Sical Logistics Ltd

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Ref.:SICAL/SD/2014 25th October, 2014

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 59th AGM and copy of Chairman's Speech

Ref : Clause 31 [d] of the Listing Agreement

Pursuant to Clause 31 [d] of the Listing Agreement, we enclose the following:-

1. Proceedings of 59th Annual General Meeting of the shareholders held on 26th September, 2014.

2. Copy of Chairman's Speech delivered at the AGM.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For Sical Logistics Limited

V. Radhakrishnan
Company Secretary

Encl : As stated.

SICAL LOGISTICS LIMITED

Proceedings of the 59th Annual General Meeting of the Shareholders of the Company held on Friday, the 26th September, 2014 at 10.00 a.m. at "Rajah Annamalai Hall", Esplanade, Chennai 600 108.

PRESENT

Shri R. Ram Mohan	Managing Director
Shri Kush Desai	Director
Shri H.R. Srinivasan	Director
Shri H. Rathnakar Hegde	Director
Shri Sunil Sudhakarrao Deshmukh	Director
Shri Sumith R Kamath	CFO

Shri R. Ram Mohan was elected Chairman of the meeting and accordingly he presided over the meeting and conducted the proceedings.

4393 Shareholders were present either in person or through proxies .

The Chairman welcomed the members to the 59th Annual General Meeting of the Company and declared that the Register of Members and Directors shareholdings were open for inspection.

The Chairman with the permission of the members took the Notice convening the 59th Annual General Meeting as read. The Chairman then directed Shri Sumith R Kamath, CFO to read the report of the Statutory Auditors of the Company to the members, which he complied with.

The Financial Statements together with the Directors Report for the year ended 31st March 2014 were taken as read with the permission of the members and thereafter the Chairman addressed the members. During his speech, he touched upon the Macro Economic Environment, performance of the Company and an update on the key business segments.

Subsequent to this, the Chairman informed the members on the procedure to be adopted by them for raising any queries / clarifications.

Further to this, the Chairman stated that Item No.6 of the Notice relating to the appointment of Shri A.S. Sundaresha as an Independent Director needs to be withdrawn since Shri A.S. Sundaresha has submitted his resignation due to personal reasons. The Chairman requested some one to propose and second the withdrawal of the resolution. Shri J. Prabhakar proposed and Shri M. Nachiappan seconded the same and accordingly with the approval of the shareholders present, the resolution was declared withdrawn.

The Chairman informed the members that for wider participation of the shareholders in the AGM proceedings, the new Companies Act, 2013 has made it mandatory to provide e-voting facility and accordingly the Company had made arrangements for e-voting under CDSL platform. Shri R. Kannan, Practising Company Secretary [Membership No.:F6718 CP No.:3363] was appointed Scrutinizer for the purpose. The e-voting was in vogue on 22nd and 23rd September, 2014. Also to provide an opportunity to the shareholders who were present at the meeting and who have not opted e-voting facility, the Chairman informed that arrangements have been made for physical voting through ballot papers and Shri R. Kannan, Practising Company Secretary was requested to act as Scrutinizer for this process also. The Chairman also informed that the results of the e-voting together with the physical voting shall be published in the website of the Company along with the scrutinizers report.

Thereafter the Chairman invited the members who wished to seek clarification / information. 9 persons participated in the discussions and the Chairman provided required information / clarifications to the satisfaction of the members. The meeting concluded with a vote of thanks by Shri Kush S Desai, Director.

Sd/-

CHAIRMAN

CHAIRMAN'S SPEECH
59th AGM
26.09.2014

Good Morning Ladies and Gentlemen,

It gives me a great pleasure in welcoming you all to the 59th Annual General Meeting of your Company. I would like to take this opportunity to thank you for your sustained support and presence here today.

The Annual Report including the Audited Financial Statements of the Company for the year ended 31st March, 2014 has been with you for quite some time and with your permission, I shall take them as read.

MACRO ECONOMIC ENVIRONMENT

The financial year ending March 2014 saw a sharp deterioration in macroeconomic environment with the GDP growth registering the decade's lowest growth of 5.0% per annum. GDP growth is expected to be around 5.5% in 2014-15 from the sub-5% growth in the preceding two years.

Further, there are positive signs of improvement in mining and manufacturing activity; expected pick up in investment; improved availability of financial resources to private sector; improved external demand and stabilizing global commodity prices are expected to support recovery
Inflation outlook remains unchanged and RBI is committed to a disinflationary glide path of taking CPI inflation to 8% by January 2015 and 6% by January 2016

Now let me provide an update on the performance of your Company during the year under review.

Performance Update
The last year has been yet another year of consolidation. Consolidated revenues stood at Rs.842 crores during the previous fiscal. The revenues from operations have grown by 10.6% from Rs.761 crores to Rs.842 crores, the Company's continued focus on cost reduction, productivity improvement and delivery excellence has resulted in achieving an EBIDTA growth of 15.6% from Rs.109 crores in the previous year to Rs 126 Crores during 2013-14.

Key Account Areas

1. Port Operations
Your Company handled 26 million tonnes of bulk cargo in the ports of Ennore, Chennai, Tuticorin, Vizag and Mangalore during the year. While the overall coal volumes handled for TNEB have improved, business in general was hit due to the ban on export of iron ore from India, as well handling of coal at Chennai Port.

To overcome these developments, your Company's focus has been on process improvements of existing operations and to enter ports where we do not have presence, We have recently commenced our operations at Kandla Port and expect to handle 1 million tonnes per annum

2. Rail Sea Movement of Coal for NLC

Your Company is set to commence the activity of washing raw coal and also movement of the same to NLC's power plant at Tuticorin through Road - Rail-Sea from Talcher, Odisha.

The project is under implementation and the operations are expected to commence during the third quarter of the current fiscal. This being a long term contract for an initial period of 3 years which is extendable by another 2 years is expected to be a game changer for SICAL in its ambitious growth path.

3. Surface Mining at Odisha

Your Company has bagged a prestigious contract from M/s.Mahanadi Coalfields Ltd., Odisha for Rs. 313 Crs for Surface Mining in Lajkura and Bharatpur, in the State of Odisha for extraction of Coal by deploying surface miners and its mechanical transfer and transportation to various destinations in the mines. We have commenced the operations from the end of 1st Quarter of the current Financial year.

4. Road Logistics

Your company is currently focused on high margin contracts with lower credit risk. A breakthrough in this direction is made by entering into cold chain operations.

5. Rail and Container Freight Station Business

Rail division made a significant improvement of 26% in its performance during the previous fiscal. The Rail division bagged the prestigious contract for export movement of Copper concentrates from HCL during the current financial year adding to the top line by Rs 23 Crores.

The Company's plan of setting up of a railway terminal at Bangalore and Chennai is in progress, and lot of efforts have gone in consolidating the land parcel at these locations and obtaining Inter Ministerial Committee approvals. These terminals will support to turn around the rail operations.

Container Freight Station (CFS) division's performance declined by 14% due to dip in import volumes in the global economic scenario. Going forward, with the view to increase the revenues and overall profitability, this division will further add covered warehouse during the current fiscal year.

6. Projects

The iron ore terminal at Ennore is complete in all respects but however could not commence its commercial operations due to the existing ban on export of iron ore. The investment of around Rs. 540 crores in this subsidiary is yet to yield any financials returns. Apart from this, an amount of Rs.4 crores per month is required to service the principal, interest and other expenses.

Considering the opportunity to make this investment productive by handling coal, for Non TNEB parties, for which Kamarajar Port Board has in-principle considered the proposal favourably and your Company now awaits final approval from the Ministry. Once the conversion is obtained and the terminal is put to use it will prove to be another game changer for SICAL in its ambitious growth plan.

Similar is the situation at the iron ore facility to be created at Mangalore. The Company has not invested much of its resources in this facility. To complete the project, the Company has approached the Port authorities seeking permission to handle multiple cargoes.

7. Joint Ventures

The container terminal at Tuticorin in association with PSA has been improving its performance but is impacted due to pending resolution of policy issues related to the tariff and royalty. Your Company is working towards a resolution for the same.

Your Company divested its investment in Ennore Automotive Logistics Limited as part of its strategic plan to concentrate on high value contracts.

Corporate Governance

Your company continued its sustained efforts in maintaining high standards of Corporate Governance by ensuring transparency in all aspects of its operations. As has been pointed out in my last year's speech, your company has a well-defined policy framework which inter-alia consists of

- Code of Conduct for Directors and Senior Management personnel.
- Code of conduct for prevention of insider trading

Conclusion

The receipt of Best Stevedore of the year 2013 from Tamil Chamber of Commerce, Best Transporter of the year 2013-14 Award from Tata Chemicals for Haldia operations, 'Master Haulier' award for the third consecutive year -2013 by Shell India Markets Limited, stand testimony to the continued best performance of your Company in the logistics industry.
Your Company is striving hard and is in the process of identifying large long-term contracts which would yield greater returns and continuing to work towards enhancing brand value.

Acknowledgement

I take this opportunity to express my sincere thanks to

- all the shareholders who have been encouraging the Company in its growth.
- the support, professional advice and guidance provided by colleagues in the board.
- the employees across the company for their dedicated efforts.
- business partners, customers and channel partners, for their support.

I wish to place on record my sincere gratitude to all our bankers, financial institutions, port authorities, tax authorities, Central and State governments, SEBI and stock exchanges and other statutory bodies.
Thank you.
Note

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