

SICAL 

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Annual Report 2005-06
Sical Logistics Ltd

Founded in 1955, Sical Logistics is India's leading provider of integrated multi-modal logistics for bulk and containerized cargo

port logistics
inland logistics
container logistics
offshore logistics



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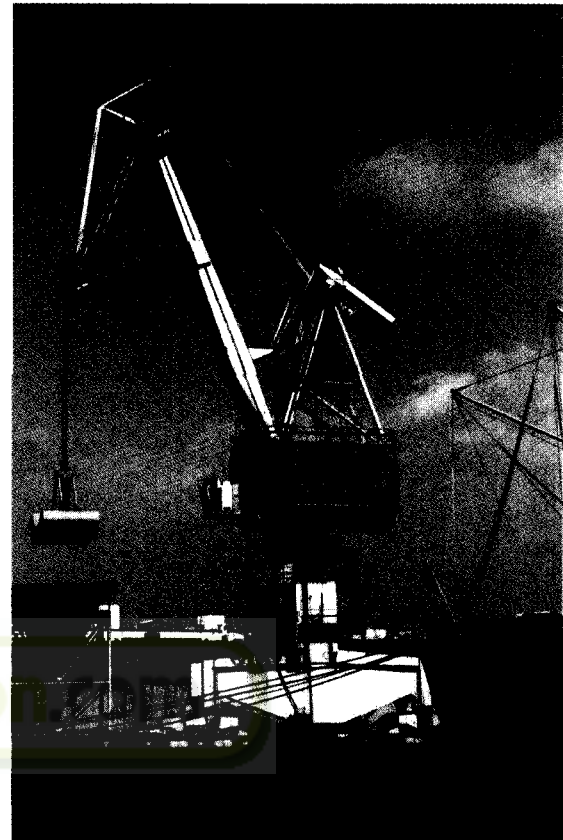


In the year ended 31 March 2006, we announced our decision to focus exclusively on Sical's core business of bulk and containerized logistics, and to hive off our non-core businesses.

In line with our focus, we changed our name from South India Corporation (Agencies) Ltd to Sical Logistics Ltd, and unveiled our new identity.

Towards funding our rapidly increasing business requirements, we decided to raise USD 75 million in foreign currency convertible bonds (FCCB), completing the issue in April 2006.

We won new contracts for increased coal handling at Tuticorin and Chennai ports, and for steel coils and slabs at Chennai. We added new clients to all our businesses, especially in port handling, trucking, and container logistics.



Key financials

(in Rs million)

Year to 31 March	2006	2005
Total revenue	9692	12215
PBDIT	1054	939
Interest	265	437
Depreciation	138	128
Provision for tax	135	335
Net profit	537	311
Equity share capital	302	276
Reserves and surplus	2843	1392
Net worth	2056	2045
Gross fixed assets	3132	2720
Net fixed assets	2570	2045
Total assets	6735	6093

Sical quick information

Primary business

Integrated multi-modal logistics for bulk and containerized cargo

Incorporation

May 1955

Initial public offering

March 1981

Total revenue*

Rs 9.69 billion

Net profit*

Rs 537 million

Shares issued*

30.2 million

Listing

The Bombay Stock Exchange

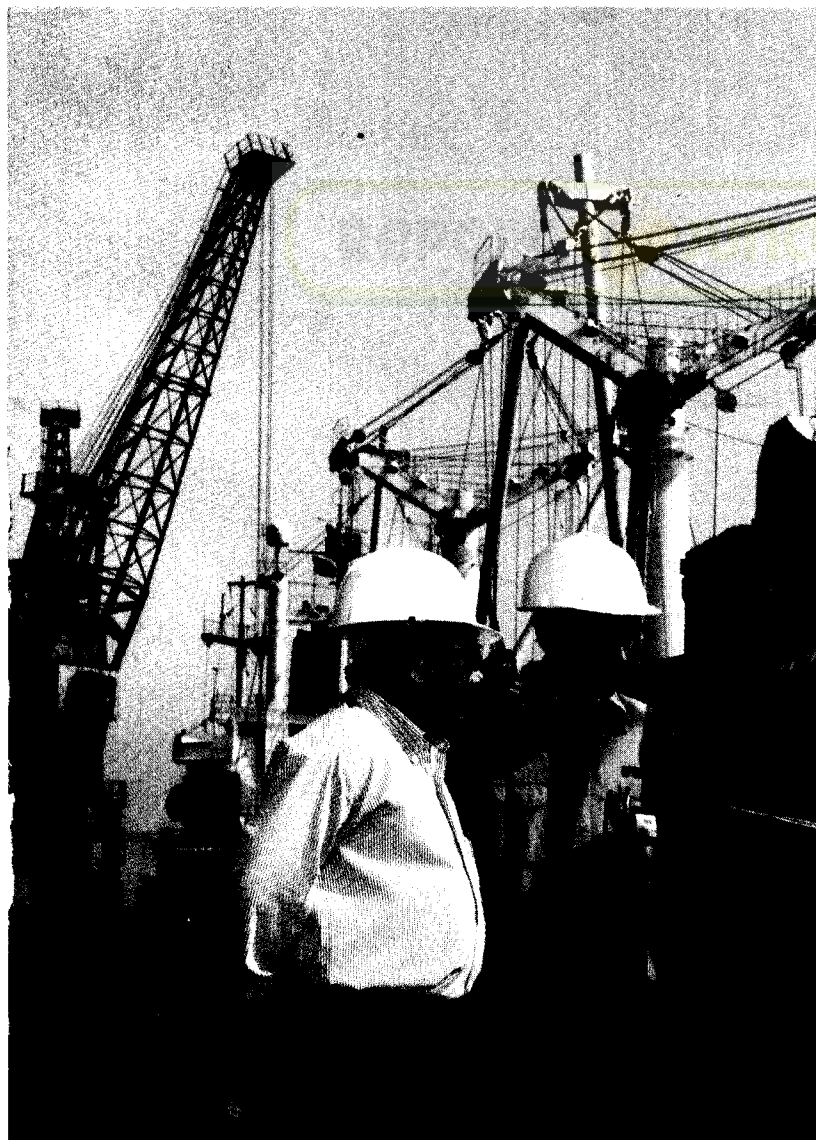
The National Stock Exchange of India

*as on 31 March 2006



Board

Dr AC Muthiah	Chairman
Ashwin C Muthiah	Vice Chairman
S Chandra Das	Director
R Muthu	Director
Dhananjay N Mungale	Director
Jawahar Vadivelu	Director
M Ajayakumar	Director
VR Mehta	Nominee Director-UTI
R Ramakumar	Managing Director



Company Secretary

S Sathiyarayanan

Auditors

CNGSN & Associates

Chartered Accountants

20, Raja Street, T Nagar

Chennai 600017

Bankers

Allahabad Bank | Bank of India

Centurion Bank | HDFC

HDFC Bank | IDFC

Federal Bank | Indian Bank

State Bank of India

State Bank of Mauritius | UTI

UTI Bank | Yes Bank

Principal office

South India House

73 Armenian Street

Chennai 600001

Voice: +91.44.25229341

Fax: +91.44.25224202

Email: secl@sical.com

Registered office

Adyar House,

Chennai 600085

Web site

www.sical.com

Sical snapshot

Sical core—integrated multi-modal logistics

Integrated multi-modal logistics for bulk and containerized cargo

Port logistics
Inland logistics
Container logistics
Offshore logistics

Other businesses

Building materials

Marketing of *Tata Pipes* brand of standard tubes, precision tubes and closed tubes manufactured by a Tata Steel SBU, India's largest maker of steel tubes.

Marketing of other building materials such as PVC pipes, household cables, and floor tiles.

Manufacturing

Automotive electrical components

Flexible shafts and drums

Agri protection and growth products

Specialty chemicals

Plantations: coffee and oil palm

Refractories

Services

Cars and commercial vehicles dealership

Property development

Travel agency

Harbor craft maintenance

Operations mix

	(in Rs million)	
Year to 31 March	2006	2005
Integrated logistics	6176	8843
Other businesses		
Building materials	1540	1539
Services + Manufacturing	1835	1766



Joint ventures

Sical Distriparks Ltd

Formerly a JV with a Port of Singapore Authority subsidiary. Sical and associates now own 90% of the company's equity—55 acre container freight station near Chennai, India.

PSA-Sical Terminals Ltd

Joint venture with PSA Corporation, Singapore, for container terminal at Tuticorin, India.

Sical delivery infrastructure

One stop shop for bulk and containerized cargo—bagged consignments, containers, project material, over-dimensional cargo.

Port handling, customs house agency at the ports of Chennai, Tuticorin, Visakhapatnam, Nhavasheva, Kandla, Haldia, Paradip, and Goa; ship agency at all major and intermediate Indian ports.

Exclusive license for a bulk cargo-handling berth (JD5) at Chennai port for 30 years; ensures clients get a walk-in berth for bulk cargo vessels, avoids pre-berthing delays.

Trucking fleet Nearly 400 Sical-owned trucks plus 2000 hired vehicles

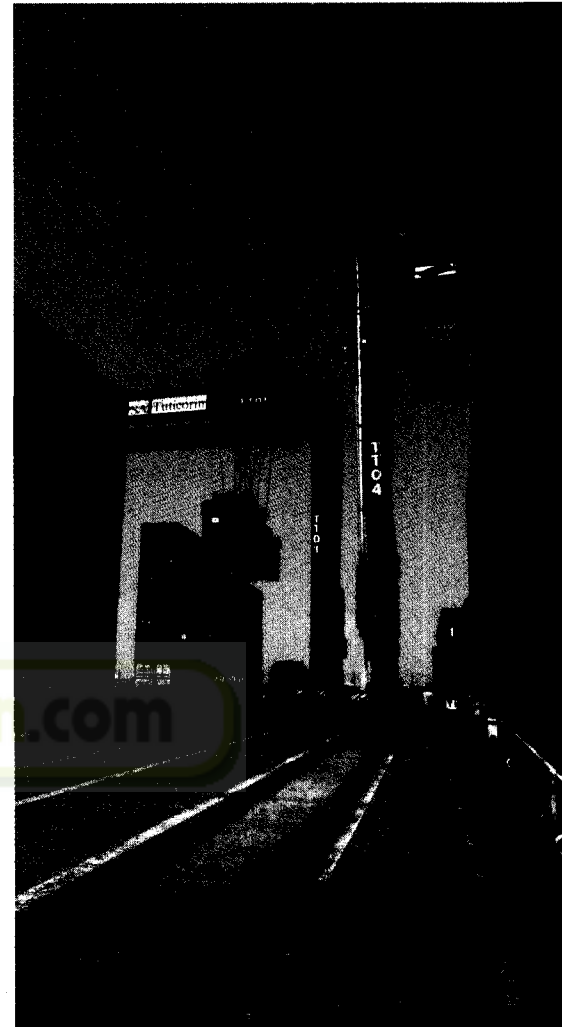
Warehouses Strategic locations across India

Permanent lease—50

Short term lease—50

Sical-owned—4

Storage space—1.9 million square feet



Major contracts

Coal handling | Tamil Nadu Electricity Board

Scope: To handle 8 million MT of coal annually. The work: unloading of ship cargo using 2 shore-based cranes and providing mobile hopper for receiving cargo from a self-discharging ship. Build-operate-transfer (BOT) model with Rs 900 million investment from Sical.

Container stations | Central Warehousing Corporation

Scope: Operations and management of CWC's container freight stations at the ports of Nhava Sheva, Visakhapatnam and Tuticorin, and CWC's inland container depot at Noida. The infrastructure is owned by CWC; Sical is responsible for operations and marketing to end-customers such as shipping lines and large manufacturers.

Offshore vessels logistics | Oil and Natural Gas Corporation

Scope: Sical manages 15 of ONGC's OSVs. An OSV carries the supplies that an offshore rig or platform requires for day-to-day operations, such as drilling equipment, mud, tubulars, oil and lubricants, food and water. Sical's responsibility includes manning, victualing, operation, technical management, maintenance and repair.

Road transport | Caltex, TN Petro, Pepsi, Shell

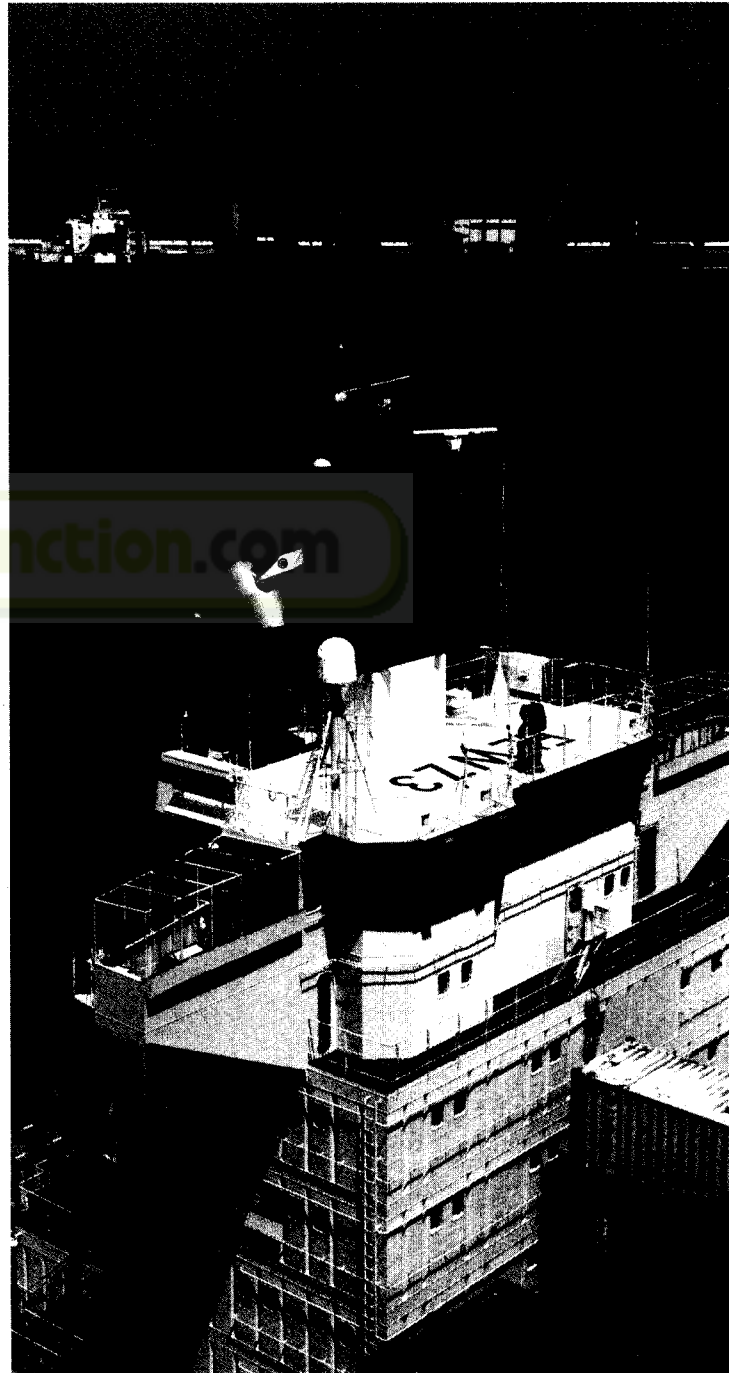
Scope: For Caltex, Sical moves LPG, in bulk and in cylinders, across the Indian states of Tamil Nadu, Karnataka, and Kerala. For TN Petro, Sical moves linear alkyl benzene (LAB), benzene and heavy normal paraffin across the states of Tamil Nadu, Karnataka, Pondicherry, Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, and West Bengal. For Pepsi India, Sical moves beverages and mineral water across the states of Tamil Nadu, Kerala, Karnataka, Goa, and Maharashtra. For Shell India, Sical transports Shell petroleum products across India's southern states.

Container terminals | Tuticorin Port Trust

Under a 30 year contract by the Tuticorin Port Trust, India, the Sical-Port of Singapore Authority (PSA) alliance operates and manages the container terminal at Tuticorin port. Facilities include 250,000 square feet of open bonded area, and a container stacking capacity of 3,000 TEUs.

Key customers

American President Lines
Bharat Earth Movers
Bharat Heavy Electricals
BHP Billiton
Birla White
Caltex India
Castrol
Chios Navigation
Datacraft
Glencore
Haier
Henkel SPIC
Hindustan Aeronautics
Hindustan Lever
Hindustan Petroleum Corporation
Honda Ciel
India Cements
Indian Space Research Organization
Indian Telephone Industries
Infosys
JSW
Kalyani Ferrous Industries
Karnataka Power Corporation
Kirloskar Ferrous
LG
Maersk
Moser Baer
National Mineral Development Corporation
Neyveli Lignite Corporation
Oil and Natural Gas Corporation
Oldendorff
Panasonic
Pepsi
Samsung
Setaf Saget
Sony
Southern Petrochemical Industries Corp
Tamil Nadu Electricity Board
Tamilnadu Petro
Tata Consultancy Services
Tuticorin Alkali Chemicals and Fertilizers
Wilson International



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

Sical business strengths

50 years-plus of business success and relations with multiple stakeholders—customers, partners, shareholders, investors, government agencies, bankers.



Bulk cargo logistics across all variants—dry bulk, liquid bulk, over dimensional cargo, project equipment, hazardous chemicals—and across multiple commodities such as thermal coal, coke, fertilizer, cement, steel scrap, steel, and iron ore.



Expertise of integrated logistics across multiple transport channels—road, rail, sea—with presence in all of India's major and intermediate ports.



Diversified strategy—bulk, offshore, and container logistics.



Stable cash flows from long-term annuity projects; continuous cash flows from annual logistics contracts.

Recognition

Handling largest volume of cargo, discharging largest quantity of thermal coal in a single day, highest labor levy

Tuticorin Port Trust, 2005-06

Handling largest volume of coal during the year, the third year in a row

Chennai Port Trust, 2005-06

Handling largest volume of cargo during the year

Chennai Port Trust, 2003-04

Handling largest cargo tonnage and for record discharge of the

Tuticorin Port Trust, 2003-04

Best Stevedore

Mormugao Port Trust, 2003-04