

Sicagen India Limited

Sicagen

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Annual Report 2008-09

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Dear shareholder

The global economic downturn of 2008-09—many commentators believe that the worst isn't over yet—has been deemed by many as perhaps the worst since the Depression of the 1930's. The linkages built rapidly by India with the global economy since the 1990's have ensured that, as the global economy has slowed, India's economy and businesses has also suffered, with earnings and revenues of many industry sectors actually falling from FY08 levels.

That's why it gives us even greater pleasure to report that Sicagen's revenue from sales and services rose by 10% to INR 4.21 billion from INR 3.91 billion a year ago. The profit numbers were comparable with the previous year but for the skews of the significant rise in other income and an exceptional loss.

The stimulus package—personal tax incentives coupled with aggressive government spending in the rural, housing, and infrastructure sectors—announced in the 2009-10 Union Budget should provide an upward fillip to the Indian economy. Given that our major business of building materials trading is a direct derivative of the infrastructure and housing sectors, we expect growth—it may be marginal—in overall revenue.

In tough times like we currently face, our mix of businesses has actually helped reduce concentration risk—that happens when you put your eggs in one basket and focus only on one line of business. At the same time, we have been quick to move proactively with market conditions; we expect that our new business initiatives will improve our prospects in our core businesses of trading and marketing services.

As we stand resolute in our commitment to growth by value-based management, we would like to thank our shareholders, customers, dealers, suppliers, employees, and business partners for their dedication and unstinting support.

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

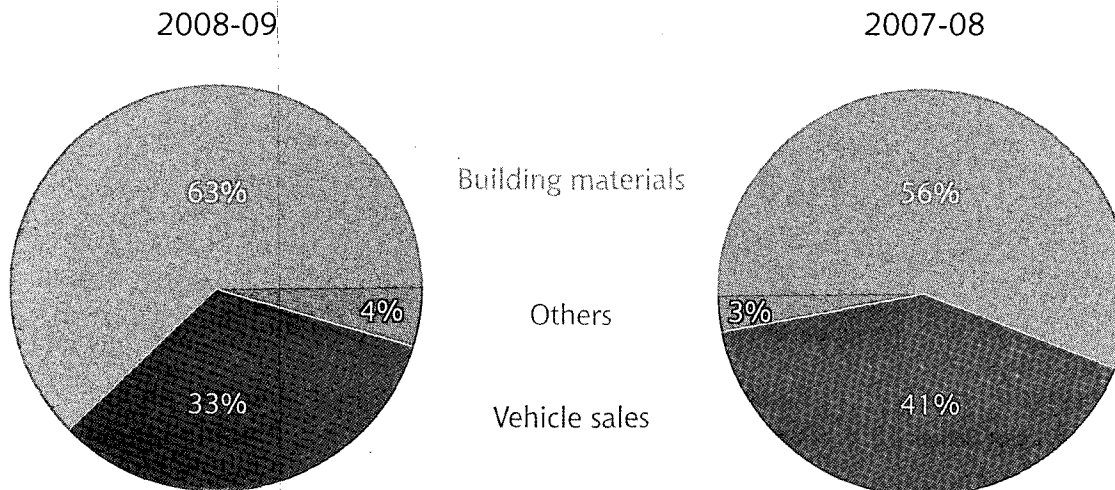
S Arumugam
CEO

Key financials

(INR million)

	2008-09	2007-08
Revenue	4284.44	3907.31
Profit (loss) before interest, depreciation, tax	132.84	71.04
Less: Interest	12.03	7.60
Less: Depreciation	17.64	20.64
Less (Add): Provision for tax	18.69	(2.69)
Less: Exceptional items	61.35	NIL
Less: Prior period adjustments	NIL	0.10
Net profit	23.13	45.39
Equity capital	395.72	395.72
Reserves and surplus	3222.94	3222.94
Gross fixed assets	433.71	541.15
Net fixed assets	259.85	475.86

Revenue Mix



Overview

Quick information

Name of company	Sicagen India Limited
Incorporation	2004
Shares issued	39.57 million
Listing	Bombay Stock Exchange National Stock Exchange of India
Lines of business	<p>Building materials trading</p> <p>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.</p> <p>For dealers, contractors, builders, and corporate buyers, our network of 27 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.</p> <p>Vehicle sales</p> <p>Dealership of commercial vehicles for Tata Motors—ranging from the 0.75 tonne <i>Tata Ace</i> to the top-of-the-line <i>Tata Novus</i>—with showrooms in Chennai and Tiruchirapalli covering 11 districts of Tamil Nadu state.</p> <p>Customers include corporates, retail vendors, high income individuals.</p> <p>Governor services</p> <p>Goodwill Governor Services is India's only authorized service center for Woodward, makers of the world's finest governors.</p> <p>Travel and cargo</p> <p>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.</p> <p>Boat-building and ship repair</p> <p>Goodwill Engineering Works builds passenger and cargo vessels, boats, tugs and barges.</p> <p>Speciality chemicals</p> <p>Provides water treatment and process improvement solutions for the petrochemical, fertilizer, refinery, power, pharmaceuticals, agro and pesticide industries.</p>

Principal office	Registered office	Bankers	Auditors
Floor 4 East Coast Center 534 Anna Salai Teynampet Chennai 600018 Voice +91 44 24343565 Fax +91 44 24343562 Email secl@sicagen.com	Adyar House Chennai 600085	HDFC Bank State Bank of India Karnataka Bank Indian Bank ICICI Bank Bank of Baroda	CNGSN Associates Chartered Accountants 20 Raja Street T Nagar Chennai 600017

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.



R Narayanasamy, Independent Director

R Narayanasamy has decades of experience in the fertilizer and automotive industries, having served in various positions of operations, marketing, sales and administration. A Bachelor of Arts, Mr Narayanasamy has also worked with Neyvelli Lignite Corporation.



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.

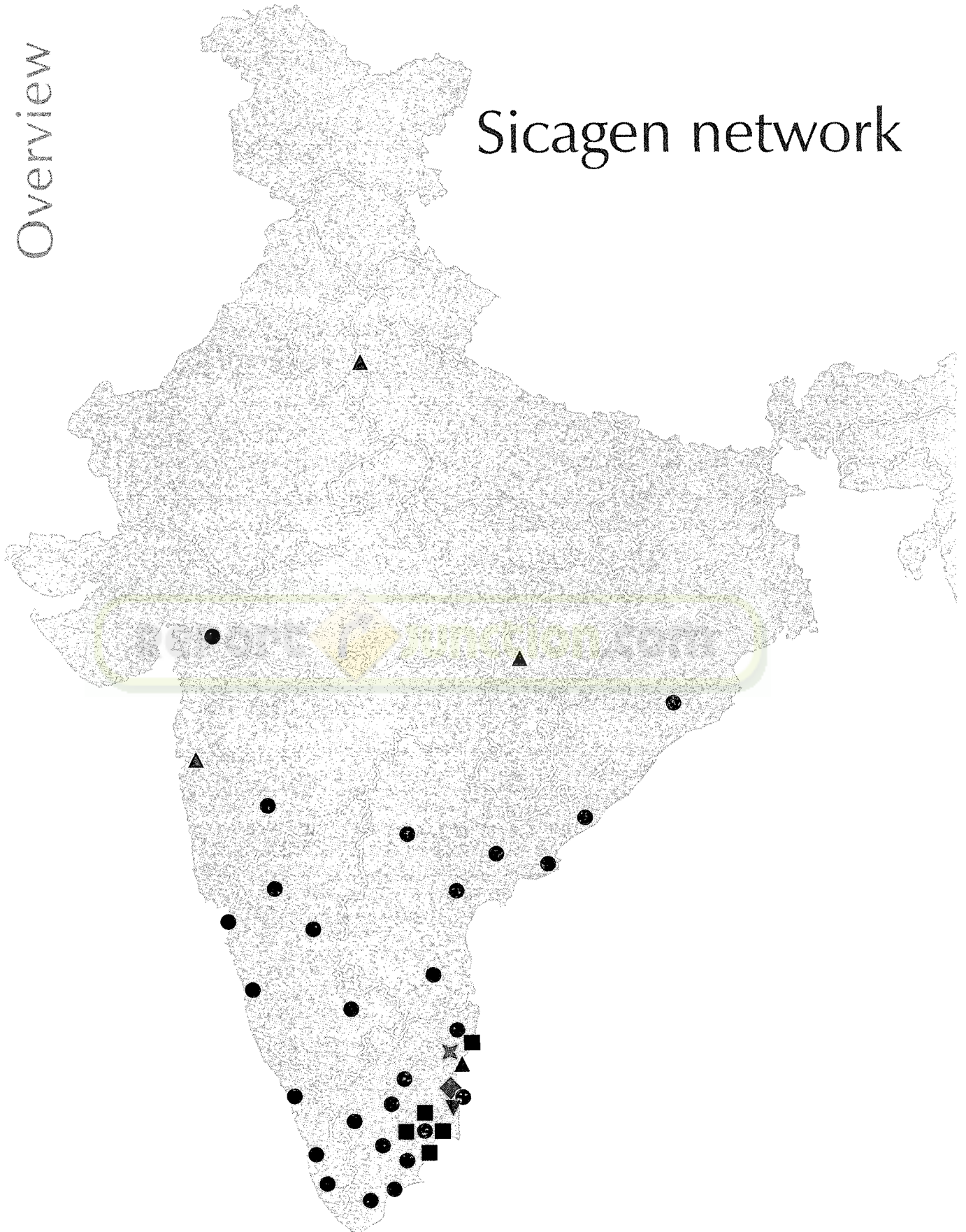


GR Kannan, AVP (F&A) and Company Secretary

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

Sicagen network



BUILDING MATERIALS



Ankleshwar
Benguluru
Belgaum
Bhubaneswar
Calicut
Chengannur
Chennai
Chittoor
Coimbatore

Dindigul
Ernakulam
Erode
Goa
Hubli
Kakinada
Madurai
Mangalore
Puducherry

Pune
Rajahmundry
Salem
Secunderabad
Tiruchirapalli
Tirunelveli
Tuticorin
Vijayawada
Visakhapatnam

VEHICLE SALES



Chennai
Nagapattinam
Thanjavur

Tiruchirapalli
Tiruvarur

GOVERNOR SERVICES



Chennai
Delhi

Mumbai
Raipur

SPECIALITY CHEMICALS



Puducherry

BOAT BUILDING



Puducherry

TRAVELS



Chennai

Overview

Prominent customers

Annamacharya Educational Trust	India Cements
Atul	IRIZAR-TVS
Apollo Hospitals	Jindal Steel and Power
Bharat Petroleum Corporation	Kothari Petrochemicals
Blue Star	Kandagiri Spinning Mills
Chennai Corporation	Lakshmi Machine Works
Cochin Shipyard	Lloyd Insulations
Chennai Petroleum Corporation	Larsen & Toubro
Cipla	MARG
Consolidated Construction Consortium	Matrix Laboratories
Dharani Sugars And Chemicals	Meenakshi College of Engineering
Dr Reddy's Laboratories	Murudeshwar Ceramics
Essar Steel	Oil and Natural Gas Corporation
Eastern Media	Reliance Industries
EDAC Engineering	Steel Authority of India
ETA Engineering	Sundaram Clayton
Hindalco Industries	Tamilnadu News Print and Papers
Hindustan Shipyard	Thermax
Hindustan Petroleum Corporation	Voltas
Hindustan Unilever	Wipro Consumer Products
Indian Oil Corporation	

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

Awards and recognition

Lol from Tata Motors for dealership in the districts of Thanjavur, Nagapattinam and Thiruvavur for SCV range of commercial vehicles.

2008-09 Super Performer Award from Tata Parivar for selling the highest tonnage of galvanized medium pipes in Karnataka state.

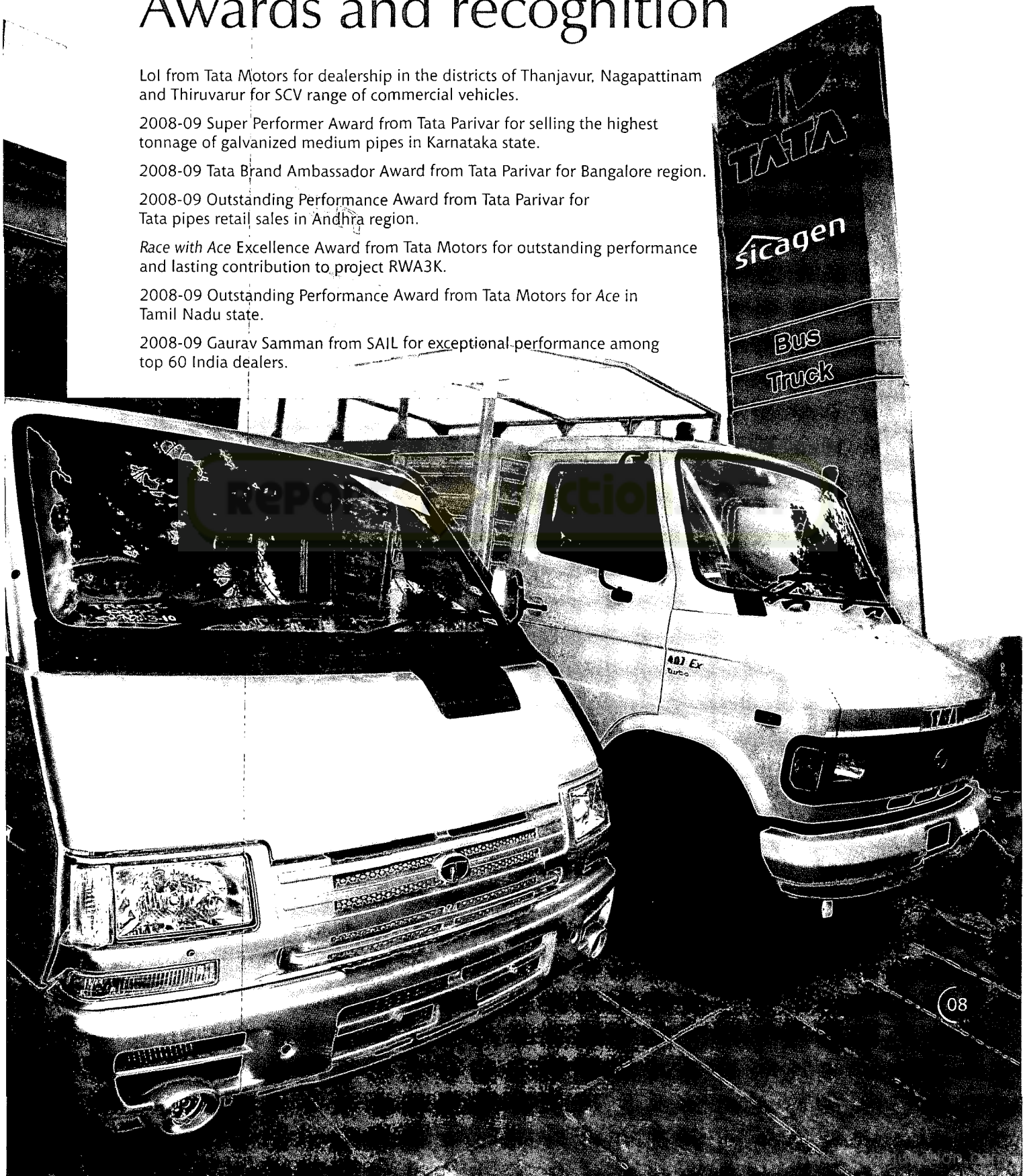
2008-09 Tata Brand Ambassador Award from Tata Parivar for Bangalore region.

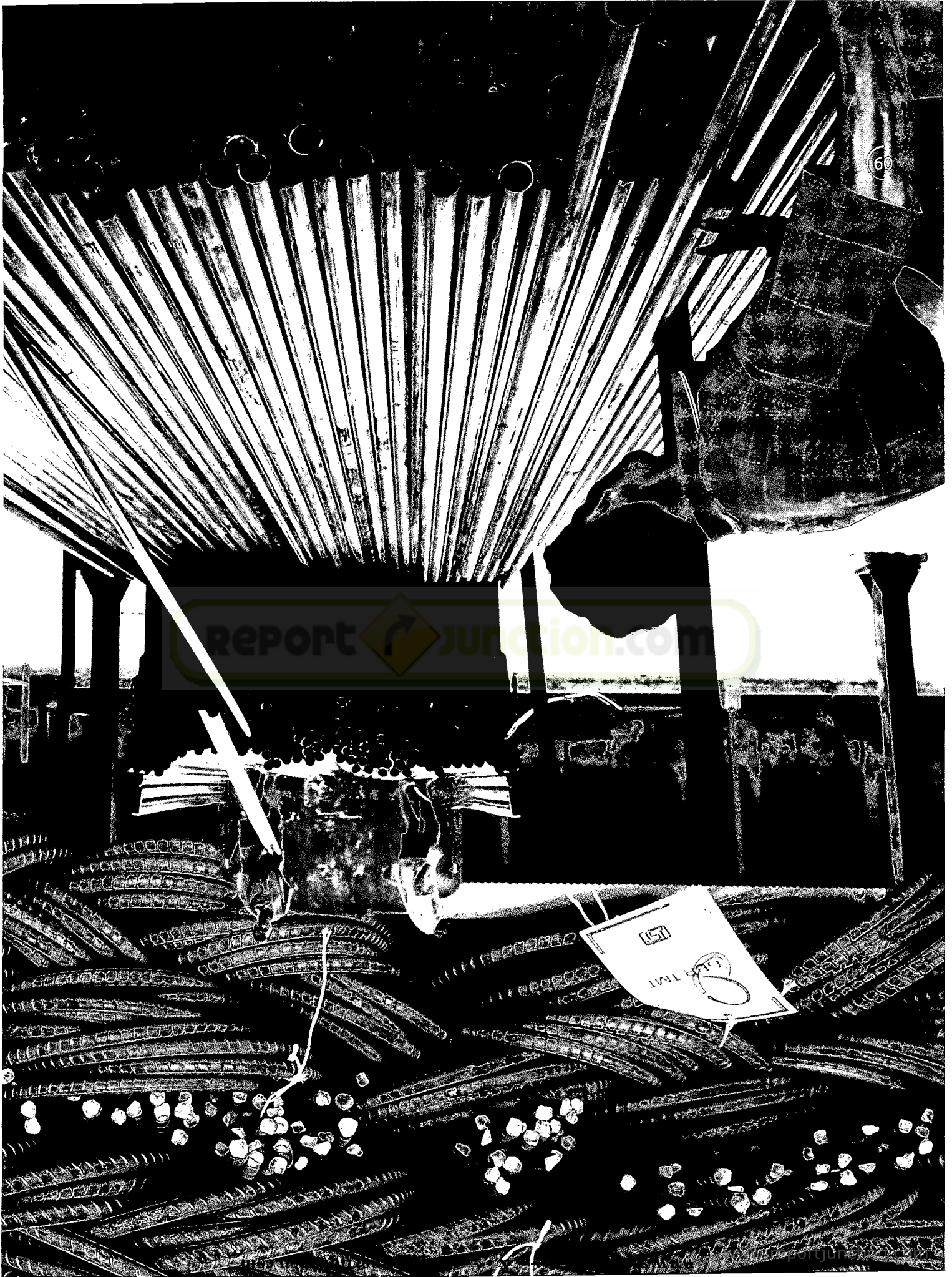
2008-09 Outstanding Performance Award from Tata Parivar for Tata pipes retail sales in Andhra region.

Race with Ace Excellence Award from Tata Motors for outstanding performance and lasting contribution to project RWA3K.

2008-09 Outstanding Performance Award from Tata Motors for Ace in Tamil Nadu state.

2008-09 Gaurav Samman from SAIL for exceptional performance among top 60 India dealers.





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