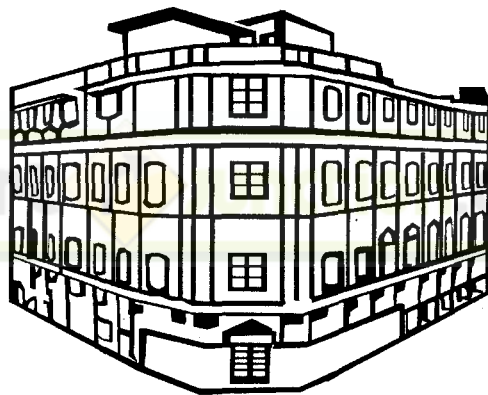


Annual Report 2002-2003



South India House

**SOUTH INDIA CORPORATION
(AGENCIES) LIMITED**

BOARD OF DIRECTORS

Dr. A.C. MUTHIAH	Chairman
Shri ASHWIN C. MUTHIAH	Deputy Chairman
Shri S. CHANDRA DAS	Director
Shri R. MUTHU	Director
Shri DHANANJAY N MUNGALE	Director
Shri JAWAHAR VADIVELU	Director
Dr. A.M. SWAMINATHAN	Director - IDBI Nominee
Shri V.R. MEHTA	Director - UTI Nominee
Shri S. VASUDEVAN	Managing Director
Shri R. RAMAKUMAR	Director & Chief Operating Officer - SICAL Logistics
Shri S. SIVARAMAN	Company Secretary

AUDITORS

M/s. S. VISWANATHAN
Chartered Accountants
17, Bishop Wallers Avenue (West)
Mylapore, Chennai - 600 004.
Phone : 044-24991147

REGISTERED OFFICE

"Adyar House", Chennai - 600 085.

PRINCIPAL OFFICE

"South India House"
No. 73, Armenian Street, Chennai - 600 001.
Telephone : 044-25229341 (16 Lines)
Fax : 044-25224202
Email : sicaedp@md2.vsnl.net.in
Website : www.sical.com

BANKERS

ALLAHABAD BANK
BANK OF INDIA
BANK MUSCAT S.A.O.G.
CENTURION BANK LTD
GLOBAL TRUST BANK LTD
HDFC BANK LTD
IDBI BANK LTD
INDIAN BANK
STATE BANK OF INDIA
STATE BANK OF MAURITIUS LTD
THE FEDERAL BANK LTD
UTI BANK LTD

EQUITY SHARES LISTED WITH

Madras Stock Exchange Ltd.,
Exchange Building, Post Box No.183
11, Second Line Beach, Chennai - 600 001.

The Stock Exchange, Mumbai
Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai - 400 001.

The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

REGISTRAR AND SHARE TRANSFER AGENTS

Cameo Corporate Services Ltd.

Unit : SICAL
"Subramanian Building", V Floor
No.1, Club House Road, Chennai - 600 002.
Telephone : 044-28460390 (5 lines)
Telefax : 044-28460129
E-mail : cameosys@satyam.net.in

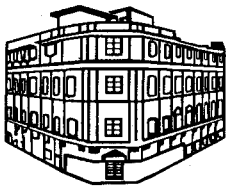
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OPERATING RESULTS AT A GLANCE

(Rs. in Lakhs)

	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
Sales & Other Income	112354.46	124678.18	219181.40	193946.48	179286.99
Profit Before Depreciation, Interest and Tax	8599.55	881415	11603.91	10545.02	9632.47
Interest	6909.90	7011.59	6920.38	5775.27	5367.27
Profit before Depreciation and Tax	1689.65	1802.56	4683.53	4769.75	4265.20
Depreciation	1466.28	1229.31	1380.11	1448.90	1173.10
Provision for Taxation	(75.53)	364.45	1151.70	960.14	689.62
Profit after Tax	298.90	208.80	2151.72	2360.71	2402.48
Transfer to:					
Capital Redemption Reserve	--	--	200.00	23.50	--
Contingency Reserve	--	--	--	150.00	150.00
Debenture Redemption Reserve	--	--	680.00	471.00	481.33
General Reserve	--	--	200.00	289.71	500.00
Networth	16910.10	16842.43	19315.55	19033.48	18375.93



South India House

SOUTH INDIA CORPORATION (AGENCIES) LIMITED

Registered Office: "Adyar House", Chennai - 600 085

Principal Office : "South India House", 73, Armenian Street, Chennai - 600 001

NOTICE

To

All Shareholders

NOTICE is hereby given that the **Forty Eighth** Annual General Meeting of the shareholders of SOUTH INDIA CORPORATION (AGENCIES) LTD will be held on Wednesday, the 24th September, 2003, at 10.00 a.m. at "Rajah Annamalai Hall", Esplanade (Near High Court), Chennai 600 108 to transact the following business :

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2003 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors, thereon.
- To elect Directors :
 - To appoint a Director in the place of **Shri. S. Chandra Das**, who retires by rotation and being eligible, offers himself for re-election.
 - To appoint a Director in the place of **Shri. Dhananjay Narendra Mungale**, who retires by rotation and being eligible, offers himself for re-election.
 - To appoint a Director in the place of **Shri. S. Vasudevan**, who retires by rotation and being eligible, offers himself for re-election.
- To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

RESOLVED THAT M/s. CNGSN & Associates, 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 on a remuneration and out-of-pocket expenses for actual travelling and other expenses in connection with the Company's Audit to be determined by the Board of Directors.

SPECIAL BUSINESS

- To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

ORDINARY RESOLUTION

RESOLVED THAT Shri. V R Mehta, who was appointed as an additional Director of the Company by the Board of Directors on 09.04.2003 and who ceases to hold office under Section 260 of the Companies Act, 1956 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.

- To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

ORDINARY RESOLUTION

RESOLVED THAT Shri. R. Ramakumar, who was appointed as an additional Director of the Company by the Board of Directors on 09.04.2003 and who ceases to hold office under Section 260 of the Companies Act, 1956 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 the Company.

- To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

SPECIAL RESOLUTION

RESOLVED THAT in supersession of earlier resolution approved at the Annual General Meeting of the Company held on 24.08.2000 and pursuant to Article No.99 (b) of the Articles of Association of the Company and in accordance with the Sections 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 (Act), read along with the Schedule XIII to the Act, as amended upto date, Shri.S.Vasudevan, be and is hereby re-appointed as Managing Director of the Company w.e.f. 09.04.2003 by renewing his term of appointment from 01.07.2003 for a period of three years, on the following terms.

- Term : 3 years from 01.07.2003
- Annual Package
 - Salary p.m. : Rs.45,000/- (Rupees Forty five thousand only)
 - Commission : Not exceeding annual salary or Special Allowance
 - Perquisites : Shall be restricted to an amount equal to annual salary

(Perquisites include provision of car for business / office use, residential accommodation or HRA, reimbursement of house maintenance, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, gas, electricity and water charges)

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to increase, decrease, alter or vary the terms of the remuneration from time to time in such manner so as not to exceed the limits specified in Schedule XIII or any amendments thereto, and the minimum remuneration payable, in case of inadequate profit/loss shall be the same as stated above.

7. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

SPECIAL RESOLUTION

RESOLVED THAT pursuant to Article No.99 (b) of the Articles of Association of the Company and in accordance with the Sections 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 (Act), read along with the Schedule XIII to the Act, as amended upto date, Sri R. Ramakumar be and is hereby appointed as Director & Chief Operating Officer-Sical Logistics of the Company for a period of three years commencing from 09.04.2003 on the following terms.

1. Term : 3 years from 09.04.2003
2. Annual Package
 - a) Salary p.m. : Rs.35,000/- (Rupees thirty five thousand only)
 - b) Commission or Special Allowance : Not exceeding annual salary
 - c) Perquisites : Shall be restricted to an amount equal to annual salary

(Perquisites include provision of car for business / office use, residential accommodation or HRA, reimbursement of house maintenance, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, gas, electricity and water charges)

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to increase, decrease, alter or vary the terms of the remuneration from time to time in such manner so as not to exceed the limits specified in Schedule XIII or any amendments thereto, and the minimum remuneration payable, in case of inadequate profit/loss shall be the same as stated above.

8. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

SPECIAL RESOLUTION

RESOLVED THAT pursuant to clause 5.1 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 and other applicable provisions if any of the Companies Act, 1956, the consent of the Company be and is hereby given for delisting of the equity shares (voluntarily) of the Company from the Madras Stock Exchange Ltd., Chennai.

By Order of the Board

For South India Corporation (Agencies) Limited

Date : 30.07.2003

Registered Office:

"Adyar House", Chennai - 600 085.

S. SIVARAMAN

Company Secretary

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 3 to 8 of the notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 16th September, 2003 to Wednesday the 24th September, 2003 (both days inclusive).
4. The Members/Proxies should bring the attendance slip duly filled-in and signed along with the Annual Report and they are requested to hand over the attendance slip at the entrance of the hall for attending the meeting.
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, any dividend amount(s) which remain unpaid or unclaimed for a period of 7 years will be transferred to the "Investor Education and Protection Fund" of the Central Government established under Section 205C of the Companies Act, 1956. Hence the shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 1997 or any subsequent financial years are requested to make their claim to the Principal Office of the Company at "South India House" 73, Armenian Street, Chennai 600 001. It may also be noted that once the unclaimed dividend for 1996-97 is transferred to Investor Education and Protection Fund established by the Central Government, no claim shall lie in respect thereof.
7. Shareholders are hereby informed that the Company as per the SEBI's guidelines, w.e.f. 01.04.2003, has appointed M/s. Cameo Corporate Services Limited, Unit : SICAL, "Subramanian Building", V Floor, No.1, Club House Road, Chennai 600 002, as its Share Registry both for electronic and physical transactions of the shares. The shareholders are therefore requested to take note of the same and send all documents, correspondences, queries on any matters in this regard to the Company's Share Transfer Agents.
8. Shareholders are requested to notify immediately any change in their address to the Company / Share Transfer Agents / Depository Participants.
9. All material documents pertaining to the Notice are available for inspection by the Members at the Principal Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of the Meeting.

The Company's equity shares are listed at Mumbai (BSE), National (NSE) and Madras (MSE) Stock Exchanges and the listing fees for the year 2003-04 have been paid in time.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

The following Explanatory Statement sets out the material facts referring to :
Item No. 3 -

At the 47th Annual General Meeting (AGM) held on 23.12.2002, the shareholders have appointed M/s. S. Viswanathan, Chartered Accountants, Chennai 600 004, as the Company's Statutory Auditors for the financial year 2002-2003 till the conclusion of this AGM. It is brought to the notice of the shareholders that one of the partners of the firm, Shri. C.N. Gangadharan who looked after the audit of the Company has retired from the firm and has joined another firm of Chartered Accountants called M/s. CNGSN & Associates, No.20, Raja Street, T.Nagar, Chennai 600 017. The Company has received a special notice from a member proposing the appointment of M/s. CNGSN & Associates, Chartered Accountants, as the Statutory Auditors of the Company in place of M/s. S. Viswanathan, Chartered Accountants, the retiring auditors. Consequently the Board at its

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE / PRINCIPAL OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING; IN DEFAULT, THE INSTRUMENT OF PROXY SHALL NOT BE TREATED AS VALID.

meeting held on 25.06.2003 proposed to appoint M/s. CNGSN & Associates, Chartered Accountants, Chennai 600 017, as the Company's Statutory Auditors, for the financial year 2003-2004, subject to the approval of the shareholders at this Annual General Meeting. M/s. CNGSN & Associates have consented to be the auditors of the Company for the current year 2003-2004 and also confirmed that their appointment will be well within the limits of the Section 224 (1-B) of the Companies Act, 1956, if appointed. M/s. S. Viswanathan, Chartered Accountants have expressed that they would not offer themselves for re-appointment. Accordingly, the resolution as set out in the notice may be approved by the shareholders of the Company.

Memorandum of Interest

None of the Directors is interested or concerned in the resolution.

Item No. 4

Shri. V.R. Mehta, has been inducted as an additional Director in the place of Shri. S. Gurumurthy, UTI Nominee Director, who expired on 25.01.2003, by the Board of Directors of the Company at their meeting held on 09.04.2003 in terms of letter dated 07.02.2003, received from UTI Asset Management Company Pvt. Ltd. (UTI) appointing him as its Nominee Director on the Board of the Company. According to Section 260 of the Companies Act, 1956, Shri. V.R. Mehta, UTI Nominee Director holds office as Director only upto the date of this Annual General Meeting and the Company has received a notice in writing from a member duly proposing his appointment as a Director with the requisite deposit of Rs.500/- (refundable if he is elected). The Board of Directors recommend the same for the approval of the shareholders. Particulars about his qualification and experience are given under the column "information about appointment / re-appointment of Directors" in the Notice. Pursuant to Article 106(3) of the Articles of Association of the Company Shri. V.R. Mehta, being Nominee Director of UTI, shall not retire by rotation.

Memorandum of Interest

None of the Directors is interested or concerned in the resolution except Shri. V. R. Mehta.

Item No. 5, 6 & 7

- (a) The Board of Directors of the Company at their meeting held on 09.04.2003 have appointed Shri.R.Ramakumar as an additional Director of the Company, who ceases to hold office under Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member duly proposing his appointment as a Director of the Company with the requisite deposit of Rs.500 (refundable if he is re-elected).

Considering his qualification and experience, Shri.R.Ramakumar, has been appointed as a wholetime Director of the Company with the designation, Director & Chief Operating Officer-Sical Logistics for a period of 3 years w.e.f. 09.04.2003.

- (b) The Board of Directors of the Company at their meeting held on 09.04.2003 have elevated Shri.S.Vasudevan as Managing Director of the Company by renewing his term of appointment for a period of 3 years from 01.07.2003, since his term of original appointment expired on 30.06.2003.

The Board of Directors recommend the appointment and payment of remuneration to the above Directors as set out in the notice vide item Nos.5,6 & 7. Particulars about their qualification and experience are given under the column "information about appointment / re-appointment of Directors" in the Notice.

Memorandum of Interest

None of the Directors is interested or concerned in the resolution except Shri. S. Vasudevan and Shri. R. Ramakumar.

Item No. 8

The Company's equity shares are presently listed in Madras, Mumbai and National Stock Exchanges. In terms of clause 5.1 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, a Company is permitted to voluntarily delist the equity shares subject to the following conditions :

- a) The securities of the Company have been listed for a minimum period of 3 years on the Stock Exchange from where the delisting is sought. b) An exit opportunity has been given to the investors for the purpose of which an exit price shall be determined in accordance with the book building process. The exit opportunity need not be given in cases, where securities continue to be listed in a stock exchange having nationwide terminal. example : National and Mumbai Stock Exchanges. c) Approval through special resolution by the shareholders in the Annual General Meeting.

The trading activities of the Company's equity shares are insignificant and infrequently traded on the Madras Stock Exchange for the last three years. The details of trading which had taken place on Madras Stock Exchange from 01.04.2000 to 31.03.2003 are given below.

Date / Period	No. of Transactions	Quantity	Closing Price (Rs.)
01-04-2000 to 04-07-2000	--	--	--
05-07-2000	1	100	20.00
16-02-2001	2	200	16.00
19-02-2001	1	50	16.00
02-03-2001	1	100	16.00
03-04-2001	1	100	13.00
23-05-2001	1	50	14.75
01-04-2002 to 31-03-2003	--	--	--

It is proposed to voluntarily seek delisting of the Equity Shares from Madras Stock Exchange. The voluntary delisting will not affect the liquidity since trading can well be done through the nationwide terminals of the Bombay and National Stock Exchanges with whom the listing would continue. The delisting of shares from Madras Stock Exchange is subject to the approval of Shareholders. Hence the proposed resolution seeking approval of the Shareholders.

Memorandum of Interest

None of the Directors is interested or concerned in the resolution.

By Order of the Board
For South India Corporation (Agencies) Limited

Date : 30.07.2003

Registered Office:

"Adyar House", Chennai - 600 085.

S. SIVARAMAN
Company Secretary

Information required to be given under the Listing Agreement about the particulars of Directors to be appointed / re-appointed at the Annual General Meeting and their Directorship / Chairmanship / Committee Membership in other Companies.

- A. Shri. S. Chandra Das, B.A., Hons in Economics is aged about 62 years and has varied experience in educational, commercial and business lines for more than 31 years. He is a resident of Singapore. He was a Director on the Board of the erstwhile MAC Agro Industries Limited which got amalgamated with the Company.

DIRECTORSHIP HELD IN

SICAL CWT Distriparks Limited
National Trust Housing Finance Limited
SDB-CISCO (India) Limited
PSA SICAL Terminals Limited

- B. Shri. Dhananjay N Mungale, B.Com., A.C.A., L.L.B., aged about 50 years is having wide experience in International Finance, Capital Markets and Merchant Banking. He worked in various senior positions in Bank of America, London, Bank of America, India, Colour Chem Limited, DSP Financial Consultants Limited. He was a Director on the Board of the erstwhile MAC Agro Industries Limited which got amalgamated with the Company. Presently he is a consultant.

DIRECTORSHIP HELD IN

Electronic Machine Tools Limited
Mahindra & Mahindra Financial Services Limited
Novacel Life Sciences Limited (formerly Chinai Chemicals Limited)
Chowgule Steamships Limited
Investor Advisors Pvt. Limited
Indoco Remedies Limited
Mentor Technologies Pvt. Limited
Millenium Broadcast Company Pvt. Limited
Camlin Limited
Zest Pharmaceuticals Pvt. Limited
Caprihans India Limited
Indo Count Industries Limited

AUDIT COMMITTEE CHAIRMANSHIP HELD IN

Camlin Limited
Indoco Remedies Limited

AUDIT COMMITTEE MEMBERSHIP HELD IN

Caprihans India Limited
Mahindra & Mahindra Financial Services Limited
Chowgule Steamships Limited

- C. Shri. V. R. Mehta is currently Director on the Boards of some public and private sector companies, including some assisted by Financial Institutions. Since his return from the Asian Development Bank in 1994 Shri. V.R. Mehta undertakes short-term assignments as a Senior Consultant for the World Bank in Washington D.C. and the African Development Bank in Abidjan, Ivory Coast.

Shri. V. R. Mehta was a Senior Expert in the Asian Development Bank (ADB), Manila for over 14 years dealing with projects in the transport, power and industry sector in the countries in Asia and Pacific Regions. Prior to joining the ADB, Shri. V. R. Mehta served in the Government of India in the Ministry of Shipping & Transport for almost 6 years as Director and Joint Secretary, with the charge of all the major ports in the country. He is the founder Managing Director of the Dredging Corporation of India. Shri. V.R. Mehta had earlier served for about 17 years in various senior positions in the Railway Board and the Zonal Railways.

Shri. V. R. Mehta has also been active in social and humanitarian work and was honoured by the Mayor of Manila, Philippines for his extensive social services by the grant of the Key of the City of Manila and his adoption as the Son of Manila for his humanitarian services in the Philippines.

Shri. V. R. Mehta holds an Honours degree in Engineering and is a member of the Maritime Economists Group, London.

DIRECTORSHIP HELD IN

Birla VXL Limited
Essar Power Limited
Haldia Petrochemicals Limited
Pipavav Ship Dismantling and Engineering Limited

Sea Kind Infrastructure Limited
SRF Limited
Tata Engineering & Locomotive Company Limited
Telco Construction Equipment Company Limited
Tamilnadu Newsprint & Papers Limited
Southern Petrochemical Industries Corporation Limited
Seas Software Services Pvt. Limited

AUDIT COMMITTEE CHAIRMANSHIP HELD IN

Tata Engineering and Locomotive Company Limited
Telco Construction & Equipment Company Limited
Manganese Ore (India) Limited
Tamilnadu Newsprint and Papers Limited

AUDIT COMMITTEE MEMBERSHIP HELD IN

SRF Limited
Essar Power Limited
Pipavav Ship Dismantling and Engineering Limited

- D. Shri. S. Vasudevan, aged about 49 years is a graduate in Commerce from Loyola College. He is a Chartered Accountant by profession. He had wide experience in finance, capital markets, merchant banking and foreign exchange. He held several senior positions in SPIC Group of Companies. He has also worked in Property Development Division in Chemplast, Sanmar Group and was Managing Director in the erstwhile MAC Property Development Limited, and to his credit, he has developed commercial projects measuring over 2.5 lac sq.ft. and up market residential complex measuring about 1,00,000 sq.ft. Recently, he has developed a residential complex measuring about 60,000 sq.ft. near Guindy, Chennai. He has been employed with SICAL for the last 5 years as Director - Commercial and in appreciation of his best performance, he has been elevated as Managing Director w.e.f. 09.04.2003. He has vast experience in corporate and overall business management.

DIRECTORSHIP HELD IN

South India House Investments Limited - Managing Director
MAC Towns Limited
SDB CISCO (India) Limited (Alternate to Shri S Chandra Das)
SICAL CWT Distriparks Limited

AUDIT COMMITTEE CHAIRMANSHIP HELD IN

South India House Investments Limited

- E. Shri. R. Ramakumar, aged about 50 years, is a graduate in Chemistry from Madras University and did a Diploma in Computer Programming from Annamalai University. He joined the erstwhile ACT India Limited (which got amalgamated with the Company), in June, 1995 as Senior General Manager. Before joining ACT India Limited, he held senior positions in SPIC Ltd., under various capacities. Consequent to the amalgamation of the erstwhile ACT India Limited with the Company, he was appointed as the Executive Director-Logistics in December 1997 and he was elevated as Vice President - Logistics in June 2000. Subsequently he was appointed as Chief Operating Officer-Logistics in September 2002 in SICAL. In recognition of his best performance, he has been elevated as Director & Chief Operating Officer-Sical Logistics w.e.f. 09.04.2003.

DIRECTORSHIP HELD IN

SICAL CWT Distriparks Limited - Managing Director
The Express Carriers Limited
Pearl Berth Chennai Limited
PSA SICAL Terminals Limited
ACT Automobiles Pvt. Limited

DIRECTORS' REPORT

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2003.

The Board of Directors present their **Forty Eighth** Annual Report together with the Audited Accounts for the year ended 31st March 2003.

FINANCIAL RESULTS

The financial results for the year ended 31st March 2003 are summarised below :

	(Rs. in crores)	
	Year ended 31 st March, 2003	Year ended 31 st March, 2002
Sales & Other Income	1123.54	1333.25
Profit before interest, depreciation and tax	85.99	88.14
Interest	69.10	70.12
Cash Profit	16.89	18.02
Depreciation	14.66	12.29
Profit before tax	2.23	5.73
Provision for tax	0.24	2.97
Tax relating to prior year	(1.00)	0.67
Net Profit	2.99	2.09
Earnings per share (EPS) in Rs.	(0.09)	(0.78)
Book value per share	46.03	46.12

DIVIDEND

Your Directors regret their inability to recommend any Dividend with a view to conserve the profits for future growth of the Company.

PERFORMANCE OF THE COMPANY

The performance of your Company during the year 2002-2003 was satisfactory. The turnover of the Company was Rs.1123.54 crores and the Company earned an operating profit, before interest and depreciation, of Rs.85.99 crores.

LOGISTICS GROUP

The Logistics Group witnessed an increase of 25% from Rs.655 crores to Rs.820 crores in turnover with an improvement in profits. Some of the highlights / achievements of this division are given below :

- This Division handled 21 million MT of cargo during the year as against 19 million MT in 2001-2002.
- Two state-of-the-art cranes installed at Ennore Port became fully operational and its performance has received commendations from the port and TNEB Authorities.

- This division bagged a large contract from Central Warehousing Corporation for managing their ICD at Noida, near Delhi and CFS at Vizag and Tuticorin and this project would start from August, 2003.
- This division has been shortlisted for the berth projects for liquid cargo terminal and dry bulk cargo at Ennore by Ennore Ports Limited.
- The end-to-end contract for movement of Karnataka Power Corporation Limited (KPCL) from coal mines in Talcher to their Power Plant in Raichur would be completing its second year of operations successfully.
- This division bagged the KPCL contract for movement of about 2 million MT per annum coal from Western collieries in Maharashtra by "all rail route" to their power plant at Raichur
- This division has been shortlisted for Operations & Maintenance of all the supply vessels owned by ONGC for their Bombay High operations.
- This division continues to enjoy the leadership position in the bulk cargo logistics in the country.

Stevedoring division's performance for the year was the best ever in the history of the Company recording 9 million MT. This volume does not include the coal handled for TNEB and the movement of coal by "all rail route" of KPCL. This division received several awards and commendations for discharging maximum quantity of cargo at Goa, Tuticorin and Vizag ports. The Steel Authorities of India Limited commended the handling of their first vessel at Vizag port for achieving an all time high loading rate so far.

The Trucking and Warehousing division also put up a good performance, by a 20% increase in sales as compared to previous year. This division has bagged new contracts from Sterlite and Hindustan Lever Chemicals Ltd. This division is one of the very few in the industry to have installed a real time tracking system for tankers/trucks, which carry sensitive cargo and the days are not far off, when all the vehicles owned by the Company will be installed with such a system.

Ship Agency division has performed creditably well. This division has successfully chartered ships for in-house movement of coal from Paradip to Chennai Port, making SICAL one of the largest charterers for coastal movement of cargo.

Ship Building and Ship Repairs division continued to be on a low key due to the recessionary trend in the industry.

MARKETING GROUP

Building Materials

This division logged a turnover of Rs.174.86 crore with a profit of Rs.4.11 crores. Being, the single largest distributor

for TATA Pipes in the country, the sale of TATA pipes was 22,000 MTs. as against 21,000 MTs. during the corresponding period last year. The division's performance continues to be good due to our extensive marketing network.

Vehicles & Spares

The mid size passenger car segment did not perform well during the last year and this has impacted this division's performance. During the year under review, this division sold 808 Telco Trucks as against 742 in the previous year. This division has registered a cash profit of Rs.11.34 lakhs. Due to cost rationalisation, both administrative expenses and interest costs have been brought down significantly in this division. The process of identifying satellite service stations at different locations in Chennai and dealership for a fast moving vehicle brand are being explored.

AGRO GROUP

Oil Palm

During the year under review, the Palm Oil division at Andhra Pradesh has crushed 16950 MT's of Fresh Fruit Bunches (FFB) and produced 3252 MT's of crude palm oil as against 19534 MT's and 3892 MT's respectively in the previous year. As the prices of palm oil have gone up by 20%, this division earned a profit of Rs.3.16 crores on a turnover of Rs.12.12 crores as compared to Rs.2.29 crores and Rs.9.46 crores respectively in the previous year.

Cytozyme

This division did well during the year under review achieving a turnover of Rs.3.37 crores with a net profit of Rs.1.52 crores. The cytozyme unit has been shifted from Mundiymbakkam and is now located at Puzhal, near Chennai, to avail logistics benefits.

The Speciality Chemicals division located at Thirubhuvanai, Pondicherry which produces water treatment chemicals has achieved a turnover of Rs.1.54 crores with a net profit of Rs.21 lacs.

MANUFACTURING GROUP

Refractories

This division is on its road to recovery due to stringent cost control measures taken during the year under review. Moreover, steel prices have gone up in the global market which will have a spin off benefit to the refractory industry in general. The export avenues for High Heat Heavy Duty bricks and Acid Proof refractories are bright and the same are being explored in the current year. The stoneware pipes unit continue to command a good premium in the market, though facing competition from small time, unbranded pipe manufacturers. In general, the Refractories and Stoneware Pipes division has achieved a significant reduction in the losses during the year under review.

Auto Components

The performance of auto components business engaged in the manufacturing of engine cooling modules in technical collaboration with Johnson Electric Automotive Inc., of Hongkong at Maraimalai Nagar has carved a niche in the auto electrical segments. This division has achieved a turnover of Rs.16.90 crores with a net profit of Rs.1.89 crores. This division maintains zero level warranty defect with auto majors like, Ford, Fiat, Telco and Maruthi Udyog Ltd. This division has been accredited with ISO 14001 certification for Environmental Management System. The division has added Mahindra & Mahindra's scorpio vehicle to its customer base.

Flexible Shaft and Drums

This division which is into foundry and forge shop auto components has been significantly affected, due to economic down trend and recession in the automobile industry. Though the volume of sale of drums has come down during the year under review, the prospects for the current year seem to be bright as one of the major players in the manufacture of drums is planning to exit. This division has achieved a turnover of Rs.16.75 crores with a net profit of Rs.2.18 crores.

Goodwill Travels

During the year under review, this division achieved a gross income of Rs.3.80 crores and earned a profit of Rs.48 lacs, even though the market conditions for tourism development were greatly affected. This division is exploring the possibilities of increasing the business of tours and travels and foreign exchange income in the current year by tying up with outbound tour groups.

OTHER INTERESTS

PSA-SICAL TERMINALS LIMITED

PSA SICAL, a joint venture between PSA Corporation, Singapore and SICAL has developed the 7th berth at Tuticorin port as a modern container terminal of international standards. The container terminal which came into operation from December, 1999 did remarkably well during the year under review. During the financial year, 2002 it has handled 214238 TEUs from 496 ships and logged a turnover of Rs.483.19 lakhs with a profit of Rs.146.02 lakhs.

MITSUBA SICAL INDIA LIMITED

This Company which manufactures Washer, Wiper and Fan Motors for automobiles has recorded a turnover of Rs.23.96 crores and earned a net profit of Rs.1 crore during the financial year ended December, 2002. This Company has commenced the commercial production of AC Generator for two wheeler segment since August, 2002. This Company is planning to supply starter motors for the two wheeler segment in the year, 2003.