Sical Logistics Ltd

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Ref.:SICAL/SD/2018

20th September, 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 : Proceedings of the 63rd AGM and Chairman's Speech

Ref : Intimation under Regulation 30 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015

Pursuant to Regulation 30 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, kindly find attached the Proceedings of the 63rd AGM of the Company held today viz. 20th September, 2018 and a copy of the Chairman's Speech for taking on record.

Thanking you,

Yours faithfully,
For Sical Logistics Limited

V. Radhakrishnan
Company Secretary

Encl : As stated

SICAL LOGISTICS LIMITED

Proceedings of the 63rd Annual General Meeting of the Shareholders of the Company held on Thursday, the 20th September, 2018 at 11.00 a.m. at "Rajah Annamalai Hall", Esplanade, Chennai 600 108.

PRESENT

Mr. R. Ram Mohan	Chairman
Mr. Kush Desai	Joint Managing Director
Ms. Shweta Shetty	Director
Mr. H. Rathnakar Hegde	Director
Mr. S. Ravinarayanan	Director
Mr. Sudhir Kamath	Director
Mr. V. Radhakrishnan	Company Secretary

Mr. R. Ram Mohan, Chairman presided over the meeting and conducted the proceedings.

4489 Shareholders were present either in person or by Proxy.

The Chairman welcomed the members to the 63rd Annual General Meeting of the Company and declared that the Register of Members and Directors shareholdings were open for inspection.

The Chairman introduced the directors on the dais. Chairman informed the members that Mr. H.R. Srinivasan, Director could not participate in the meeting due to certain personal reasons.

The Chairman informed the members that the representatives of Statutory Auditors, Internal Auditors and Secretarial Auditor are present.

The Chairman with the permission of the members took the Notice convening the 63rd Annual General Meeting and Annual Report as read.

The Accounts and the Reports for the year ended 31st March 2018 were taken as read with the permission of the members and thereafter the Chairman addressed the members. During his speech, he elaborated on the performance of the Company as well on the business updates of various segments.

Subsequent to this, the Chairman invited members to raise any questions that they may have and 07 members participated. Further to this, the Chairman provided them the required clarifications.

Thereafter the Chairman informed the members that the Company had in accordance with the provisions of the Companies Act, 2013 for the Ordinary Resolutions as set out in the notice, the Company had organized through CDSL platform between 17th September, 2018 – 9.00 a.m. and 19th September, 2018 – 5.00 p.m. The Chairman further said that to enable the members who were present in the meeting but who did not avail e-voting facility, can exercise their voting through ballot paper and Mr. R. Kannan, Practicing Company Secretary who was the scrutinizer for the e-voting process shall also act as Scrutinizer for the ballot also.

The Chairman said that the Scrutinizer will submit his report based on which the results will be announced on or before 22nd September, 2018 and the same will be made available in the website of the Company, Stock Exchanges and CDSL.. The Chairman also confirmed such resolutions shall be deemed to have been passed at this AGM.

Thereafter Mr. Kush Desai, Joint Managing Director proposed the vote of thanks subsequent to which the Chairman declared the meeting as concluded.

CHAIRMAN'S SPEECH
63rd AGM
20.09.2018

Good Morning Ladies and Gentlemen,

It gives me a great pleasure in welcoming you all to the Sixty Third Annual General Meeting of your Company. On this occasion, I am happy to connect with you to reflect on the performance of the company in the year that went by and share with you our aspirations for the future. I would like to take this opportunity to thank you for continued support and presence here today.

The Annual Report including the Audited Financial Statements of the Company for the year ended 31st March, 2018 has been with you for quite some time and with your permission, I shall take them as read.

ECONOMIC OUTLOOK

The recent reports published by the World Bank and the IMF reaffirm that India will sustain its position as the World's fast growing major economy in 2018. The country has made a remarkable progress in the area of structural reforms for sustainable growth.

India's gross domestic product (GDP) is poised to grow by 7.3% in the 2018-19 fiscal. The growth is expected to be influenced by:

- Increase in rural demand as a result of higher farmers' income on account of normal monsoons and increase in MSPs (minimum support price) of kharif crops.
- Revival in investments on account of increased FDI inflows and continued buoyant domestic capital market conditions.
- The RBI has raised its expectations for inflation in H2FY19 from its earlier target of 4.7% to 4.8%.The RBI has estimated inflation to be at 5% in Q1FY20.

Performance update

The Company's consolidated revenues for financial year 2017-18 was Rs.1,199 crores as against Rs.936 crores in the previous fiscal which is 28% higher than the previous fiscal year. The increase in revenue is mainly due to improved performance in mining and supply chain segments.

Profit After Tax was Rs.34 crores as against Rs.39 crores in the previous financial year. The operational efficiency of your company was maintained at high standards. However, non-availability of concessional tax on petroleum products effective 1 July 2017, had an impact on the profitability of the Company. With the additional profit opportunities from newly bagged contracts we would expect to grow the profits.

Your Company keeps adding new business segments for growth in revenues and profitability. This expansion of the business coupled with capital expenditure has become essential to overcome high level of competition and low margins in some of the conventional logistics business.

Coal mining and transportation, Supply chain solutions, Ennore coal terminal and Integrated logistics - all these segments will play a key role in the future financials of your company.

Key Performance Highlights

- **Mine Development and Operation (MDO)**
  A contract was executed with Damodar Valley Corporation (DVC) for Tubed mines at Jharkhand through a newly incorporated SPV with 51% stake. The contract is expected to generate a revenue of Rs. 10,000 crores over a period of twenty plus years. After necessary government approvals we expect to commence the operations in next financial year.
- The Company has been awarded with a contract by Northern Coalfields Limited for Excavation of Overburden and transportation activities at Amlohri OCP for a contract price of Rs.1,345 crores for excavation of 145 million CBM over a period of 51 months.
- As already informed to you, your Company will commence operations of the MDO contract - TARA mines during the course of next financial year after necessary Government approvals. This contract is awarded by West Bengal Power Development Corporation Limited. We expect to generate a revenue of Rs. 1,500 Cr over a period of 7 years.
- The Company complied with all required statutory formalities with reference to Ennore coal terminal. The environmental certificate from the Federal Government and Consent to establish from the State Government are in place and the activities related to conversion of the terminal to include coal handling facility has been commenced effective August of the current year. We expect the facility to go on stream during next financial year.
- Supply Chain Solution activities are in full stream and this would continue to be Company's one of the major focus areas.

Business Segments

1. **Surface mining of coal, removal of overburden and transportation contracts**

The Company has handled 9.0 million metric tones 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.

The newly bagged Amlhori contract will provide annual volume of 36 million of CBM of overburden. This in other words means we will be more than doubling the overburden volumes from the current levels.

The Company owns around 382 fleet of own equipments for executing the various mining contracts.

2. Integrated Logistics

In the integrated logistics segment the volume of coal handled under review was 2.2 million tons as against 1.43 million tons of the previous year.

3. Supply Chain Solutions

The Supply Chain Solutions segment comprises of various services offering to consumer goods industry, cold chain, warehousing and 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 in 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.

4. CFS operations

CFS operations are continued at Chennai , Tuticorin and Vizag. The total volume handled during 2017-18 was 1,42,403 TEUs as against 1,22,807 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.

5. Other business segment

Road logistics, Rail logistics and Port handling continued to play supporting role in the revenues and profitability of your Company.

Corporate Social Responsibility:

I am happy to inform that as part of our CSR programme, we have decided to pursue the theme of Education for the underprivileged to provide simple opportunity and confidence among them to have a better future in the society.

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 the Annual Report.

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 Annual Report.

Awards and Accolades

I am proud to state before you that during the year 2017-18, the following awards and accolades were received which stand testimony to the excellent performance by the divisions

- 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 handling highest volume of dolomite in a day during the financial year 2016-17.

Acknowledgement

As always I would like to convey my deepest appreciation of the relentless efforts put in by our employees towards the performance of the company. On behalf of the Board I also thank our valued shareholders for your continued support and encouragement. I also wish to thanks my fellow Board members for their invaluable support. I also take this opportunity to thank our customers, suppliers, bankers, financial institutions and government authorities including tax officials for their continued support and cooperation.

Thank you.

Note
This does not purport to be the proceedings of the AGM.