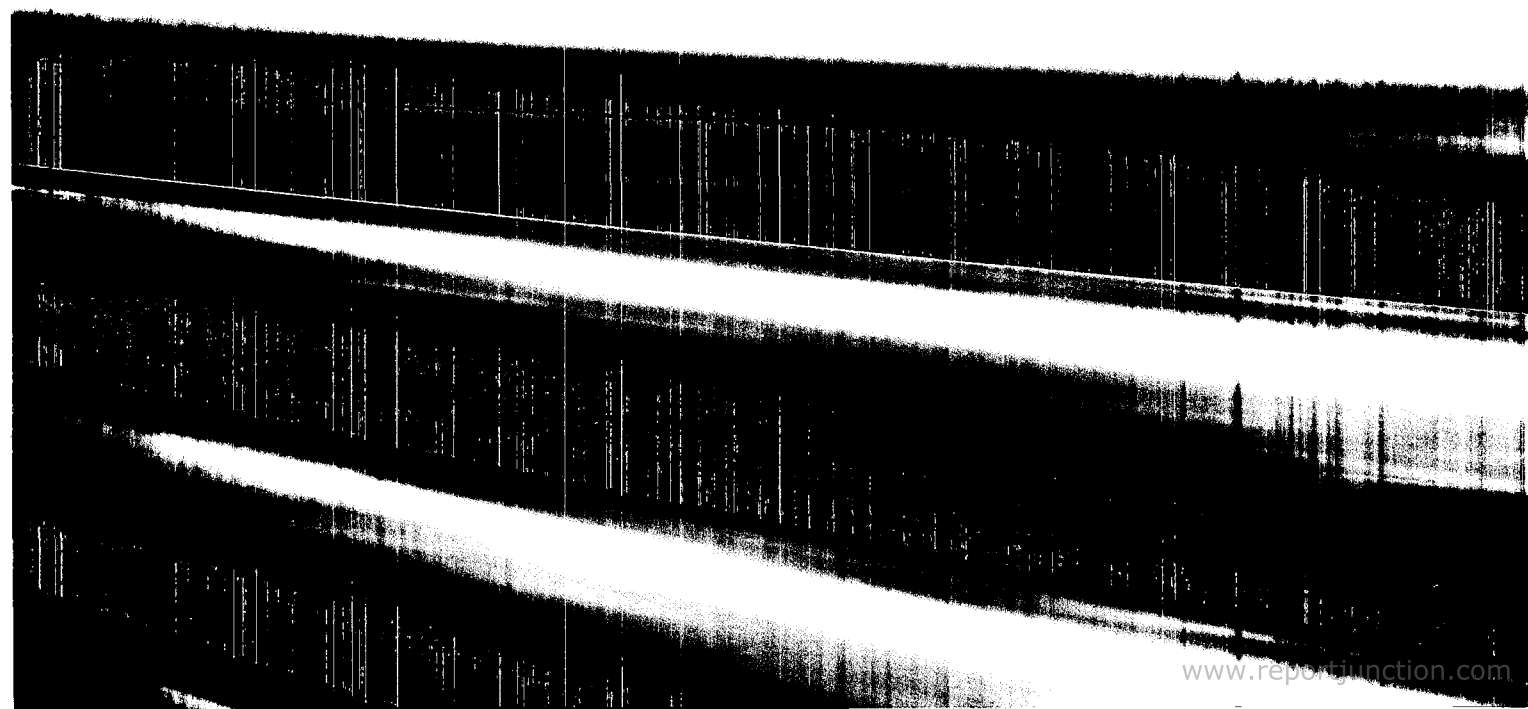
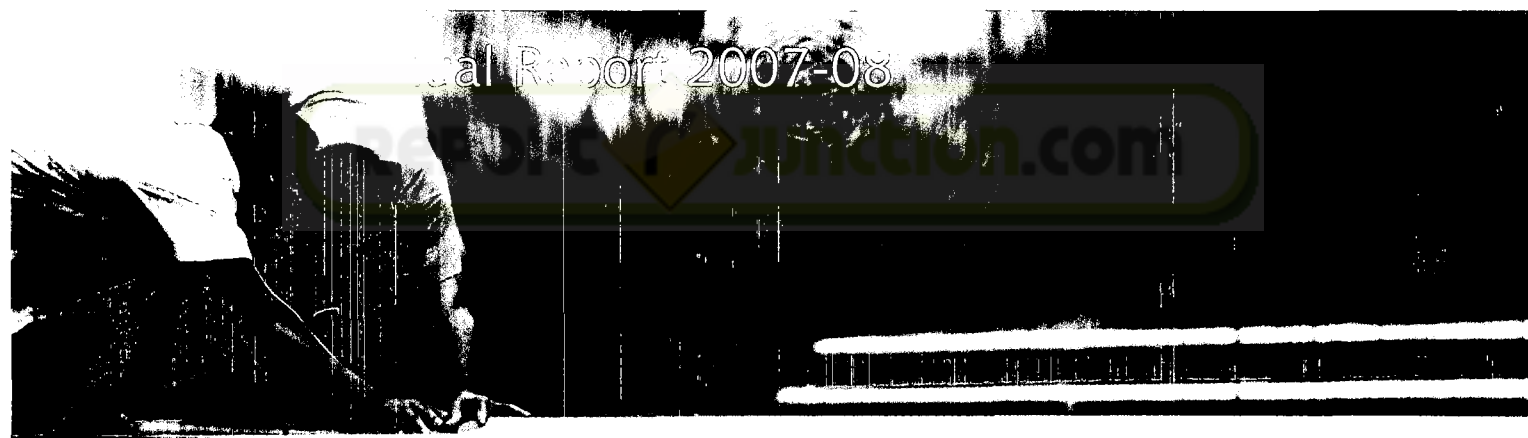




Sicagen India Limited

Annual Report 2007-08



Sicagen is India's leading provider
of trading and marketing services
for construction-related
industrial and retail infrastructure.

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Disclaimer: The information and opinions contained in this document do not constitute an offer to buy any of Sicagen'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. Sicagen does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



Dear shareholder

The annual report that you hold in your hand is Sicagen's first such communication to shareholders as an independent, exclusive, business entity.

In January 2008, Sicagen India Limited's demerger from Sical Logistics Limited was approved, effective 1 October 2006, by the High Court of Madras. According to the Scheme of Arrangement, each Sical Logistics shareholder would receive one fully paid-up share of Sicagen for every Sical share held as of 1 March 2008, the record date.

Sicagen's creation is part of a comprehensive strategy, set in motion by the promoters in 2005-06, to get each business to focus on its key area of interest. In 2007-08, of Sicagen's total INR 3.91 billion revenue, 56% came from building materials trading and 41% came from our vehicle sales business.

Sicagen's business proposition and core mission is to be India's premium provider of value-added trading and marketing services for construction-related infrastructure.

In the coming years, we plan to introduce large retail formats with a more comprehensive range of building materials products. The Indian retail market for construction materials holds great potential; I am confident that our new venture will be able to delight customers with best-in-class products and services.

With your encouragement and support, we look forward to strong value-led growth for all our stakeholders: customers, employees, business partners, bankers, and, indeed, our society as a whole.

A handwritten signature in black ink, appearing to read "S Arumugam".

S Arumugam
CEO



Company information

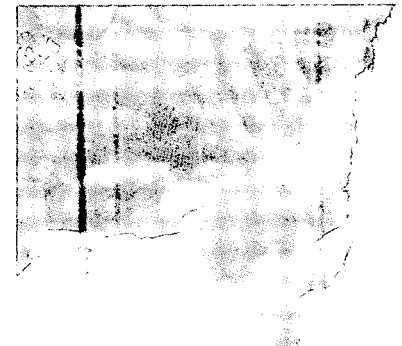
Name of company	Sicagen India Limited
Incorporation	2004
Primary business	Trading and distribution of building materials and commercial vehicles
Total revenue	INR 3.91 billion
Net Profit	INR 45.39 million
Shares issued	39.57 million
Listing (applied for)	Bombay Stock Exchange National Stock Exchange of India
Board of directors	S Arumugam B Narendran M Rajamani
Company Secretary	GR Kannan

Principal office
 Floor 4 East Coast Center
 534 Anna Salai
 Teynampet Chennai 600018
 Voice +91 44 24343565
 Fax +91 44 24343562
 Email secl@sicagen.com

Registered office
 Adyar House
 Chennai 600085

Bankers
 HDFC Bank
 State Bank of India
 Karnataka Bank
 Indian Bank

Auditors
 CNGSN Associates
 Chartered Accountants
 20 Raja Street T Nagar
 Chennai 600017

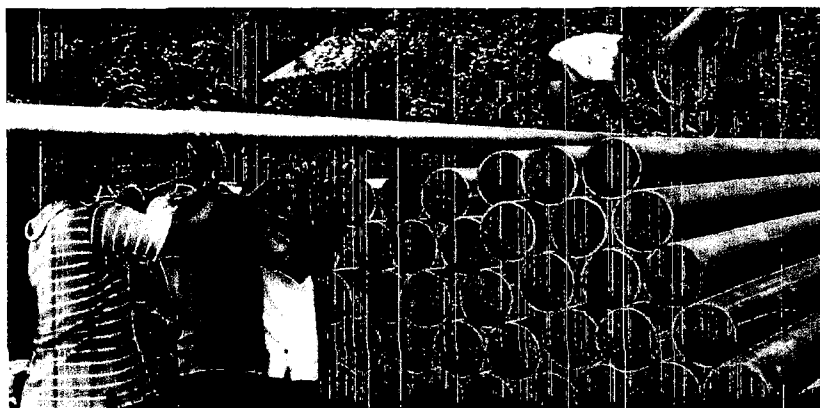


Overview

Key financials

(INR million)

	2007-08
Revenue	3908.05
Profit (loss) before interest, depreciation, tax	71.04
Less: Interest	7.60
Less: Depreciation	20.65
Less (Add): Provision for tax	(2.69)
Less: Prior period adjustments	0.10
Net profit	45.39
Equity capital	395.72
Reserves and surplus	3222.94
Gross fixed assets	541.15
Net fixed assets	475.86





Business snapshot

Building materials trading

Sicagen's core business: the trading of building materials such as steel tubes, MS/GI pipes, boiler tubes, seamless tubes, rectangular/square hollow sections, TMT steel rebars, PVC pipes, electrical cables, steel fittings, and cement.

For dealers, contractors, builders, and corporate buyers, our network of 25 delivery centers across India serves as the single window to India's top building materials manufacturers that include Tata Steel, Jindal Pipes, Steel Authority of India, Finolex Cables, Supreme Industries, Maharashtra Seamless, ACC Cements.

Vehicle sales

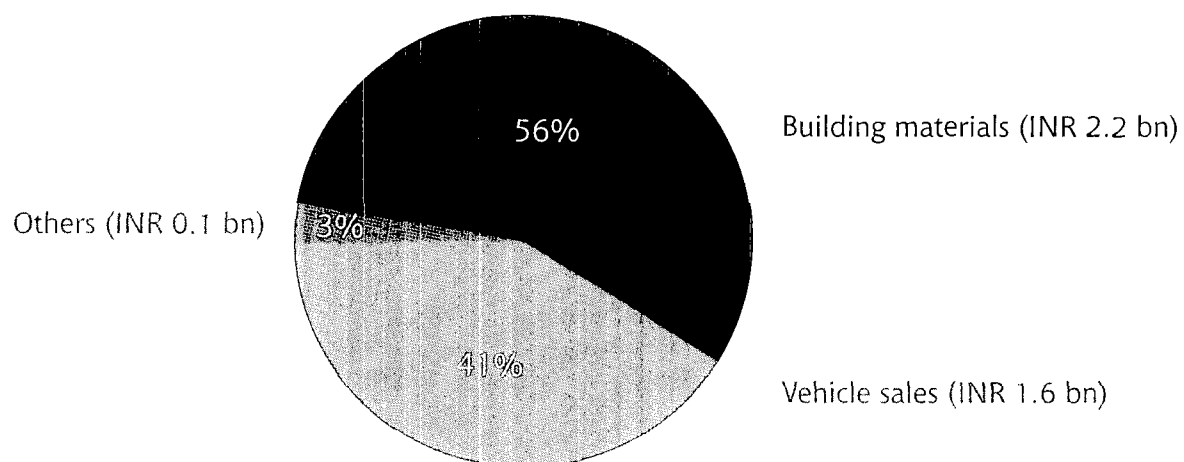
Dealership of commercial vehicles for Tata Motors—ranging from the 0.75 tonne *Tata Ace* to the top-of-the-line *Tata Novus*—with showrooms in Chennai and Tiruchirapalli covering 11 districts of Tamil Nadu state.

Customers include corporates, retail vendors, high income individuals.



Overview

Revenue Mix



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Governor services

Goodwill Governor Services is India's only authorized service center for Woodward, makers of the world's finest governors.

Travel and cargo

A member of the International Air Transport Association (IATA) and Travel Agents Association of India (TAAI), Sicagen's travel and cargo business provides premium end-to-end travel-related and cargo services.

Boat-building and ship repair

Goodwill Engineering Works builds passenger and cargo vessels, boats, tugs and barges from facilities at Chennai and Mettupalayam in Tamil Nadu state.

Plantations

Sicagen's plantation division is among India's largest growers and sellers of bulk uncured coffee, cardamom, and pepper.

Wind power

From 10 windmills with an installed capacity of 2.25 MW at Vadavalli village, Coimbatore district, in India's southern Tamil Nadu state, Sicagen supplies 4 million kWh annually to the state-run Tamil Nadu Electricity Board.

Leadership

S Arumugam, Director and CEO

Overall in-charge of business and strategy of all the divisions and businesses within Sicagen, S Arumugam is an MBA from the Department of Management Studies, University of Madras. Mr Arumugam has been with the promoter's group since 1974 in positions of operations, marketing, and sales.



B Narendran, Independent Director

A specialist in chemical engineering and transportation, B Narendran, a BE (Chemical) and MS (Transportation), has been a consultant to Shell Inc, Detroit, Rite-Aid Pharmacy, Houston, and State Highway's Administration, Baltimore, US.



M Rajamani, Independent Director

A BE (Chemical) from Annamalai University and PG Diploma in Chemical Engineering Practice from IIT Madras, M Rajamani has more than three decades of corporate experience across multiple functional lines such as strategic planning, projects, sourcing, administration, and HR.



R Sivagurunathan, Chief Operating Officer

R Sivagurunathan heads the operations of Sicagen's various businesses. Associated with the promoter's group since 1984, Mr Sivagurunathan was earlier Chief Risk Officer with Sical Logistics Ltd, India's leading provider of multi-modal integrated logistics. A BCom from Madurai Kamaraj University, Mr Sivagurunathan has completed a 3 Tier Program for Management Development at IIM, Ahmedabad.



GR Kannan, AVP (F&A) and Company Secretary

Responsible for Sicagen's finance, accounts, secretarial, legal, and information systems, GR Kannan has been associated with the promoter's group companies since 1988. Mr Kannan is a BCom from the University of Madras, an Associate Member of the Institute of Cost and Works Accountants of India, and an Associate Member of the Institute of Company Secretaries of India.



Overview

Prominent customers

ABB
Ashok Leyland
Atlas Copco
Blue Star
Cipla
Dalmia Cement
Deccan Cements
Dr Reddy's Laboratories
Greaves Cotton
Heritage Foods
Hetero Drugs
Hindalco
Hindustan Unilever
The India Cements
Lakshmi Card Clothing
Lakshmi Machine Works
Malabar Cements
Manali Petrochemicals
Matrix Laboratories
Micro Labs
Naandi Foundation
Nagarjuna Construction
Nicholas Piramal
Orchid Chemicals and Pharmaceuticals
Sathavahana Ispat
Srichakra Cements
Sundaram-Clayton
Voltas
Venky's India
Wipro Consumer Products



The above list is by no means exhaustive or complete; its purpose is merely to showcase Sicagen's customer engagements.



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