



SICAL

SICAL LOGISTICS LTD



ANNUAL REPORT 2022-23



CORPORATE INFORMATION

Resolution Professional

(with effect from June 02, 2021 to December 08, 2022)

Sripatham Venkatasubramanian Ramkumar

(IBBI Registration No. IBBI/IPA-001/IP-P00015/2016-17/10039)

Board of Directors

(with effect from January 11, 2023)

Anuradha Mukhedkar	Chairperson and additional independent director
Amit Kumar	Additional director (non-executive)
Rajnish Kumar	Additional director (non-executive)
Seshadri Rajappan	Additional director (whole-time director)
Vinay Kumar Pabba	Additional independent director

Chief Financial Officer

K. Rajavel

Company Secretary and Compliance Officer

Vaishali Jain

Registered Office

South India House
73, Armenian Street
Chennai
Tamil Nadu – 600001
Telephone: +91-44 66157071
Fax: +91-44 66157017
Email: cs@pristinelogistics.com
Website: www.sical.in

Banker

Bank of Baroda

Statutory Auditor

SRSV & Associates
Chartered Accountants

Internal Auditor

D. Rangaswamy & Co.
Chartered Accountants

Secretarial Auditor

KRA & Associates
Company Secretaries

Registrar and Share Transfer Agent

Cameo Corporate Services Limited
Subramanian Building, 5th Floor,
1, Club House Road, Chennai- 600002
Telephone: 044-40020700 – 0704 / 044-28460390 – 94
Fax: 044-28460129
Investor portal : <https://wisdom.cameoindia.com/>

Board's Report

Dear Members,

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC"), the corporate insolvency resolution process ("CIRP") of Sical Logistics Limited ("Company") was initiated by an operational creditor of the Company. The operational creditor's application to initiate the CIRP was admitted by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") and Mr. S. Lakshmisubramanian (IBBI Registration no. IBBI/IPA-003/IP-N00232/2019-2020/12697) was appointed as the interim resolution professional to manage the affairs of the Company in accordance with the provisions of the IBC vide order dated March 10, 2021. Mr. Sripatham Venkatasubramanian Ramkumar (IBBI Registration No. IBBI/IPA-001/IP-P00015/2016-17/10039) was appointed as the resolution professional ("RP") of the Company, as approved by the Committee of Creditors ("CoC"), which was confirmed by the Hon'ble NCLT vide its order dated June 02, 2021. In view of the pendency of the CIRP, the powers of the board of directors stood suspended and the management of the affairs of the Company was vested with the RP.

In furtherance to above, the resolution plan submitted by Pristine Malwa Logistics Park Private Limited ("Resolution Applicant") was approved by the CoC of the Company. The RP submitted the CoC approved resolution plan to the Hon'ble NCLT for its approval and the NCLT vide its order dated December 08, 2022 approved the resolution plan, submitted by the Resolution Applicant under Section 31 of the IBC. In accordance with the provisions of the IBC and the NCLT order, the approved resolution plan is binding on the Company and other stakeholders involved in the resolution plan.

As per the approved resolution plan, during the period between the NCLT approval date (as defined in the approved resolution plan) and the effective date (as defined in the approved resolution plan) ("Interim Period"), a monitoring committee was constituted ("Monitoring Committee") comprising of the RP, 2 (two) representatives of the approving financial creditors and 2 (two) representatives of the Resolution Applicant. During the Interim Period, the powers of the board of directors continued to remain suspended and the Monitoring Committee managed the affairs of the Company as a going concern and supervised the implementation of the resolution plan.

The Monitoring Committee, at its closing meeting held on January 11, 2023, inter-alia, reconstituted the board of directors of the Company ("Board" or "Reconstituted Board") and erstwhile board of directors were dissolved and all the directors of the erstwhile board of directors were deemed to have resigned. Further upon conclusion of the closing meeting, the Monitoring Committee stood dissolved.

Pursuant to and in accordance with the implementation of the approved resolution plan, the Resolution Applicant has acquired 95% of the paid up share capital of the Company. The Resolution Applicant is the new promoter of the Company. Accordingly, the Company is now a subsidiary of the Resolution Applicant.

Members may kindly note that during the CIRP period, interim resolution professional/ resolution professional were entrusted with the management of the affairs of the Company. The directors of the Reconstituted Board were entrusted with the management of the affairs of the Company from January 11, 2023.

The Reconstituted Board of the Company is submitting this report in compliance with the provisions of the Companies Act, 2013 ("Act") and the rules and regulations made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"). The Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the reconstitution of the Board.

The Reconstituted Board presents to the members the 68th annual report of the Company along with the audited financial statements for the financial year ended March 31, 2023.

1) Financial highlights:

The highlights of the standalone and consolidated financial results for the financial year ended March 31, 2023 are given below:

(Amt. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Income				
Revenue from operations	26,612	21,093	39,211	34,887
Other income	451	960	2,625	923
Total income	27,063	22,053	41,836	35,810
Profit/ (loss) before exceptional item	(4,552)	(11,528)	(3,482)	(12,384)
Exceptional item	(74,403)	(12,828)	(79,272)	(12,828)
Profit/ (loss) after exceptional item	(78,955)	(24,356)	(82,752)	(25,212)
Tax expense:				
Current tax	-	-	49	31
Deferred tax	-	-	326	40
Minimum Alternate Tax credit entitlement	-	-	263	446
Total tax expense	-	-	638	517
Profit/ (loss) after tax	(78,955)	(24,356)	(83,392)	(26,729)
Share of (loss)/profit from joint venture	-	-	(2)	(825)
Total other comprehensive income/(loss)	46	-	58	-
Total comprehensive income/ (loss) for the year	(78,909)	(24,356)	(83,336)	(26,554)

The financial statement for the financial year ended March 31, 2023, are prepared in accordance with the Act and Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

2) Transfer to reserves:

No amount has been transferred to reserves for the financial year under review.

3) Dividend:

The Board does not recommend any dividend for the financial year under review. There are no unpaid and unclaimed dividends of previous years and hence the requirement to transfer amount to investor education and protection fund is not applicable to the Company.

4) State of Company's affairs:

During the year under review, the Company has carried out the following business activities:

Mining activities - overburden removal work at Amlori OCP of Northern Coalfields Limited.

Dredging activities - dredger was provided for carrying the dredging work for constructing Swan LNG port in Gujarat and for the ONGC pipeline pre-lay trenching work at Yanam, Pondicherry.

5) Material changes and commitments affecting the financial position of the Company:

There have been no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year of the Company to which the financial statements related to and date of this report. There has been no change in the nature of business of the Company.

6) Implementation of the resolution plan:

The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") had approved the resolution plan submitted by the Resolution Applicant vide its order dated December 08, 2022. The approved resolution plan has been implemented in the following manner:

a) Infusion of funds in the Company by the Resolution Applicant

The Resolution Applicant had infused Rs. 65 crore in the Company by way of investment in the equity shares of the Company and such infused amount was utilised towards the discharge/settlement of the admitted operational creditors debt (as defined in the approved resolution plan), allotted CIRP cost amount (as defined in the approved resolution plan), mandatory dissenting financial creditor payments (as defined in the approved resolution plan) and upfront FC debt payment (as defined in the approved resolution plan) in a manner and on such terms as provided under the approved resolution plan.

b) Assignment of debt to the Resolution Applicant

The creditors had assigned an amount of Rs. 17,17,54,92,510/- (being the balance FC debt and admitted other operational creditors debt as defined under the approved resolution plan) to the Resolution Applicant.

c) Extinguishment/cancellation of erstwhile promoters' shares

The entire existing issued, subscribed and paid-up share capital of the Company held by the erstwhile promoters were extinguished and cancelled. Thus, 95,94,601 equity shares of Rs.10/- each held by the erstwhile promoters were extinguished.

d) Reduction and reconstitution of public shareholding

The share capital of the Company had been reconstituted in such manner that the paid up share capital held by the public shareholders were equivalent to 5% of the entire issued, subscribed and paid-up share capital of the Company. Thus, the Company had allotted 1 (one) equity share of Rs. 10/- for every 15 (fifteen) equity shares of Rs. 10/- held by the public shareholders i.e., allotment of 32,62,454 equity shares of Rs. 10/- each to the public shareholders.

e) Debt into equity conversion

The equity shares were allotted to the Resolution Applicant in such a manner that post allotment of equity shares i.e., 22,60,319 equity shares of Rs. 10/- each towards initial fund infused (as mentioned in clause (a) above) and 5,97,26,307 equity shares of Rs. 10/- each towards assignment of debt (as mentioned in clause (b) above), the paid up share capital held by the Resolution Applicant were equivalent to 95% of entire issued, subscribed and paid-up share capital of the Company.

7) Effect of the implementation of the resolution plan:

Pursuant to the approved resolution plan, the Company has become the subsidiary of Pristine Malwa Logistics Park Private Limited, New Delhi.

8) Capital structure:

a) Authorised share capital

During the year under review, the authorised share capital of the Company remained same i.e., Rs. 220,00,00,000/- (Rupees two hundred twenty crore only) divided into 7,00,00,000 (seven crore) equity shares of Rs. 10/- (Rupees ten only) each and 15,00,00,000 (fifteen crore) preference shares of Rs. 10/- (Rupees ten only) each.

b) Paid-up share capital

Pursuant to the implementation of the approved resolution plan, the following changes took place in the paid-up share capital of the Company during the year under review:

- i) The Company had extinguished and cancelled 95,94,601 equity shares of Rs.10/- each held by the erstwhile promoters.
- ii) The Company had allotted 1 (one) equity share of Rs. 10/- for every 15 (fifteen) equity shares of Rs. 10/- held by the public shareholders i.e., allotment of 32,62,454 equity shares of Rs. 10/- to the public shareholders.
- iii) The Company had issued and allotted 619,86,626 equity shares of Rs. 10/- to the Resolution Applicant.

The new paid up share capital of the Company after taking into account aforesaid changes is Rs. 65,24,90,800/- (Rupees sixty five crore twenty four lakh ninety thousand eight hundred only) divided into 6,52,49,080 (six crore fifty two lakh forty nine thousand eighty) equity shares of Rs. 10/- each.

The details pertaining to the corporate action implemented for the aforesaid changes are disclosed in the corporate governance report annexed to this report.

9) Debentures:

The Company had 1,000 11% secured redeemable non-convertible debentures of face value of Rs.10,00,000 (Rupees ten lakh) each amounting to Rs. 100 crore. The debentures were issued to IDFC First Bank Limited and were listed on National Stock Exchange of India Limited. Pursuant to the implementation of the approved resolution plan, the admitted dues of all the financial creditor including non-convertible dentures have been settled and consequently, as of March 31, 2023, there were no debentures.

10) Annual return:

In terms of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended, the annual return of the Company will be available on the website of the Company at www.sical.in.

11) Directors and key managerial personnel:

a) Directors:

The following changes took place during the financial year ended March 31, 2023 and up to the date of this report:

Dissolution of erstwhile board of directors of the Company

During the CIRP period, the powers of the board of directors stood suspended and the management of the affairs of the Company was vested with the interim resolution professional/resolution professional. Pursuant to the implementation of the approved resolution plan, the erstwhile board of directors were dissolved and all the directors of the erstwhile board of directors i.e., Mr. Thiagarajan Subramanian (DIN: 00584440), Mr. Seshadri Rajappan (DIN: 00862481), Mr. Krish Narayanan (DIN: 03137194), Mr. Swaminathan (DIN: 02481041) and Ms. Neelaveni (DIN: 09042292) were deemed to have resigned on January 11, 2023.

Reconstitution of board of directors of the Company

Pursuant to the implementation of the approved resolution plan, the Monitoring Committee had re-constituted the board on January 11, 2023 and following appointments were made:

S. No.	Name of the director	DIN	Category
1	Amit Kumar	01928813	Additional director under the category of non-executive director
2	Anuradha Mukhedkar	09564768	Additional director under the category of independent director and chairperson of the Board
3	Rajnish Kumar	01507736	Additional director under the category of non-executive director
4	Seshadri Rajappan	00862481	Additional director under the category of executive director i.e., whole time director
5	Thiagarajan Subramanian*	00584440	Additional director under the category of executive director i.e., whole time director and chief financial officer
6	Vinay Kumar Pabba	02711931	Additional director under the category of independent director

* Mr. Thiagarajan Subramanian ceased to be additional director and chief financial officer of the Company with effect from February 23, 2023 as he has left for the heavenly abode.

In terms of Section 161 of the Act, the directors who were appointed as additional directors on the Board of the Company will hold office up to the date of ensuing annual general meeting of the Company. Pursuant to the resolution plan as approved by the Hon'ble NCLT, Chennai bench, the board of directors has recommended the appointment of all the directors in ensuing annual general meeting and the details of all the directors seeking appointment at the 68th Annual General Meeting is annexed to the notice of the ensuing annual general meeting.

Director retiring by rotation:

Since, as a part of implementation of the approved resolution plan, the erstwhile board of directors of the Company were dissolved and new board of directors were reconstituted with effect from January 11, 2023, no director will retire by rotation at the ensuing annual general meeting of the Company pursuant to Section 152 and other applicable provisions of the Act.

Independent directors and their declarations:

During the CIRP period, Mr. Krish Narayanan, Mr. Swaminathan and Ms. Neelaveni were the independent directors of the Company. However, during such period, the powers of the board of directors stood suspended and the management of the affairs of the Company was vested with the resolution professional. As a part of implementation of the resolution plan, the erstwhile board of directors were dissolved and all the directors of erstwhile board of directors were deemed to have resigned on January 11, 2023.

Ms. Anuradha Mukhedkar and Mr. Vinay Kumar Pabba are the independent directors on the Reconstituted Board as on the date of this report. They have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In terms of Section 150 of the Act read with the rules made there under, the Company has received confirmation from all the independent directors, that they are registered on the independent directors' database maintained by the Indian Institute of Corporate Affairs ("IICA"). Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all the independent directors of the Company are exempted from taking online proficiency self-assessment test conducted by IICA. Also, all the independent directors have confirmed that are complying with the code for independent directors as prescribed in Schedule IV to the Act.

In the opinion of the Board, the independent directors possess the requisite expertise, skill, experience and knowledge and are persons of integrity and repute. They fulfil the conditions specified in the Act as well as the rules made thereunder and are independent of the management.

b) Key managerial personnel:

The following changes took place in the office of key managerial personnel of the Company during the financial year ended March 31, 2023 and up to the date of this report:

During the year under review, Mr. Thiagarajan Subramanian was holding office as managing director and chief financial officer of the Company and Mr. Seshadri Rajappan was holding office as whole-time director of the Company.

Pursuant to the implementation of the approved resolution plan, Mr. Thiagarajan Subramanian and Mr. Seshadri Rajappan, being the directors of the erstwhile board, deemed to have resigned on January 11, 2023.

Further, on January 11, 2023, Mr. Thiagarajan Subramanian was appointed on the Reconstituted Board as additional director under the category of executive director i.e., whole-time director and chief financial official. However, he ceased to be additional director and chief financial officer of the Company with effect from February 23, 2023 as he has left for the heavenly abode.

On January 11, 2023, Mr. Seshadri Rajappan was also appointed on the Reconstituted Board as additional director under the category of executive director i.e., whole-time director. The board of directors has recommended his appointment as whole-time director at the ensuing annual general meeting of the Company.

During the year under review, Mr. Varadrajan Radhakrishnan (ICSI Membership No. A17870) continue to hold the office as company secretary and compliance officer. However, he has resigned from the said post with effect from April 30, 2023.

12) Number of meetings of the Board:

During the CIRP period, the powers of the board of directors stood suspended and no meeting of the board of directors of the Company were held until the completion of CIRP. Pursuant to the implementation of the approved resolution plan, the board was reconstituted on January 11, 2023 and 2 (two) board meeting was held during the financial year 2022-23 (after

completion of CIRP). The particulars of the meetings held and attendance of the directors in the meetings are detailed in the corporate governance report, which forms an integral part of this annual report.

13) Committees of the Board:

The erstwhile board had, prior to the commencement of the CIRP, constituted board committees to deal with specific areas and activities which concern the Company and requires a closer review. However, pursuant to initiation of the CIRP, all the powers of the erstwhile board and its committees were suspended.

Pursuant to the implementation of the approved resolution plan, the Reconstituted Board had reconstituted following committees on February 07, 2023 to make informed decision within the authority delegated to each of the committee:

- a) Audit committee
- b) Nomination and remuneration committee
- c) Stakeholders' relationship committee
- d) Corporate social responsibility committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the corporate governance report, which forms an integral part of this annual report. Further, the re-constituted committees were not referred with any matter requiring recommendation to the Board for its acceptance.

14) Performance evaluation of the Board, its committees and individual directors:

The powers of the erstwhile board of directors of the Company were suspended during the CIRP with effect from March 10, 2021 and such powers were vested with the interim resolution professional/resolution professional. As a part of implementation of the resolution plan approved by the Hon'ble NCLT, Chennai bench vide its order dated December 08, 2022, the erstwhile board of directors of the Company were dissolved and new board of directors were constituted with effect from January 11, 2023. Therefore, being very short period, it was not feasible for the new board of directors to carry out the performance evaluation of Board, its committees and individual directors during the remaining period of year under review after re-constitution.

15) Policy on directors' appointment and remuneration:

In terms of provisions of Section 178 of the Act and applicable provisions of the Listing Regulations, the Company had, prior to commencement of CIRP, put in place a policy on directors' appointment and remuneration. The policy has been posted on the website of the Company at <https://sical.in/investors/policies>.

16) Familiarisation programme for independent directors:

The details of the familiarisation programme for independent directors are given in the corporate governance report, which forms an integral part of this annual report.

17) Risk management:

The Company had, prior to the commencement of the CIRP, put in place a risk management policy, for monitoring, mitigating, reporting and effectively managing the risks that are envisaged on the conduct of business wherein all material risks faced by the Company are identified and assessed.

18) Vigil Mechanism/Whistle blower policy:

The Company had, prior to the commencement of the CIRP process, put in place a vigil mechanism / whistle blower policy. The details of the policy as well as establishment of vigil mechanism are provided in the corporate governance report and are also available on the website of the Company at <https://sical.in/investors/policies>.

19) Corporate social responsibility:

The Company had, prior to the commencement of the CIRP, put in place a corporate social responsibility ("CSR") policy and it is also available on the website of the Company at <https://sical.in/investors/policies>. The terms of reference of the CSR committee are detailed in the corporate governance report.

Pursuant to Section 135 of the Act and rules and regulations made there under, it is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. As the average net profit of the Company during previous three financial years was negative, the Company was not required to spend any amount for the CSR

purpose during the year under review. Accordingly, the annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is not applicable to the Company.

20) Subsidiaries, joint ventures or associate companies:

As per the resolution plan approved by the Hon'ble NCLT vide its order dated December 08, 2022, the Company has 7 (seven) direct subsidiary companies, 2 (two) indirect subsidiary company and 1 (one) joint venture through indirect subsidiary company as per the details given below:

S. No.	Name of the company	Relationship
1	Sical Infra Assets Limited	Subsidiary company
2	Sical Multimodal and Rail Transport Limited	Indirect subsidiary company
3	Sical Bangalore Logistics Park Limited	Indirect subsidiary company
4	Patchems Private Limited	Subsidiary company
5	Develecto Mining Limited	Subsidiary company
6	Sical Supply Chain Solutions Limited	Wholly owned subsidiary company
7	Sical Iron Ore Terminal (Mangalore) Limited	Wholly owned subsidiary company
8	Sical Mining Limited	Wholly owned subsidiary company
9	Sical Washeries Limited	Wholly owned subsidiary company
10	Sical Sattva Rail Terminal Private Limited	Joint venture through indirect subsidiary company

Sical Infra Assets Limited ("SIAL") is the holding company of Sical Multimodal and Rail Transport Limited and Sical Bangalore Logistics Park Limited. The shares of SIAL were held by the Company (53.60%) and Old Lane Mauritius IV Limited (46.40%). During the current financial year (i.e., 2023-24), the entire shareholding of Old Lane Mauritius IV Limited has been acquired by Pristine Logistics & Infraprojects Limited (the ultimate holding company).

Sical Multimodal and Rail Transport Limited ("SMART") is engaged in the business of operating container freight stations located at Chennai, Vizag and Tuticorin. SMART is in the process of developing a rail terminal at Anupampattu which is expected to be completed by the end of the current financial year.

Patchems Private Limited is engaged in providing warehousing and distribution for pharma, medical division and consumer product companies.

Sical Bangalore Logistics Park Limited is in the process of developing a rail terminal at Bengaluru.

Develecto Mining Limited is expected to commence its operations at the Tubed mines during the current financial year.

Further, as per the approved resolution plan, the entire shareholding of the Company in the following companies will be transferred to and will be held in the name of the trust (to be established for undertaking the sale of Company's shareholding in such companies) for the benefits of the committee of creditors, and these companies have ceased to be the subsidiary companies and the Company has derecognized its investment in these companies from the effective date i.e., January 11, 2023:

- Sical Iron Ore Terminal Limited
- Sical Saumya Mining Limited
- Sical Logixpress Private Limited
- Sical Connect Limited
- Bergen Offshore Logistics Pte Limited
- PSA SICAL Terminals Limited

21) Consolidated financial statement

In addition to the standalone financial statement of the Company, the consolidated financial statement is also being presented to the members of the Company. The consolidated financial statement of the Company is prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The audited consolidated financial statement together with the independent auditor's report thereon forms part of the annual report.

22) Performance and financial position of subsidiaries/ joint venture/ associates companies:

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statement of the subsidiary companies and joint venture in the Form AOC-1 is annexed as **Annexure I** and forms an integral part of this report. The statement also provides details of the performance and financial position of each of the subsidiaries.

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statement, including the consolidated financial statement, audited financial statements of the subsidiaries and other related information of the Company will also be kept open for inspection by any member. Members seeking to inspect these documents can send an e-mail at cs@pristine.logistics.com mentioning their name, DP ID & Client ID/folio number and permanent account number (PAN) and the same are also available on the Company's website at www.sical.in.

23) Adequacy of internal financial control system with reference to financial statement:

During the CIRP period, interim resolution professional/ resolution professional was entrusted with the management of the affairs of the Company. The directors of the Reconstituted Board were entrusted with the management of the affairs of the Company from January 11, 2023. The Reconstituted Board reviewed the internal control system of the Company and has initiated steps to implement the robust internal control framework including standard operating procedures. The Reconstituted Board are of the opinion that based on the knowledge/ information gained by them about affairs of the Company in a limited period of time from records of the Company, the Company has effective internal financial control systems reference to financial statement.

24) Auditors' and their reports:

Statutory auditor:

The members at the 67th Annual General Meeting of the Company held on December 31, 2022 had appointed M/s SRSV & Associates, Chartered Accountants (Firm registration number: 015041S) as the statutory auditor of the Company, to hold office till the conclusion of the 68th Annual General Meeting of the Company.

As the tenure of M/s. SRSV & Associates, Chartered Accountants, to hold the office as statutory auditor of the Company is coming to end at the conclusion of the ensuing annual general meeting, they have furnished their consent for appointment as the statutory auditor of the Company along with a certificate, pursuant to Section 139 (1) and 141 of the Act, stating that they are not disqualified to act as auditor and that their proposed appointment satisfies the terms and conditions prescribed under the Act.

As they are eligible and have expressed their willingness to act as statutory auditor of the Company, the Reconstituted Board, on the recommendation of the audit committee, has recommended, the appointment of M/s. SRSV & Associates, Chartered Accountants, as the statutory auditor for a period of 3 (three) years from the conclusion of 68th Annual General Meeting till the conclusion of 71st Annual General Meeting.

Statutory auditor's report:

No qualifications, reservations, adverse remarks or disclaimer were made by the statutory auditor in their report on the financial statement for the financial year ended March 31, 2023.

Secretarial auditor:

M/s KRA & Associates, Company Secretaries, were appointed as secretarial auditor to conduct the secretarial audit of the Company for the financial year ended March 31, 2023, as required under Section 204 of the Act. The secretarial audit report of the Company and its material subsidiaries, i.e., Sical Infra Assets Limited and Sical Multimodal and Rail Transport Limited, are annexed as **Annexure II** and forms an integral part of this report.

Secretarial auditor's report:

The secretarial audit report for the financial year ended March 31, 2023 does not contain any qualification, reservation, adverse remark or disclaimer.

Cost records and cost audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.