

Sical



South India Corporation (Agencies) Limited

FORTY SECOND ANNUAL REPORT 1996-97

BOARD OF DIRECTORS.

Dr. M.A. CHIDAMBARAM
Chairman Emeritus

Dr. A.C. MUTHIAH
Chairman

Shri ASHWIN C. MUTHIAH
Deputy Chairman

Shri R. MUTHU
Director

Shri TONY ADAM
Managing Director

Shri R. RAVINDRAN
Director - Finance

Shri R. VAIDYANATHAN
Director - Shipping

Shri S. KRISHNASWAMY
Director - Marketing

Shri V.K. GOPALAKRISHNAN
Director - Refractories

COMPANY SECRETARY

Shri R. GANESAN

AUDITORS

M/s. FRASER & ROSS
Chartered Accountants
4-A, Kences Towers, North Usman Road
T. Nagar, Chennai 600 017.

BANKERS

INDIAN BANK
STANDARD CHARTERED BANK
STATE BANK OF INDIA
BANK OF INDIA
IDBI BANK LTD.
BHARAT OVERSEAS BANK LTD.
ALLAHABAD BANK

REGISTERED OFFICE

Adyar House
Chennai 600 085

PRINCIPAL OFFICE

"South India House"
Nos.36-40, Armenian Street
Chennai 600 001.
Telephone : 5229341 (8 Lines)
Telegrams : Goodwill
Telex : 041-8310, 6353 & 6265
Post Box Number : 113
Fax : 044-5222258

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	NA
AO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			



SICAL is the new emerging force in the industrial scenario of Tamil Nadu.

Born as a result of the recent amalgamation of ACT India Ltd., SICAL and MIPL, SICAL is all set to further consolidate its core areas of operations - logistics, auto components and manufacturing.

With foresight, innovation, commitment and customer satisfaction as corporate guidelines, SICAL has planned its foray into the 21st century in great detail, to meet the future challenges.



OPERATING RESULTS AT A GLANCE

Rs. in Lacs

	31.3.97 (Post merger)	31.3.96	31.3.95	31.3.94	31.3.93
Sales & Other Income	46,202.32	13,827.10	7,209.11	4,170.73	3,712.25
Gross Profit	4,925.44	2,012.23	893.92	828.29	704.62
Interest	2,450.25	1,234.53	295.58	368.96	337.45
Profit before depreciation	2,475.19	777.70	598.34	459.33	367.17
Depreciation	846.21	126.33	128.46	57.98	47.62
Provision for Taxation	223.77	108.89	200.00	167.00	98.00
Profit after Tax	1,405.21	542.48	269.88	234.35	221.55
Transfer to:					
Capital Redemption Reserve		200.00			
Contingency Reserve	165.00				
Debenture Redemption Reserve				23.40	23.40
General Reserve	500.00	66.00	150.00	150.00	150.00
Networth	13,648.29	8,720.85	3,240.93	2,971.22	1,418.06

..... **Sical**



Dr. M.A. Chidambaram
Chairman Emeritus

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Dr. A.C. Muthiah
Chairman



FROM THE DESK OF THE DEPUTY CHAIRMAN



Dear Shareholder,

*Let me take this opportunity to extend a very warm welcome to the Shareholders of **ACT India Ltd.**, and **MAC Industrial Products Ltd.**, into the fold of **SICAL** consequent to merger now completed.*

*If you will recall, I had two years ago emerged on a restructuring and consolidation exercise within the **M A Chidambaram Group** and appointed International Consultants – M/s. KPMG, to study in detail the various businesses in the Group and come out with suggestions to consolidate synergistic businesses, in order to be a bigger player in our chosen business lines.*

*The mergers that followed thereafter, were as a result of this painstaking exercise and have now culminated in the merger of ACT India Ltd., and MIPL into SICAL. The merged **SICAL** has now focussed itself into three major business areas, viz., **Logistics**, **Auto Components** and **Manufacturing**.*

***Logistics** occupies the major business chunk of the Company accounting for 80% of the turnover and 85% of the profits.*

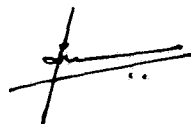
By integrating the activities of SICAL with that of ACT India, I have been able to create a large Logistics Company offering a one stop Logistics solution to major clients. The aim is to work closely with our clients to ensure that we bring down their Logistics costs, by offering all services right from the place of origin to the place of destination. In other words, we are attempting to create the concept of third party Logistics obviating the need for large business houses to have their own Logistics department. I foresee exciting opportunities emerging in the Logistics sector, especially with the opening up of the economy

allowing for a more liberalised import of bulk commodities.

Your Company has also been awarded the Management of a Bulk Cargo Handling Berth at Chennai Port and should be commencing operations very shortly. Ultimately, my aim is to make SICAL the largest organised total logistics provider in South India. The merger of MIPL with SICAL has enabled the pooling of resources, in the creation of a large trading division dealing in construction materials. This merger will bring down the costs of operation considerably and confer substantial benefits to the Company.

*The **Auto Components Division** is seeking new tie-ups with leading European Auto Component Manufacturers to widen the product range in Electricals to cater to the latest generation cars, entering the market today. As far as the Refractories Division is concerned, we are now seeking a tie-up with leading Multinationals to get into the manufacture of value added products. I see a very bright future for the merged SICAL and new milestones are being set in our progressive march forward. Development of Human Resources is being accorded the highest priority and strategies are being evolved to ensure that SICAL has the right Human Resources to meet our corporate goals.*

I thank the Shareholders who have placed their trust in the Company all these years and would like to sign off with the assurance that SICAL would continue to perform very creditably and ensure substantial rewards over time.

A handwritten signature in black ink, appearing to read "Ashwin C. Muthiah".

Ashwin C. Muthiah
Deputy Chairman



SICAL's INVESTMENT PORTFOLIO

(Rs. in Crores)	
Sical	
Southern Petrochemical Industries Corporation Ltd.	25.57
Southern Agrifurane Industries*	1.61
South India Sugars*	3.09
MAC Industries*	11.76
First Leasing Company of India Ltd.	4.57
Mercantile Credit Corporation	1.17
South India House Investments Ltd.	10.00
Pearl Ships Ltd.	13.31
The Security & Detective Bureau Ltd.	0.03
Others	4.74
Total	75.85

* Now merged as Mac Agro Industries Ltd.



SICAL's SUBSIDIARIES

