moratorium period of 12 months. Loan is repayable in 16 equal quarterly installments. The interest rate as on 31 March 2018 is 11.55% (Previous year: 11.55%) which is linked to MCLR.

(iva) IndusInd Bank (Term loan)

The Company has taken a term loan of ` 2,700 lakhs during the FY 2013-14 against security of pari-passu charge on the Ennore Project Assets. Loan is repayable in 84 equal monthly instalments. The interest rate as on 31 March 2018 is 10.85% (Previous year: 10.98%) which is linked to the MCLR.

(ivb) IndusInd Bank (Term loan)

The Company had taken a term loan of ` 700 lakhs during FY 2016-17 for general corporate purposes. Loan is repayable in 45 equal monthly instalments. The Company had also availed ` 5,209 lakhs of term loan during FY 2016-17. Loan is repayable in 59 step-up monthly instalments including 3 months of moratorium. The interest rate as on 31 March 2018 is 10.85% (Previous year: 10.98%) which is linked to the base rate. The securities offered for these loans are as below (including term loan in (iiaa)):

- a) charge on receivables from Ennore project;
- b) pari-passu charge on the Ennore project assets and
- c) exclusive charge on the office building located at 11, 12, 13, 14 and 15 Rajgiri Chambers, Mumbai.

(ivc) IndusInd Bank (Equipment loan)

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 11.00% (Previous year: 11.00%).

(ivd) IndusInd Bank (Term loan)

The Company has availed a term loan of ` 1,300 lakhs during the current financial year for general corporate purposes. Loan is repayable in 55 monthly step-up instalments. The interest rate as on 31 March 2018 is 10.56% (Previous year: Nil) which is linked to the MCLR. The securities offered for these loans are same as term loan iva and ivb.

(va) Bank of Baroda

The Company had taken term Loan of ` 7,500 lakhs during the FY 2014-15 against security of certain Immovable properties (Land) for carrying out CAPEX and other expenditure for work orders awarded from Neyveli Lignite Corporation Limited and Mahanadi Coal fields Limited, with a moratorium period of 12 months. Loan is repayable in step up 16 quarterly instalments. The interest rate as on 31 March 2018 is 11.25% (Previous year: 13.10%) which is linked to the MCLR.

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CONSOLIDATED NOTES TO ACCOUNTS

(vb) Bank of Baroda

The Company has taken term loan of ₹ 344 lakhs secured by way of hypothecation charge of assets created out of term loan from CFS division. The loan is repayable in 21 monthly instalments. The interest rate as on 31 March 2017 is 11.40% (Previous year: Base Rate +1.75% being 11.40%).

(vc) Bank of Baroda

The Company has taken term loan of ₹ 9,405 lakhs against security of equitable mortgage of land and building situated at CFS Minjur comprising of 35.50 acres of land and charge on assets created out of term loan, with a moratorium period of 12 months. Loan is repayable in step up 24 quarterly instalments. The interest rate as on 31 March 2017 is 11.40% (Previous year: Base Rate +1.75% being 11.40%).

(vi) South Indian Bank

The Company had taken a term loan of ₹ 5,000 lakhs during the FY 2015-16 to meet its capital expenditure requirements against (1) security of movable fixed assets to be funded out of the loan amount (2) land at Kilacherry and Satharai, Tamilnadu, with a moratorium period of 24 months. Loan is repayable in 12 equal quarterly instalments. The interest rate as on 31 March 2018 is 11.00% (Previous year: 12.80%) which is linked to the MCLR.

(viia) YES Bank (Term loan)

The Company had taken a term loan of ₹ 13,000 lakhs during the FY 2015-16 to meet its capital expenditure requirements against security of fixed and current assets, with a moratorium period of 6 months. Loan is repayable in 18 quarterly instalments. The interest rate as on 31 March 2018 is 10.40% (Previous year: 14.50%) which is linked to the MCLR.

(viib) YES Bank (Term loan)

The Company has taken a term loan of ₹ 10,500 lakhs to meet its capital expenditure requirements against security of subservient charge over fixed and current assets. Loan is repayable in 10 step-up quarterly instalments, including moratorium of 6 months. The interest rate as on 31 March 2018 is 10.40% (Previous year: 11.25%) which is linked to the MCLR.

(viic) YES Bank (Term loan)

The Company had obtained ₹ 8000 lakhs term loan facility during FY 2012-13. This term loan is secured by subservient charge over dredger. The tenor of the loan is 84 months including a moratorium of 36 months followed by 16 quarterly repayment. The interest rate as on 31 March 2018 is 10.70% (Previous year: 10.70%) which is linked to the MCLR.

(viid) YES Bank (Equipment loan)

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.75% (Previous year: 10.75%).

(viii) Axis Bank

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.52% (Previous year: 9.52%). During the year the Company has obtained a sanctioned credit limit of ₹ 5,500 lakhs against the security of the assets purchased out of the loan for its mining projects. The loan is repayable in 6 years with a moratorium of 1.5 yrs and 18 quarterly step-up repayment thereafter. The interest rate as on 31 March 2018 is 9.43% (Previous year: Nil).

(ix) Kotak Mahindra Bank

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.01% (Previous year: 10.01%).

(x) DCB Bank Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.72% (Previous year: 10.00%) which is linked to the MCLR.

(xia) RBL Bank Limited

The loan is secured by (1) first exclusive charge over the current assets (including stock, receivables etc) both present and future of the Company (2) first exclusive charge over the moveable and immovable fixed assets both present and future of the Company and (3) Unconditional & irrevocable corporate guarantee of the holding company. The loan is repayable in 60 equal monthly installments. The interest rate as on 31 March 2018 is 11.50% (Previous year: Nil).

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(xib) RBL Bank Limited

The loan from bank is secured by (1) exclusive charge on current assets of the Company (2) an unconditional and irrevocable corporate guarantee of Sical Logistics Limited and (3) Pledge of shares to the extent of 30% shareholding of Sical Logistics Limited in the Company. The loan is repayable over 32 months including a moratorium period of 2 months. The interest rate as on 31 March 2018 is 11.70% (Previous year:12.45%).

(xii) Standard Chartered Bank

The Company has availed a term loan of ` 10,000 lakhs during the current year towards pre-operative expenses and payments of fees, costs and expenses in relation to specific mining projects. ` 4,500 lakhs loan is repayable in 32 monthly step-up installments and ` 5,500 lakhs loan is repayable in 48 monthly step-up installments. The securities offered for the credit facilities are as below -

- a) first ranking exclusive security interest over the Accounts and/or any other operating account established in relation to the specific mining projects, cash flows and distributions and agreements in relation to the specific mining projects and all monies, securities, instruments and/or cash equivalents deposited or required to be deposited in the Collection Account and/or any other operating account established in relation to the specific mining projects
- b) a first ranking security interest over all receivables in relation to the specific mining projects
- c) a second ranking security interest over the dredger belonging to the subsidiary company viz Norsesea Offshore India Ltd

(xiii) Corporation Bank

The loan is secured by a charge on the assets purchased out of the loan with a moratorium of 2 years and 12 half yearly step-up repayment. The interest rate as on 31 March 2018 is 10% which is linked to the MCLR. (Previous year: Nil).

(xiv) SREI Infrastructure Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.47% (Previous year: 9.47%).

(xva) Sundaram Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.34% (Previous year: 10.34%).

(xvb) Sundaram Finance Limited

The loan is secured by a charge on the purchased assets - trailers. The interest rate as on 31 March 2017 is 10.75% (Previous year: 10.75%).

(xvi) Tata Motor Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.79% (Previous year: 10.79%).

(xvii) Daimler Financial Services India Private Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.66% (Previous year: 10.66%).

(xviii)Cholamandalam Invst & Finance Co Ltd

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.39% (Previous year: 10.39%).

(xix) HDB Financial Service Ltd

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 11.00% (Previous year: 11.00%).

(xx) Reliance Commercial Finance Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 13.50% (Previous year: 13.50%).

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(xxi) Siemens Financial Services Private Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 9.60% (Previous year: 9.60%).

(xxii) Tata Motor Finance Solutions Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 10.28% (Previous year: 10.28%).

(xxiii) Volvo Financial Services India Private Limited

The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2018 is 8.95% (Previous year: 8.95%).

(xxiv) Currency swap and interest rate swap

The Company has entered into a currency swap and interest rate swap wherein the Rupee borrowing is converted into foreign currency borrowing i.e. Euro and Company receives the fixed interest in INR and pays a fixed interest in Euro, to obtain a lower interest rate than would have been possible without the swap.

(xxv) Non-convertible / redeemable debentures in descending order of redemption:

Particulars	Conversion/ maturity	Conversion/ maturity	Earliest date of conversion/ redemption
Non convertible redeemable debentures issued to RBL Bank Limited	None	Redemption	30 Sep 2018
Non convertible redeemable debentures issued to IDFC Bank Limited	None	Redemption	25 Jun 2021

(xxvi) There are no defaults in the repayment of the principal loan and interest amounts with respect to the above loans.

(xxvii) The aggregate amount of long-term borrowings secured by personal guarantee of promoters amounts to ₹ 93,194 lakhs (Previous year: ₹ 89,974 lakhs)

		₹ in lakhs	
11	Provisions	As at 31 March 2018	As at 31 March 2017
	Provision for employee benefits		
	- Gratuity (refer note 25)	539	453
	- National Pension Scheme	3	-
		<u>542</u>	<u>453</u>

		₹ in lakhs	
12	Deferred Tax liabilities (Net)	As at 31 March 2018	As at 31 March 2017
	Deferred Tax liability		
	Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	9,953	9,084
	Others	123	99
	Deferred tax assets		
	Expenditure covered under 43 B of Income-tax Act, 1961	(229)	(270)
	Unabsorbed losses	(5,620)	(5,789)
	Provision for doubtful trade receivables	(697)	(645)
	Minimum Alternate Tax credit entitlement	<u>(2,340)</u>	<u>(1,914)</u>
		<u>1,190</u>	<u>565</u>

Current liabilities

		` in lakhs	
		As at	As at
		31 March 2018	31 March 2017
13 Financial Liabilities			
13.1 Borrowings			
Secured			
Loans repayable on demand			
Working capital loan			
- Bank of Baroda (refer note ia and ib)		20,655	19,887
- DCB Bank Limited (refer note ii)		500	-
- RBL Bank Limited (refer note iiiia, iiib and iiic)		5,910	-
		<u>27,065</u>	<u>19,887</u>

Note:

(ia) Bank of Baroda

Working capital facility is secured by composite hypothecation of entire raw materials, stock in process, stores and spares, packing material, finished goods, plant and machinery etc and book debts and trade advances of the company both present and future as well as equitable mortgage of certain immovable properties. The interest rate as on 31 March 2018 is 10.00% (Previous year: 11.90%) which is linked to the MCLR.

(ib) Bank of Baroda

Working capital facility is secured by composite hypothecation agreement for hypothecation of entire raw materials, stock-in-process, stores & spares, packing materials, finished goods, etc and Book-debts & trade advance of the company, both present & future of CFS division. The interest rate as on 31 March 2017 is 11.40% (Previous year: Base Rate +1.75% being 11.40%).

(ii) DCB Bank Limited

The Company has availed a short-term loan ('STL') facility amounting to ` 500 lakhs with a tenure of 12 months. The STL is secured by (1) subservient charge on current assets of the Company and (2) securities offered as per note 11.1 (xi). The interest rate as on 31 March 2018 is 9.72% (Previous year: Nil) which is linked to the MCLR.

(iiiia) RBL Bank Limited

The Company has availed a short-term revolving loan ('STL') facility amounting to ` 2,450 lakhs with a tenure of 4 months. The STL is secured by subservient charge on current assets including stock and book debts of the Company, both present and future. The interest rate as on 31 March 2018 is 12.00% (Previous year: Nil) which is linked to the MCLR.

(iiib) RBL Bank Limited

The Company has availed a revolving working capital demand loan ('WCDL') facility amounting to ` 2,500 lakhs with a tenure of 6 months. The WCDL is secured by exclusive charge on entire current assets of the Company, both present and future. The interest rate as on 31 March 2018 is 11.50% (Previous year: Nil) which is linked to the base rate.

(iiic) RBL Bank Limited

The Company has availed a WCDL facility amounting to ` 1,400 lakhs secured by (1) first exclusive charge over the current assets (including stock, receivables etc) both present and future of the Company (2) first exclusive charge over the moveable and immovable fixed assets both present and future of the Company and (3) Unconditional & irrevocable corporate guarantee of the holding company. The interest rate as on 31 March 2018 is 11.50% (Previous year: Nil).

(iv) There are no defaults in the repayment of the principal loan and interest amounts with respect to the above loans.

(v) The aggregate amount of short-term borrowings secured by personal guarantee of promoters amounts to ` 25,324 lakhs (Previous year: ` 19,887 lakhs)

	As at 31 March 2018	As at 31 March 2017
13.2 Trade payables		
- Dues to micro and small enterprises (refer note below)	-	-
- Dues to other creditors*	10,797	9,162
	<u>10,797</u>	<u>9,162</u>

Note: According to the information available with the Company, there are no dues payable to Micro and Small Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006". The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneur's Memorandum Number as allocated after filling of the Memorandum. Further there are no dues payable to micro and small scale industries (previous year: ` Nil).

*Refer note 26 for the amount payable to the related parties.

	As at 31 March 2018	As at 31 March 2017
13.3 Other financial liabilities		
Current maturities of long-term debt*		
Debentures		
100 (Previous year: NIL) 11% Secured listed NCD of ` 10 lakhs each issued to RBL Bank Limited	1,000	-
Term loans		
from banks		
- Canara Bank	2,813	1,250
- IndusInd Bank	1,965	1,536
- Bank of Baroda	2,252	2,188
- South Indian Bank	1,667	1,667
- YES Bank	8,805	7,094
- Axis Bank	323	170
- Kotak Mahindra Bank	118	107
- DCB Bank	400	338
- RBL Bank Limited	2,297	2,868
- Bank of Baroda	625	-
- Standard Chartered Bank	2,825	-
from other parties		
- SREI Infrastructure Finance Limited	1,042	947
- Sundaram Finance Limited	572	514
- Tata Finance Limited	388	253
- Daimler Financial Services India Private Limited	1,047	941
- Cholamandalam Invst & Finance Co Ltd	254	229
- HDB Financial Service Ltd	25	22
- Reliance Commercial Finance Limited	107	94
- Siemens Financial Services Private Limited	113	22
- Tata Motor Finance Service Limited	95	146
- Volvo Financial Services India Private Limited	406	223
- Volkswagen Financial Services India Private Limited	6	10
Others		
- Interest accrued but not due	133	158
- Creditors for capital goods	1	54
- Payables on purchase of fixed assets	-	1,157
- Deposit Payable	85	89
- Accrued salaries and benefits	354	357
	<u>29,718</u>	<u>22,434</u>

*The details of interest rate, repayment terms, nature and value of securities furnished are disclosed under note 10.1.

		in lakhs
	As at	As at
	31 March 2018	31 March 2017
14 Other current liabilities		
Dues to related parties		
- Tanglin Retail Reality Developments Private Ltd (refer note 26)	18,995	16,998
Others		
Advance from customers	2,104	132
Statutory remittances payable	649	64
Creditors for expenses	4,876	5,959
	<u>26,624</u>	<u>23,153</u>
15 Provisions		
	As at	As at
	31 March 2018	31 March 2017
Provision for employee benefits		
- Gratuity (refer note 25)	17	27
- Compensated absence	61	125
	<u>78</u>	<u>152</u>

PART II - STATEMENT OF PROFIT AND LOSS

		in lakhs
	For the year ended	For the year ended
	31 March 2018	31 March 2017
16 Revenue from operations		
Sale of services		
Income from integrated logistics services	1,35,546	1,03,290
Taxes and Deductions		
Less: Service tax	(16,122)	(11,095)
	<u>1,19,424</u>	<u>92,195</u>
17 Other income		
	For the year ended	For the year ended
	31 March 2018	31 March 2017
Interest income		
Interest income	350	524
Other non operating income (net of expenses)		
Foreign exchange gain, net	(334)	(215)
Interest on Income Tax refund	212	542
Provisions no longer required written back	15	348
Rental income	37	271
Gain on sale of fixed asset	100	-
Miscellaneous income	123	30
	<u>503</u>	<u>1,500</u>

		in lakhs
	For the year ended 31 March 2018	For the year ended 31 March 2017
18 Cost of services		
Freight	18,797	18,738
Port charges	1,085	222
Handling and transportation	51,976	40,491
Repairs and maintenance		
- plant and machinery	3,511	3,137
Warehousing expenses	474	97
Incentives to customers	1,682	1,435
Operation and maintenance	9,290	2,758
	<u>86,815</u>	<u>66,878</u>
		in lakhs
	For the year ended 31 March 2018	For the year ended 31 March 2017
19 Employee benefits expense		
Salaries and wages	9,209	5,491
Contribution to provident and other funds		
- Gratuity and leave encashment	159	107
- Provident fund	208	148
Staff welfare expenses	708	406
	<u>10,284</u>	<u>6,152</u>
		in lakhs
	For the year ended 31 March 2018	For the year ended 31 March 2017
20 Finance costs		
Interest expense		
- term loan	4,047	4,812
- debentures	1,067	741
Other borrowing costs	1,060	312
	<u>6,174</u>	<u>5,865</u>

		in lakhs
	For the year ended 31 March 2018	For the year ended 31 March 2017
21 Other expenses		
Rent (refer note 27)	274	202
Security charges	524	414
Power and fuel	166	169
ERP maintenance expenses	126	119
Payment to auditor's	47	44
Travelling and conveyance	1,335	946
Legal, professional and consultancy	1,043	609
Rates and taxes	267	356
Membership and subscription	15	14
Repairs and maintenance	-	
- buildings	20	17
- vehicles	37	24
- others	240	71
Communication expenses	216	181
Insurance	306	194
Director's sitting fees	30	28
Commission to directors	45	31
Corporate Social responsibility (refer note 28)	97	57
Provision for doubtful debts	(797)	200
Rebates, Discount and Commission	5	9
Loss on sale of assets	40	
Miscellaneous expenses	1,035	540
	5,071	4,225
		in lakhs
22 Income Tax	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Income Tax:		
In respect of the current period	1,720	1,938
Reversal of previous year tax expense	-	(386)
Deferred Tax:		
In respect of the current period	1,051	935
Minimum Alternate Tax credit entitlement	(505)	(24)
Income tax expense reported in the statement of profit and loss	2,266	2,463

CONSOLIDATED NOTES TO ACCOUNTS

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	` in lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before income taxes	5,307	6,296
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	1,837	2,179
Tax rate difference	53	-
Impact of revision of previous years tax returns	280	-
Impact of Income Computation and Disclosure Standards	-	571
Reversal of previous year Tax expense	-	(386)
Unabsorbed business losses	-	41
Expenses disallowed for Tax purpose	129	145
Others	(34)	(87)
Total income tax expense	2,265	2,463

The tax rates under Indian Income Tax Act, for the year ended 31 March 2018 and 31 March 2017 is 34.61%.

Deferred tax

Deferred tax relates to the following:

Particulars	` in lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Property, plant and equipment	869	1,437
Expenditure covered under 43 B of Income-Tax Act, 1961	41	(9)
Unabsorbed losses	169	(962)
Provision for doubtful trade receivables	(52)	410
Others	24	59
Net deferred tax credit/ (expense)	1,051	935

23 Commitments and contingent liabilities

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Contingent liabilities		
Claims against the Company, not acknowledged as debt (other than those where in the possibility of any economic outflow in settlement is remote)		
- Direct Tax matters	2,420	1,176
- Indirect Tax matters	6,944	3,417
- Legal matters	12,990	12,848
Guarantees given by bankers for performance of contracts & others	18,148	19,942
Guarantees given for loans taken by other bodies corporate	320	320

CONSOLIDATED NOTES TO ACCOUNTS

24 Earnings per share (EPS)

The following table sets forth the computation of basic and diluted earnings per share:

(Figures in rupees lakhs except number of shares)

Particulars	As at 31 March 2018	As at 31 March 2017
Profit after taxation as per statement of profit and loss	3,009	3,835
Less: Dividends on preference shares and Tax thereon	-	-
Net profit attributable to equity shareholders for calculation of basic EPS	3,009	3,835
Add: Dividend on non-cumulative compulsorily convertible preference shares	-	-
Net profit adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	3,009	3,835

Particulars	As at 31 March 2018	As at 31 March 2017
Number of equity shares at the beginning of the year	5,56,01,694	5,56,01,694
Add: Weighted average number of equity shares issued during the year	-	-
Number of weighted average equity shares considered for calculation of basic earnings per share	5,56,01,694	5,56,01,694
Add: Dilutive effect of convertible preference shares	-	-
Number of weighted average shares considered for calculation of diluted earnings per share	5,56,01,694	5,56,01,694

Earnings / (loss) per share: (₹)

Basic	5.41	6.90
Diluted	5.41	6.90

25 Gratuity plan

The following table sets out the status of the unfunded gratuity plan as required under Ind AS 19 'Employee benefits'.

Reconciliation of the projected benefit obligations

Particulars	As at 31 March 2018	As at 31 March 2017
Change in projected benefit obligation		
Present value of obligation as at beginning of the year	480	420
Acquisition adjustment	-	-
Current service cost	102	70
Interest cost	36	33
Past service cost	23	-
Benefits paid	(56)	(33)
Actuarial loss/ (gain) on obligation	(28)	(10)
Obligations at year end	557	480

Change in plan assets

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets as at beginning of the year	334	263
Expected return on plan assets	25	22
Contributions	52	81
Benefits paid	(56)	(32)
Plans assets at year end, at fair value	355	334

Reconciliation of present value of the obligation and the fair value of the plan assets:

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Closing obligations	(557)	(480)
Closing fair value of plan assets	355	334
Asset / (liability) recognised in the balance sheet	(202)	(146)

Gratuity cost for the year

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Service cost	102	70
Interest cost	36	33
Expected return on plan assets	(25)	(22)
Past service cost	23	
Actuarial loss/(gain)	(28)	(10)
Net gratuity cost	108	71

Assumptions

Particulars	` in lakhs	
	As at 31 March 2018	As at 31 March 2017
Discount rate	7.80%	7.40%
Estimated rate of return on plan assets	7.50%	7.50%
Salary increase	10.00%	10.00%
Attrition rate		
Up to 30 years	0.34%	0.34%
31 - 44 years	0.01%	0.01%
Above 44 years	0.02%	0.02%

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

CONSOLIDATED NOTES TO ACCOUNTS

Information of plan assets, defined benefit obligation and experience adjustments:

in lakhs

Particulars	As at and for the year ended 31 March				
	2014	2015	2016	2017	2018
Present value of the defined benefit obligations	(273)	(388)	(420)	(480)	(558)
Fair value of plan assets	201	243	263	334	354
Surplus/ (Deficit)	(64)	(97)	(157)	(146)	(202)
Experience adjustment on plan assets [Gain / (Loss)]	1	-	-	-	-
Experience adjustment on plan liabilities [(Gain) / Loss]	(16)	(9)	(41)	(17)	(2)

Sensitivity Analysis

Particulars	31-Mar-17		31-Mar-18	
Defined Benefit Obligation (Base)	480		557	
	31-Mar-17		31-Mar-18	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	418	328	523	401
(% change compared to base due to sensitivity)	100%	100%	100%	100%
Salary Growth Rate (- / + 1%)	332	410	403	517
(% change compared to base due to sensitivity)	100%	100%	100%	100%
Attrition Rate (- / + 50% of attrition rates)	369	368	456	456
(% change compared to base due to sensitivity)	100%	100%	100%	100%
Mortality Rate (- / + 10% of mortality rates)	369	368	456	456
(% change compared to base due to sensitivity)	100%	100%	100%	100%

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

26 Related parties disclosures**(i) List of related parties:**

Name of Company	Relationship
Holding Company & Group	
Coffee Day Enterprises Limited ('CDEL')	Ultimate Holding Company
Coffee Day Global Reality Limited (CDGL')	Fellow Subsidiary
Tanglin Retail Reality Developments Pvt Ltd ('TRRDPL')	Holding Company
Way2wealth Brokers Private Limited ('W2W')	Fellow Subsidiary
Giri Vidyuth India Limited ('GVIL')	Fellow Subsidiary
Magnasoft Consulting India Pvt Ltd ('MCIPL')	Fellow Subsidiary
Coffee Day Hotels & Resorts Private Limited ('CDHRPL')	Fellow Subsidiary
Sical Infra Assets Limited ('SIAL')	Indian Subsidiary
Sical Iron Ore Terminals Limited ('SIOT')	Indian Subsidiary
Sical Iron Ore Terminal (Mangalore) Limited ('SIOTML')	Indian Subsidiary
Sical Adams Offshore Limited ('SAOL')	Indian Subsidiary
Norsea Offshore India Limited (NOIL')	Indian Subsidiary
Sical Saumya Mining Limited ('SSML')	Indian Subsidiary
Sical Mining Limited ('SML')	Indian Subsidiary
PNX Logistics Private Limited ('PNX')	Indian Subsidiary
Patchems Private Limited ('Patchems')	Indian Subsidiary
Develecto Mining Limited ('DML')	Indian Subsidiary

CONSOLIDATED NOTES TO ACCOUNTS

Sical Multimodal and Rail Transport Limited ('SMART')
 Sical Bangalore Logistics Park Limited ('SBLPL')
 Bergen Offshore Logistics Pte Ltd ('Bergen')
 Norsesea Global Offshore Pte Ltd ('Norsea')
 PSA Sical Terminals Limited ('PSA')
 Sical Sattva Rail Terminals Private Limited ('SSRTPL')

Step down Indian Subsidiary (Through SIAL)
 Step down Indian Subsidiary (Through SIAL)
 Foreign Subsidiary
 Step down Foreign Subsidiary (Through Bergen)
 Joint Venture
 Joint Venture (Through SMART)

(ii) Details of Key Managerial Personnel:

Name of Personnel

Mr Ram Mohan
 Mr Kush Desai
 Mr Sumith R Kamath
 Mr V Radhakrishnan

Designation

Chairman
 Joint Managing Director
 Chief Financial Officer
 Company Secretary

(iii) Details of the Directors of the Company:

Name of Director

Mr. R. Ram Mohan
 Mr. Kush S Desai
 Mr. Sunil Deshmukh
 Mrs. Shweta Shetty
 Mr. H.R. Srinivasan
 Mr. H. Rathnakar Hegde
 Mr. S. Ravinarayanan
 Mr. Sudhir V Kamath

Designation

Chairman
 Joint Managing Director
 Director
 Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director

(iv) Related parties with whom transactions have taken place during the year:

Particulars	` in lakhs		
	Joint Venture Companies	Holding Company & Group	Key Management Personnel
For the year ended 31 March 2018			
Rendering of services			
CDGL	-	6,283	-
Receiving services			
CDEL	-	7	-
CDGL	-	13	-
TDL	-	13	-
W2W	-	14	-
CDHRPL	-	6	-
SSRTPL	36	-	-
Loans and advances given to subsidiaries	-	4	-
Loans and advances received from holding company	-	1,997	-
Managerial Remuneration	-	-	108

	` in lakhs		
Particulars	Joint Venture Companies	Holding Company & Group	Key Management Personnel
	For the year ended 31 March 2017		
Rendering of services			
CDGL	-	4,782	-
Receiving services			
CDEL	-	12	-
CDGL	-	16	-
TRRDPL	-	6	-
W2W	-	16	-
SSRTPL	142	-	-
Managerial Remuneration	-	-	90

(v) Amount outstanding as at the balance sheet date:

in lakhs			
Particulars	Joint Venture Companies	Holding Company & Group	Key Management Personnel
As at 31 March 2018			
Other current liabilities			
TRRDPL	-	18,995	-
Trade receivables			
CDGL	-	902	-
Trade payables			
SSRTPL	237	-	-
CDGL	-	2	-
CDEL	-	1	-
Mindtree	-	2	-
W2W	-	2	-

` in lakhs			
Particulars	Joint Venture Companies	Holding Company & Group	Key Management Personnel
As at 31 March 2017			
Other current liabilities			
TRRDPL	-	16,998	-
Trade receivables			
CDGL	-	1,356	-
Trade payables			
SSRTPL	252	-	-
CDEL	-	1	-
MCIPL	-	43	-
W2W	-	3	-

CONSOLIDATED NOTES TO ACCOUNTS

27 Leases

The Company has taken on lease office premises under cancelable operating lease agreements. The company intends to renew such leases in the normal course of business.

` in lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	274	202

28 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activity is promoting education. The funds were utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

29 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The expected credit loss model takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from top customer	15.90%	19.34%
Revenue from top five customers	37.36%	64.11%

Three customers accounted for more than 10% of the revenue and trade receivables for the year ended 31 March 2018.

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2018 was ` 2,180 lakhs.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

CONSOLIDATED NOTES TO ACCOUNTS

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Note	As at 31 March 2018		
		Less than 1 year	1-2 years	More than 2 years
Borrowings	10.1, 13.1 and 13.3	67,730	35,112	58,717
Trade payable	13.2	10,797	-	-

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk primarily include borrowings and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign currency revenues and expenses (primarily in U.S. dollars, British pound sterling and euros), foreign currency payable (in Euro) and foreign currency receivables (in USD). The following tables present foreign currency risk:

Expenditure in foreign currency:

Particulars	As at	As at
	31 March 2018	31 March 2017
Travel	25	40
Repairs and maintenance	-	12
Ocean freight and port dues	4,551	4,441
Others	4	19
Total	4,580	4,512

Earnings in foreign currency:

Particulars	As at	As at
	31 March 2018	31 March 2017
Agency receipts	757	827
Transportation	472	-
Others	-	39
Total	1,229	866

CONSOLIDATED NOTES TO ACCOUNTS

Particulars of un-hedged foreign currency exposure as at the balance sheet date

Particulars	Foreign currency	₹ in lakhs			
		As at 31 Mar 2018		As at 31 Mar 2017	
		Foreign currency amount	INR	Foreign currency amount	INR
Other long term liabilities	EUR	-	-	17	1,170
Borrowings	EUR	248	20,000	289	20,000
Short term loans and advances	USD	1	47	206	13,389
Provision for expenses	USD	13	835	10	674
Advance from customers	USD	3	206	2	148
Trade Receivables	USD	-	10	1	68
Cash in bank	USD	-	11	-	28

30 Interest in joint venture

- (i) The Company has a 37.50% interest in PSA Sical Terminals Limited ('PSA'), a joint venture involved in container-handling operation at Tuticorin Port. The Company's interest in PSA is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its IND AS financial statements are set out below:

Particulars	₹ in lakhs	
	As at 31 March 2018	As at 31 March 2017
Assets		
Non-current assets	216	253
Current assets	3,140	2,519
Liabilities		
Non current liabilities	14	14
Current liabilities	1,036	935
Income	6,068	6,078
Expenses (including taxes)	5,586	5,931

- (ii) The Company's step down subsidiary SMART has a 50% interest in Sical Sattva Rail Terminals Private Limited ('SSRTPL'), a joint venture involved in handling container rail terminal at Melpakkam. The Company's interest in SSRTPL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements are set out below:

Particulars	₹ in lakhs	
	As at 31 March 2018	As at 31 March 2017
Assets		
Non-current assets	40	45
Current assets	449	497
Liabilities		
Non current liabilities	93	26
Current liabilities	560	502
Income	45	70
Expenses (including Taxes)	316	357

CONSOLIDATED NOTES TO ACCOUNTS

31 Acquisitions of subsidiaries

- (i) On 30 June 2017, the Group acquired 51% of the voting shares of Patchems Private Limited, engaged in the business of providing integrated supply chain solutions including warehousing/logistics and other value added services to clients in Pharma and FMCG space.

For the nine months ended 31 March 2018, Patchems contributed revenue of ₹ 1,811 lakhs and profit after tax of ₹ 85 lakhs to the Group's results. Management estimates that if the acquisition had occurred on 1 April 2017, consolidated revenue and consolidated profit for the year would have been ₹ 2,309 lakhs and ₹ 86 lakhs, respectively. Management has determined these amounts on the basis that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2017.

a) **Consideration transferred:**

The Group has acquired 51% of the share capital of Patchems and balance agreed to be acquired in stages on or before 30 June 2020.

The total consideration is ₹ 950 lakhs and payment staggered on the stage of purchase with an initial payment of ₹ 618 lakhs at the time of transfer of 51% of the shares held by the earlier promoters.

b) **Acquisition-related costs:**

The Group incurred acquisition-related costs of ₹ 9 lakhs on legal fees and due diligence costs.

c) **Identifiable assets acquired and liabilities assumed:**

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	₹ in lakhs
Property, plant and equipments	8
Deferred tax assets, net	8
Non-current financial assets	81
Trade receivables	207
Cash and cash equivalents	279
Other current assets	60
Other current liabilities	(229)
Provisions	(92)
Total net identifiable assets acquired	322

The management assessed that the fair value of cash and cash equivalents, other current and non-current financial assets, trade receivables and approximate their carrying amounts largely due to the short-term maturities of these instruments.

d) **Goodwill:**

Goodwill arising from the acquisition has been determined by deducting the total net identifiable assets acquired from the consideration transferred which amounts to ₹ 463 lakhs. The goodwill is attributable mainly to the skills and technical talent of Patchems' work force and the synergies expected to be achieved from integrating Patchems into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

- (ii) On 30 June 2017, the Group acquired 60% percent of the voting shares of PNX Logistics Private Limited, engaged in the business of express logistics, providing end to end logistics solutions for B2B clients including carrying on the business of transportation of goods by air.

For the nine months ended 31 March 2018, PNX contributed revenue of ₹ 3,958 lakhs and profit after tax of ₹ 159 lakhs to the Group's results. Management estimates that if the acquisition had occurred on 1 April 2017,

CONSOLIDATED NOTES TO ACCOUNTS

consolidated revenue and consolidated profit for the year would have been ` 5,003 lakhs and ` 52 lakhs, respectively. Management has determined these amounts on the basis that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2017.

a) **Consideration transferred:**

The Group has acquired 60% of the share capital of PNX and balance agreed to be acquired after 3 years i.e. on or before 30 June 2020.

The total consideration is ` 1,000 lakhs (bifurcated into ` 600 lakhs for the initial acquisition of 60% and the balance ` 400 lakhs on the acquisition of balance shares in 2020) adjustable for certain movement in current assets and loan balances.

b) **Acquisition-related costs:**

The Group incurred acquisition-related costs of ` 9 lakhs on legal fees and due diligence costs.

c) **Identifiable assets acquired and liabilities assumed:**

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	` in lakhs
Property, plant and equipments	1,250
Other non-current financial assets	57
Trade receivables	831
Cash and cash equivalents	5
Other current financial assets	273
Current tax assets (Net)	54
Other current assets	58
Borrowings	(1,668)
Other current liabilities	(82)
Total net identifiable assets acquired	778

The management assessed that the fair value of cash and cash equivalents, other current and non-current financial assets, trade receivables and approximate their carrying amounts largely due to the short-term maturities of these instruments.

d) **Goodwill:**

Goodwill arising from the acquisition has been determined by deducting the total net identifiable assets acquired from the consideration transferred which amounts to ` 243 lakhs. The goodwill is attributable mainly to the skills and technical talent of PNXs' work force and the synergies expected to be achieved from integrating Patchems into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

- 32 The Board of Directors at their meeting held on 4 April 2018, approved a Scheme of Arrangement [Demerger] between Sical Logistics Limited, Norseia Offshore India Limited and their respective shareholders and creditors for taking over the dredger business hitherto carried out by Norseia Offshore India Limited whereby the Company proposes to enhance the dredging business with the expertise available in offshore logistics thereby ensuring business continuity and cash neutrality benefits in this area. It is envisaged that the said demerger if approved shall be in the larger interest of the shareholders, creditors and employees of the Company and help to achieve effective growth of dredger business.

SICAL LOGISTICS LTD.

CONSOLIDATED NOTES TO ACCOUNTS

33 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2018 and 31 March 2017 are as follows:

in lakhs					
Particulars	Note	Carrying value		Fair value	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Financial Assets					
Amortised cost					
Investments in equity instruments of joint ventures	3.1	2,402	1,690	2,402	1,690
Trade receivables	3.2 and 6.1	31,403	28,612	31,403	28,612
Other non-current financial assets	3.3	6,323	4,387	6,323	4,387
Cash and cash equivalents	6.2	783	4,067	783	4,067
Other current financial assets	6.3	1,177	1,599	1,177	1,599
FVTPL					
Investments in equity instruments (quoted)	3.1	13	13	13	13
Total financial assets		42,101	40,368	42,101	40,368
Financial liabilities					
Amortised cost					
Borrowings	10.1, 13.1 and 13.3	1,32,999	1,26,802	1,32,999	1,26,802
Other financial liabilities	10.2 and 13.3	572	604	572	604
Trade payables	13.2	10,797	9,162	10,797	9,162
FVTPL					
Derivative liability	10.1	150	150	150	150
Total financial liabilities		1,44,518	1,36,718	1,44,518	1,36,718

34 Fair value hierarchy

This explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

34.1 Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2018:

` in lakhs					
Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
Assets measured at fair value:					
FVTPL					
Investments in equity instruments (quoted)	3.1	13	13	-	-
Liabilities measured at fair value:					
FVTPL					
Derivative liability	10.1	150	-	150	-

34.2 Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2017:

` in lakhs					
Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
Assets measured at fair value:					
FVTPL					
Investments in equity instruments (quoted)	3.1	13	13	-	-
Liabilities measured at fair value:					
FVTPL					
Derivative liability	10.1	150	-	150	-

34.3 Specific valuation techniques used to value the above financial instruments include:

- 1) the use of quoted market prices
- 2) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves As of 31 March 2018, every percentage point increase / decrease in the exchange rate will affect our obligation by approximately ` 117 lakhs.

35 The Company is primarily engaged in providing integrated logistics services which is considered as single business segment in terms of segment reporting as per AS 108. There being no services rendered outside India there are no separate geographical segments to be reported on.

36 Corresponding figures for the previous year presented have been regrouped, where necessary, to conform to the current year's classification.

For SRSV & Associates
Chartered Accountants
Firm registration number : 0150415

For and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran
Partner
Membership No. 020881

Chennai
Date: 11 May 2018

R Ram Mohan
Chairman

Sumith R Kamath
Chief Financial Officer
Bangalore
Date: 11 May 2018

Kush Desai
Joint Managing Director

V Radhakrishnan
Company Secretary

CONSOLIDATED NOTES TO ACCOUNTS

Form AOC 1

Statement containing salient features of the financial statement of the subsidiaries, Associate companies/ joint ventures
 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

PART - A - Subsidiaries

Sl No	1	2	3	4	5	6	7	8	9	10	11	12	13
Name of the Subsidiary	Bergen Offshore Logistics Pte Ltd, Singapore	Sical Iron Ore Terminals Limited	Sical Multimodal and Rail Transport Limited	Sical Infra Assets Limited	Sical Iron Ore Terminal (Mangalore) Limited	Norsea Offshore India Limited	Sical Adams Offshore Limited	Sical Saumya Mining Limited	Sical Bangalore Logistics Park Limited	Sical Mining Limited	Develecto Mining Limited	PNX Logistics Private Limited	Patchems Private Limited
Reported period (Year Ended)	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
Reporting Currency	USD	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange Rate	1 USD = ` 65.0441	1	1	1	1	1	1	1	1	1	1	1	1
Share Capital (` Lakhs)	4,668	13,000	7,269	5,330	3,650	5	5	1	1	1	1	55	1
Reserves (` Lakhs)	(4,603)	180	9,401	20,012	-	(6,198)	-	328	-	-	-	204	405
Total Assets (` Lakhs)	154	87,004	58,107	26,249	3,959	11,026	6	8,215	175	1	1	3,265	893
Total Liabilities (` Lakhs)	89	73,824	41,437	907	309	17,219	1	7,886	174	-	-	3,006	487
Investments (` Lakhs)	-	-	345	9,132	-	-	-	-	-	-	-	-	-
Turnover (` Lakhs)	-	-	16,773	1,233	-	-	-	13,168	-	-	-	40	1,811
Profit/ (Loss) for the year (` Lakhs)	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Considered in Consolidation	10	-	548	88	-	(849)	-	151	-	-	-	159	85
(ii) Not considered in Consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-

PART - B - Joint Ventures

- 1 Name of Joint Ventures which are yet to commence operations Nil
- 2 Name of Joint Ventures which have been liquidated or sold during the year Nil

Name of Joint Ventures	PSA Sical Terminal Limited	Sical Sattva Rail Terminal Private Limited
Latest audited balance sheet date	31-Mar-17	31-Mar-17
Shares of JVs held by the company in the year end		
Number of shares	56,25,030	17,25,000
Extent of Holding %	37.50%	50.00%
Amount of Investment in JV (Rs Lakhs)	654	345
Description of how there is significant influence	Shareholding	Shareholding
Networth attributable to shareholding as per latest audited balance sheet (Rs Lakhs)	1,824	209

For SRSV & Associates

Chartered Accountants

Firm registration number : 0150415

For and on behalf of the Board of Directors of
Sical Logistics Limited

V. Rajeswaran

Partner

Membership No. 020881

Chennai

Date: 11 May 2018

R Ram Mohan

Chairman

Sumith R Kamath

Chief Financial Officer

Bangalore

Date: 11 May 2018

Kush Desai

Joint Managing Director

V Radhakrishnan

Company Secretary

SICAL LOGISTICS LIMITED

CIN L51909TN1955PLC002431

Registered Office : "South India House", 73, Armenian Street, Chennai :: 600 001

Phone : 044-66157071 / Fax : 044-66157017

Website : www.sical.com // e-mail ID : secl@sical.com

NOTICE

To

All Shareholders

NOTICE is hereby given that the Sixty Third Annual General Meeting of the shareholders of SICAL LOGISTICS LTD will be held on Thursday, the 20th September, 2018 at 11.00 a.m. at Rajah Annamalai Hall, Esplanade, Chennai to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' and Auditors' Report and audited Statement of Profit and Loss for the year ended 31st March, 2018 and the Balance Sheet as at that date.
2. To appoint a Director in the place of Mr. R. Ram Mohan [DIN : 02506342] who retires by rotation and being eligible offers himself for re-election.
3. To consider and if thought fit, to pass with or without modification[s], the following resolution as an Ordinary Resolution

Appointment of Statutory Auditors

RESOLVED THAT consent of the Company be and is hereby accorded to appoint . M/s. SRSV & Associates, Chartered Accountants with Firm Registration No.:015041S as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board of Directors.

By order of the Board,

Place :Chennai

Date : 03rd August, 2018

Registered Office :

"South India House"

73, Armenian Street

Chennai :: 600 001

CIN : L51909TN1955PLC002431

Website : www.sical.com / e-mail ID : secl@sical.com

V. Radhakrishnan
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy **shall be deposited at the principal office of the company not later than forty eight hours before the time fixed for holding the meeting; in default, the instrument of proxy shall be treated as invalid.**
2. **The roadmap for the venue is attached for the benefit of members attending the meeting**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 14th September, 2018 to Thursday, the 20th September, 2018 [both days inclusive].
4. The members / proxies should bring the attendance slip duly filled-in and signed, clearly indicating the Folio No. for shares held in physical form or DP ID and client ID numbers in case of members holding the shares in dematerialized form, along with the Annual Report and they are requested to hand over the attendance slip at the entrance of the hall for attending the meeting.
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. **Members are hereby informed that the Company, as per the SEBI guidelines, w.e.f. 01.04.2003, has appointed M/s. Cameo Corporate Services Limited, Unit : Sical Logistics Limited, "Subramanian Building", V Floor, No.1, Club House Road, Chennai :: 600 002, Telephone : 044-28461073; Fax : 044-28460129; e-mail : cameo@cameoindia.com as its Registrar and Share Transfer Agent both for electronic and physical transactions of the shares. The shareholders are therefore requested to take note of the same and send all documents, correspondences, queries on any matter including their change of address to the Company's Registrar and Share Transfer Agent. Further as per SEBI's notification dated 08th June, 2018, confirming that request for effecting transfer of securities shall not be processed except in case of transmission or transposition of securities unless the securities are held in demat form. Hence, we would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from December, 2018. We therefore advise you to take immediate steps for dematerializing your shareholding in the company. As you may be aware holding shares in dematerialized form offers host of benefits like enhanced security, ease of handling, faster transfers, exemption from stamp duty, eliminating bad deliveries. In view of the above, in order to ensure that you are able to deal in the securities hassle-free, kindly take steps for dematerializing the shares at an early date**
7. Shareholders are requested to notify immediately any change in their address to the Company / Share Transfer Agents / Depository Participants as well as the e-mail address if not intimated / updated earlier.
8. The Securities and Exchange Board of India [SEBI] has mandated the submission of copy of PAN card to the Company / Depository Participants as the case may be. Members holding shares in physical form should submit their PAN details to the Company / RTA. Nomination in Form SH-13 in duplicate as provided under Sec 72 of the Companies Act, 2013 may please be sent by the shareholders holding shares in physical form in case if it is not sent earlier.
9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board resolution authorizing their representatives to attend and vote on their behalf in the meeting.
10. Electronic copy of the Annual Report for the current year are being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant[s] for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copy of the Annual Report is being sent in the permitted mode. However, any shareholder wishing to receive a physical copy of the annual report may write to the Company Secretary or send an e-mail addressed to radhakrishnan@sical.com.
11. Electronic copy of the Notice of the 63rd Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant[s] for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copy of the Notice inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.

12. Notice for the AGM and Annual Report for the financial year ended 31st March, 2018 will be available on the Company's website www.sical.com for download.
13. The Company's equity shares are listed with the BSE Limited and National Stock Exchange of India Limited [NSE] and the listing fee for the year 2018-19 has been paid in time.
14. The facility for voting through ballot paper will be made available at the AGM venue and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
15. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
16. The remote e-voting period shall commence on Monday, the 17th September, 2018 [9.00 a.m. Indian Standard Time] and end on Wednesday, the 19th September, 2018 [5.00 p.m. Indian Standard Time]. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date viz. 13th September, 2018 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.

17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014 as amended by the Companies [Management and Administration] Rules, 2015 and Regulation 44 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 63rd Annual General Meeting [AGM] by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the annual general meeting ["remote e-voting"] will be provided by the Central Depository Services [India] Limited [CDSL].

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 17th September, 2018 at 9.00 a.m. and ends on 19th September, 2018 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for SICAL LOGISTICS LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

18. [a] Mr. R. Kannan, Practicing Company Secretary [CP No.3363] has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
- [b] The scrutinizer shall within 48 hours from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company along with any votes cast at the venue of the meeting..
- [c] The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within the prescribed period and also will be forwarded to the Stock Exchanges where the shares are listed viz. BSE and NSE and to CDSL through whom the e-voting facility was availed.
19. Information pursuant to Regulation 26 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 about the particulars of Directors to be appointed / re-appointed at the ensuing Annual General Meeting and their Directorship / Chairmanship / Committee Membership in other Companies.

Mr. R. Ram Mohan

Director

WILDERNESS RESORTS PRIVATE LIMITED
KARNATAKA WILDLIFE RESORTS PRIVATE LIMITED
COFFEE DAY BARE FOOT RESORTS PRIVATE LIMITED
SICAL SAUMYA MINING LIMITED
SICAL BANGALORE LOGISTICS PARK LIMITED
SICAL MINING LIMITED
DEVELECTO MINING LIMITED

Committee Membership

SICALSAUMYA MINING LIMITED - Member – Audit Committee and Nomination and Remuneration Committee
Shareholding in the Company NIL

By order of the Board,

Place :Chennai

Date : 03rd August, 2018

Registered Office :

"South India House"

73, Armenian Street

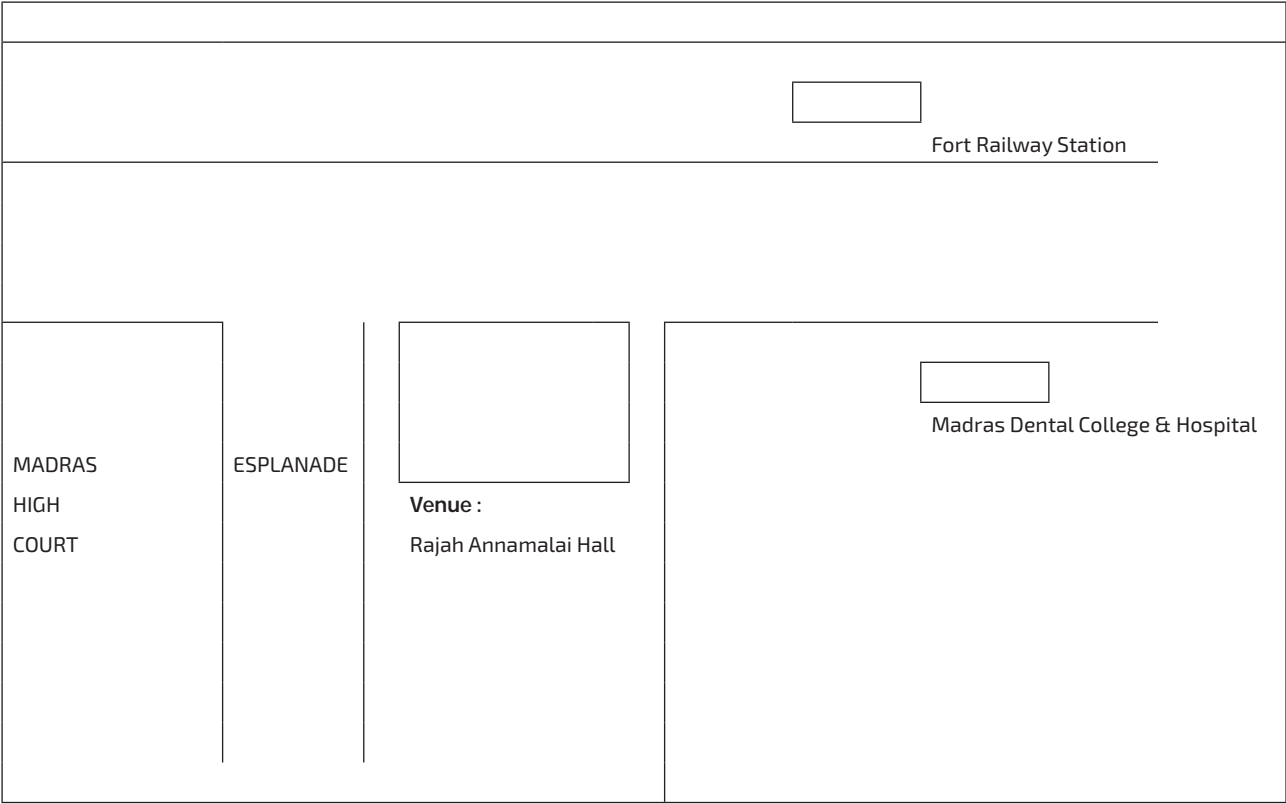
Chennai :: 600 001

CIN : L51909TN1955PLC002431

Website : www.sical.com / e-mail ID : secl@sical.com

V. Radhakrishnan
Company Secretary

ROAD MAP FOR VENUE OF 63RD ANNUAL GENERAL MEETING



SICAL LOGISTICS LIMITED

CIN L51909TN1955PLC002431

Registered Office : "South India House", 73, Armenian Street, Chennai :: 600 001

Phone : 044-66157071 / Fax : 044-66157017

Website : www.sical.com // e-mail ID : secl@sical.com

ATTENDANCE SLIP

NAME & ADDRESS OF THE SHAREHOLDER:	Folio No.
	DP ID
	Client ID
	No. of Shares

I hereby record my presence at the 63rd Annual General Meeting of the Company, at Rajah Annamalai Hall, Esplanade, Chennai on Thursday, the 20th September, 2018 at 11.00 a.m.

Name of the Shareholder / Proxy *	Signature of the Shareholder / Proxy*

* Strike out whichever is not applicable.

SICAL LOGISTICS LIMITED

CIN L51909TN1955PLC002431

Registered Office : "South India House", 73, Armenian Street, Chennai :: 600 001

Phone : 044-66157071 / Fax : 044-66157017

Website : www.sical.com // e-mail ID : secl@sical.com

PROXY FORM

[Pursuant to Section 105[6] of the Companies Act, 2013 and Rule 19[3] of the Companies [Management and Administration] Rules, 2014]

Name of the Member[s]:

Registered Address:

e-mail ID:

Folio No./ Client ID:

DP ID:

I / We being the Member[s] of the above mentioned Company hereby appoint

1. Name

2. Name

Address

Address

e-mail ID

e-mail ID

Signature or failing him

Signature or failing him

3. Name

Address

e-mail ID

Signature

as my/our Proxy to attend and vote [on a poll] for me /us and on my / our behalf at the 63rd Annual General Meeting of the Company to be held on Thursday, the 20th September, 2018 at 11.00 a.m. at Rajah Annamalai Hall, Esplanade, Chennai and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolutions		For	Against
1.	Adoption of Report and Accounts		
2.	Re-election of Mr. R. Ram Mohan		
3.	Appointment of Statutory Auditors		

Signed on this _____ day of _____ 2018

Signature of Shareholder

Signature of Proxy holder[s]

Affix
Re.1.00
revenue
stamp

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

[illegible]

[illegible]



Corporate Office

Sical Logistics Limited
23/2, Coffee Day Square
Vittal Mallya Road, Bangalore - 560001
Tel: +91 80 33402300/29
FAX: +91 80 33402316

Registered Office

Sical Logistics Limited
73, Armenian Street,
Chennai 600001
Tel: +91 44 66157071 / 72
FAX: +91 44 25224202

info@sical.com

www.sical.in

