

## **SICAL LOGISTICS LIMITED**

**Proceedings of the 56<sup>th</sup> Annual General Meeting of the Shareholders of the Company held on Monday, the 19<sup>th</sup> December, 2011 at 2.00 p.m. at "Rajah Annamalai Hall", Esplanade, Chennai 600 108.**

PRESENT

Shri R. Ram Mohan	Managing Director
Shri H.R. Srinivasan	Director
Shri Kush Desai	Director
Shri S.R. Ramakrishnan	Director
Shri V. Radhakrishnan	Company Secretary

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

3081 Shareholders in person and 152 Shareholders by Proxy were present.

The Chairman welcomed the members to the 56<sup>th</sup> Annual General Meeting of the Company and declared that the Register of Members and Directors shareholdings were open for inspection.

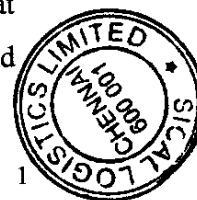
The Chairman with the permission of the members took the Notice convening the 56<sup>th</sup> Annual General Meeting as read and directed Shri V. Radhakrishnan, Company Secretary to read the report of the Statutory Auditors of the Company to the members, which he complied with.

The Accounts and the Directors Report for the year ended 31<sup>st</sup> March 2011 were taken as read with the permission of the members and thereafter the Chairman addressed the members. During his speech, he briefly deliberated on the performance of the Company as well on the strategic direction for key businesses.

After this, the Chairman proceeded with the business as per the agenda contained in the Notice circulated to the members.

**1. ADOPTION OF AUDITED ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011**

The Chairman moved the first item i.e. adoption of audited Balance Sheet as at 31<sup>st</sup> March 2011 and the profit and loss account for the year ended as on that date and the Reports of the Directors and Auditors thereon.



The Chairman invited discussions on the Accounts from the Members and five members participated.

The Chairman provided clarifications to the queries and concerns raised by the Members to their satisfaction.

Thereafter, the following resolution proposed by Shri Leslie Prabu and seconded by Shri R. Vidyashangar, was put to vote and was passed unanimously.

RESOLVED THAT the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the Audited Profit and Loss Account for the year ended as on that date together with the Directors' Report and Auditors' Report thereon be and are hereby received and adopted.

2. **TO RE-ELECT SHRI H.R. SRINIVASAN AS DIRECTOR**

Proposed by Shri R. Vidyashangar, a shareholder and seconded by Shri Nagarajan, another shareholder, the following resolution on being put to vote, was passed unanimously.

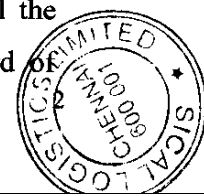
RESOLVED THAT Shri H.R. Srinivasan, who retires by rotation at this Annual General Meeting as per Section 256 of the Companies Act, 1956 and being eligible, be and is hereby re-elected as Director of the Company.

3. **APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY FOR THE CURRENT YEAR**

Proposed by Shri V. Rajagopal, a shareholder and seconded by Shri Manavalan, another shareholder, the following resolution on being put to vote, was passed unanimously.

**ORDINARY RESOLUTION :**

RESOLVED THAT M/s. CNGSN & Associates [Firm No. 004915S], Chartered Accountants, Chennai, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting [AGM] until the conclusion of the next AGM at a remuneration as determined by the Board



Directors and reimbursement of out-of-pocket expenses at actuals towards travelling and other expenses incurred in connection with the Company's Audit.

Since Chairman was interested in the next resolution, he requested Shri Kush S Desai to take over the Chair and conduct the proceedings. Accordingly Shri Kush S Desai took the Chair and conducted the proceedings.

4. **APPOINTMENT OF SHRI R. RAM MOHAN AS DIRECTOR OF THE COMPANY**

Proposed by Shri R. Vidyashangar, a shareholder and seconded by Shri Manavalan, another shareholder, the following resolution on being put to vote, was passed unanimously.

**ORDINARY RESOLUTION**

RESOLVED THAT Shri R. Ram Mohan, who was appointed as an additional Director of the Company by the Board of Directors on 26<sup>th</sup> September, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

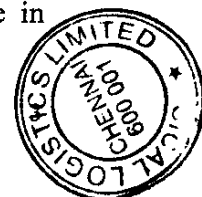
Thereafter Shri Kush Desai handed over the proceedings to the Chairman and the Chairman conducted further proceedings.

5. **APPOINTMENT OF SHRI KUSH DESAI AS DIRECTOR OF THE COMPANY**

Proposed by Shri Leslie Prabhu, a shareholder and seconded by Shri Srinivasulu, another shareholder, the following resolution on being put to vote, was passed unanimously.

**ORDINARY RESOLUTION**

RESOLVED THAT Shri Kush Desai, who was appointed as an additional Director of the Company by the Board of Directors on 26<sup>th</sup> September, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting and in respect of whom the Company has received a notice in



writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

6. **APPOINTMENT OF SHRI S.R. RAMAKRISHNAN AS DIRECTOR OF THE COMPANY**

Proposed by Shri R. Vidyashangar, a shareholder and seconded by Shri Manavalan, another shareholder, the following resolution on being put to vote, was passed unanimously.

**ORDINARY RESOLUTION**

RESOLVED THAT Shri S.R. Ramakrishnan, who was appointed as an additional Director of the Company by the Board of Directors on 26<sup>th</sup> September, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

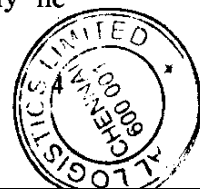
7. **APPOINTMENT OF SHRI A.S. SUNDARESHA AS DIRECTOR OF THE COMPANY**

Proposed by Shri V. Rajagopal, a shareholder and seconded by Shri Manavalan, another shareholder, the following resolution on being put to vote, was passed unanimously.

**ORDINARY RESOLUTION**

RESOLVED THAT Shri A.S. Sundaresha, who was appointed as an additional Director of the Company by the Board of Directors on 26<sup>th</sup> September, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

Since the Chairman was interested in the next resolution, he requested Shri Kush Desai to take over the Chair and conduct the proceedings and accordingly he complied with.



8. **APPOINTMENT OF SHRI R. RAM MOHAN AS MANAGING  
DIRECTOR OF THE COMPANY FOR A PERIOD OF FIVE YEARS w.e.f.  
26<sup>th</sup> SEPTEMBER, 2011**

Proposed by Shri R. Vidyashangar, a shareholder and seconded by Shri Manavalan, another shareholder, the following resolution on being put to vote, was passed unanimously.

**SPECIAL RESOLUTION**

RESOLVED THAT pursuant to Article 152 of the Articles of Association of the Company and as per Sections 269, 198 and 309 of the Companies Act, 1956 (the Act”) and other applicable provisions, if any, of the Act read along with the Schedule XIII to the Act as amended from time to time Shri R. Ram Mohan be and is hereby appointed as the Managing Director of the Company for a period of 5 years from 26<sup>th</sup> September, 2011, on the following terms and conditions :

1. Term : 5 years from 26<sup>th</sup> September, 2011
2. Remuneration : Nil

Subsequent to this, Shri Kush Desai requested the Chairman to resume his Chair and the Chairman took over the Chair and there being no other business to transact, the Chairman declared the meeting as closed.



*Ladies and Gentlemen,*

It gives me immense pleasure in welcoming you all to the 56<sup>th</sup> Annual General Meeting of your Company.

The Annual Report including the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2011 has been with you for quite some time and with your consent, I shall take them as read.

At the outset, I wish to state here that after the completion of the open offer formalities, Tanglin Retail Realty Developments Private Limited were inducted as co-promoters of the company effective 26<sup>th</sup> September, 2011. The Board was also reconstituted on this date.

At this juncture, I wish to assure that the focus of the Management will be on profitable growth and enhancement of the stakeholders value in the years to come

Your Company recorded revenues of Rs.803 crores and EBITDA of Rs.32 crores during the year 2010-11.

#### **Strategic direction for key businesses**

##### **1. Ennore Iron Ore Facility**

Due to iron ore ban, the iron ore facility set up at Ennore, Chennai at a capital outlay of Rs.410 crores remained idle for the past one year. Your company is evaluating handling of alternate cargoes to ensure

that the facility does not continue to remain unproductive.

##### **2. PSA Sical Terminal at Tuticorin**

This business is not profitable, pending resolution of policy issues related to the tariff and royalty. Your Company is working towards the resolution of the same.

##### **3. Rail Business**

The land acquisition at Bangalore and Chennai is virtually completed and the construction work for setting up railway terminal is in progress. The construction is estimated to be completed in a year's time after which this business will add substantially to the bottom-line of the Company.

##### **4. Road Logistics**

The company's focus is to standardize on high margin cargoes such as ODCs and bulk.

##### **5. Stevedoring operations**

The Company is taking steps to expand the business in the ports such as Tuticorin and Vizag where we are already present and also entry into the new ports. Because of ban to handle dusty cargo such as coal at Chennai Port effective 01<sup>st</sup> October, 2011, the Company is exploring various options in other ports.

##### **6. Container Freight Station**

The volumes handled at Chennai and Tuticorin has reached the full capacity resulting in profitable growth. We are also in the process of expanding the capacity at these locations.

##### **7. Dredger**

Dredging operations are progressing satisfactorily and mandatory dry dock activities have been completed.

The Company's focus is customer delight by providing end-to-end solutions through its integrated multi-modal logistics.

Given that logistic is a direct derivative of the global trade and economy, the business has no doubt been under systemic pressure. India's medium-to-long term growth prospects, however, continue to be bright. Even as Europe and North America brace for a slowdown, India's economy is growing at double the rate of the global average. We are certain, that when the global economy gets back on track, Sical will be large beneficiary of the rebound.

The Company is making significant investments in upgrading and strengthening Sical's operational and strategic frameworks, especially those related to human resources, marketing and IT. The investments are already beginning to make significant contributions to efficiencies and response-to-market.

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### **Acknowledgement**

I take this opportunity to express my sincere thanks to

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

I wish to place on record my sincere gratitude to our bankers, financial institutions, port and customs authorities, State and Central governments, principals, collaborators, customers, suppliers, SEBI, stock exchanges and other regulatory authorities.

Thank you.

**CHAIRMAN'S SPEECH**

56<sup>TH</sup> AGM

19.12.2011

Venue : Rajah Annamalai Hall  
Chennai 600108

*Note : This does not purport to be the proceedings of the Annual General Meeting.*

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